murugappa

Coromandel

nurturing a positive future

2010 2011 ANNUAL REPORT

Coromandel International Limited

CHAIRMAN'S MESSAGE

Dear Members,

The Indian economy is growing at 8.5 to 9.0% every year and is keeping pace with expectations of economists of the world. The higher growth rate was contributed by significant growth in agriculture at 6.6% in 2010-11 as against the growth of only 0.4% in 2009-10. This augurs well for the economy going forward as agriculture always recorded sluggish growth in the past. Food grain production touched an all time high of 235 million MT with record production of Wheat and Pulses. Increase in soil productivity through efficient use of crop inputs is the only way forward to meet the growing demand of food by a rising population.

As a step towards balanced nutrition to improve soil health and crop productivity, Government has implemented nutrient based subsidy from 1st April 2010 for phosphatic fertilisers. This move by Government facilitates in curtailment of subsidy bill and provides farmers access to new products to enhance crop productivity. This new policy is a welcome change for the industry as it helps players to leverage on their strong brands backed by intensive extension activities.

The demand for innovative fertiliser grades is expected to grow in the future in order to ensure improved soil productivity at the same cost to the farmers. We at Coromandel have been proactive in responding to this positive drive. We continue to invest in the development of new fertiliser grades that will benefit the farming community for years to come. The tie up with Shell Research for introduction of Sulphur Enhanced fertilisers is a step in this direction

Coromandel recorded all time high sales of fertilisers during the year and the company has included Urea also in its portfolio. The company is also in the process of increasing capacity to approx 4 million tonnes from the current 3.2 million tonnes and additional raw materials required for the increased capacity is also being tied up. The investment in Tunisia is expected to start yielding results from 2011-12 onwards when the project gets commissioned.

Coromandel's long term strategy of de-risking the subsidy business with non-subsidy business such as Crop Protection, Specialty Nutrients, etc., has started yielding significant results. And significant growth in non subsidy businesses is expected in the next 3 to 4 years. On the retail front we have plans to expand our presence geographically and also the gamut of product and service offering to farmers. Farm mechanisation service has been launched on a test basis and there are plans to scale up in the coming years.

As part of our strategy, we continue to focus on backward integration in terms of raw material tie ups and forward integration in terms of retail, distribution reach, farm mechanisation and drip irrigation.

As a company, we have been energizing and making a difference to the millions of lives we touch. And it is with this energy that we will bring about a collective change that our nation and society are looking forward to.

A Vellayan
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Members,

Coromandel continued to excel in all its endeavors and returned a very healthy financial performance with turnover of Rs.7,716 crs, registering growth of 18% over previous year. Profit after tax grew by 48% to Rs.694 crs. Return on Equity was healthy at 36%. Company's market capitalisation also grew to Rs.8,127 crs as on 31st March, 2011 as compared to Rs.5,519 crs last year. We wish to place on record our sincere appreciation for the faith and trust that shareholders, customers, employees and other stakeholders had in us.

Indian economy is growing and so is need for growing not only enough food but also improving food quality. Coromandel is deeply engaged with Indian farmers since the last 50 years to help them grow more food. Indian agriculture is faced with multifarious challenges. These would be general lack of interest of farmers in this profession, inadequate marketing infrastructure and antiquated marketing systems, deteriorating soil health, unbalanced use of fertilisers, lack of new germplasm, lack of R & D by state universities, inadequate use of integrated pest management practices, lack of modern farm practices, inefficient use of water and lack of land reforms (consolidation). These are humongous challenges and need a very coordinated effort by all stakeholders i.e Government, Industry, NGOs and farmers/farmers' groups. As a significant Industry constituent of farm eco system, Coromandel is uniquely positioned to make its rightful contribution to help farmers alleviate some of their problems.

Coromandel is focused on not only improving farm productivity but also improving food quality. Each of our businesses is well structured and is capable to make a difference through innovative ways of servicing the farming community. Be it soil health correction with use of compost, use of complex fertilisers, supplying the products and services related to secondary and micro nutrients which add to the completely balanced nutrition, Coromandel is working shoulder to shoulder with our farmers. Coromandel has come out with very unique and pioneering services such as paddy transplantation services in Andhra Pradesh for the farmers. The intensive coverage of Mana Gromor Retail centres and their field team's stay with the farmers for all 12 months of the year help them in cultivating the lands in more scientific way and achieve higher yields and also optimise costs of cultivation.

Indian agriculture of future not only is required to ensure food self sufficiency but will also play a very important role in economic development of a very large rural population of our country. Coromandel will remain focused on its purpose and will strengthen its current offerings by deeper and wider penetration in agricultural markets to help Indian farmers meet some of these challenges. Coromandel will also seek opportunities to expand its range of products and services primarily focused in serving farmers. This focus, I believe, has delivered value to our shareholders in the past and will continue to do so in future too.

Kapil Mehan
Managing Director

INTRODUCTION

‘Growth’ is a very subjective attribute; it means different things to different people. It is crucial how a company perceives this goal, especially if its growth is significant for not just enhancing individual lives and nation building, but also for global wellbeing. At Coromandel International, we have understood this well and have incorporated it as one of our core philosophies. We interpret growth as a holistic transformation; for us growth is not just about yield but also conservation and sustainability, not just accumulation but distribution and equality.

In 1992, the famous Earth Summit held at Rio de Janeiro emphasised on the urgent need of conserving global natural resources while moving ahead on the path of progress. It focused on sustainable agriculture and urged the world to address both environmental and developmental issues in an integrated manner at global, national and local levels.

Coromandel was already aligned to this global agenda. As a progressive market leader, we look at growth beyond just profits and are taking comprehensive action to harbinger the necessary modifications required in the agricultural sector. Be it organic fertilisers from municipal waste or farm mechanisation, rural retail or speciality nutrients, every step we take not only helps in improving the socio-economic development process of the nation, but also aids to the global need of a green revolution. Today, the world is looking forward to a positive change and we are optimistically emerging as one of the major contributors.

Leading through comprehensive growth

FERTILISERS

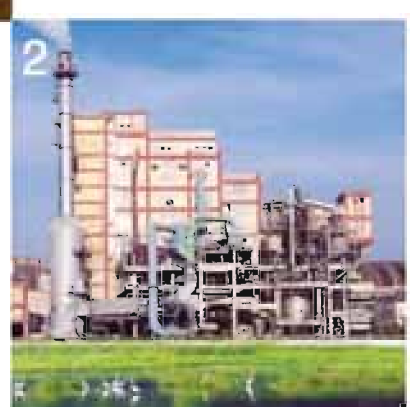
Food security is a rising concern across the globe. India needs a sustained agricultural growth rate of 4-4.5% in order to reduce food insecurity. As one of the leading manufacturers of phosphatic fertilisers in India, Coromandel has already accelerated its efforts towards rapidly improving the agricultural growth of our country.

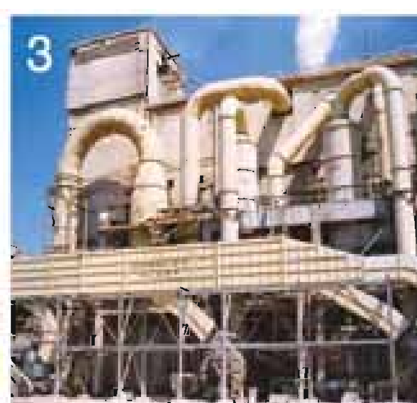
Coromandel's first and immediate response towards the need is through a capacity expansion by adding one more train ('C') at Kakinada unit. This will enable us to achieve higher production and help us in meeting the growing demand of fertilisers.

During the year, we have also started handling and marketing Urea imported through Karaikal port and this enables us to meet comprehensive nutrient requirements of crops.

The new Nutrient Based Subsidy policy that creates a win-win proposition for the Government, the farmers and the industry is an encouragement at the right time. This will facilitate us to introduce new grades of fertilisers customised to each crop and soil content. As part of this endeavour to provide value add products to farmers, Coromandel has signed an agreement with global leader Shell, where Shell will provide technology to manufacture sulfur enhanced formulations.

1. Lead Director Mr. V. Ravichandran, with Mr. Carlos Maurer of Shell
2. Kakinada plant
3. Vizag plant





Expanding for better protection

PLANT PROTECTION

1. Lab at Ankleshwar plant
2. Ankleshwar plant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It is estimated that India loses approximately 18% of the crop yield valued at Rs.900 bn due to pest attacks each year. Productivity improvement of crops and reduction of crop losses due to pests are the means to cater to the increasing food needs of the ever growing population of India. Meeting plant protection needs of farmers effectively with products and services thus becomes a national priority.

Coromandel, which is in the business of plant protection for a long time, recorded an all time high growth of 23%, becoming the No.1 brand in AP due to its strong distribution and retail network. It also extended its reach into new export markets of Africa and Far East sectors. The acquisition of a new formulation unit in Jammu has facilitated in catering to the northern markets besides meeting increased requirements from the Southern Regions. Centralised technical grade manufacturing facilities at Ankleshwar and formulations facilities in Ranipet and Jammu, have given us a great advantage in enhancing our plant protection business.

Coromandel has started introducing new products through in house R&D at Ankleshwar to enhance the product portfolio and is also entering into co-marketing tie ups for accessing new chemistry products. We are also looking at opportunities to broad base our product offering and expand our presence nationally and internationally.

Rejuvenating soil through innovation

SPECIALITY NUTRIENTS & ORGANIC MANURE

1. Inside AV Van
2. Organic manure being packaged at Nellikuppam plant

In a world where collaboration is being pegged as the way forward, Food and Agriculture Organisation (FAO) has clearly indicated that external assistance towards agriculture of developing countries are shrinking. It suggests that developing countries must increase their degree of self-dependence in agricultural research. A company with foresight, Coromandel seriously considered this as an opportunity to strengthen its capability to innovate, adapt and create indigenous technology. Today we have the first mover's advantage in the market in this business.

The most recent achievements in speciality nutrients are the in-house research grades of Water Soluble Fertilisers like Insta and Superia with exclusivity. Our new Water Soluble Fertilisers Plant at Kakinada in collaboration with SQM is expected to be commissioned in 2011. During the year, we have also introduced mobile labs (A.V. Vans) with the equipments for soil testing and GPS facility. These vans facilitate us to give soil tests based recommendations instantaneously and also to educate farmers on the best practices.

It was an eventful year for the organic fertiliser division as the sales of our flagship product Godavari Gold touched a record high and we launched 3 new products - PhosGold, RockGold and Nrich. Coromandel is spearheading this initiative of rejuvenating soil health by adding organic carbon content in the form of municipal compost. We are gearing up to expand the business and new facilities are being set up to sustain the product quality and supplies.

Empowering farmers for sustainable development

RETAIL

1. Lifestyle products displayed at a Mitramart outlet
2. Farmers using a kiosk at a Mana Gromor outlet

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Soaring labour costs arising from the dearth of farm workers in rural India has worsened in recent years. Rural youth migrating to urban areas in search of non-farm job opportunities is one of major reasons. Since food production has to grow by the day, we have to empower the farmers with technology and enhance their lifestyles to attract rural Indians back to their lands. Coromandel focuses on improving rural life and provides farmers the tools and information they need to multiply their harvest.

Coromandel's farm mechanisation service enhances crop yields and saves time of farmers as well. Over 4000 acres in AP is a good indication of the farmers' receptiveness to the unique tools and techniques of mechanisation.

Our rural retail chain, Mana Gromor Centres and Mitramart Outlets, which provide both agricultural products and life style products for farmers has reached an enviable number of 423 stores in AP. The tremendous success encouraged us to extend the chain to Karnataka by setting up of 20 centres under the name Namma Gromor Centres and we have plans to travel to Maharashtra and Tamilnadu as well. These centres besides providing complete range of agri products also provide other services to farmers. As a value-add to the farmers we have installed Touch Screen kiosks at these retail outlets. The kiosks deliver nutrient and pest management recommendations, crop cultivation information, agricultural statistics, symptoms identification details, etc. and can be operated directly by the farmers.

Encouraging talent and leadership

OUR PEOPLE

1

1. HR Manager, Manav Jain's team at AIM, Manila, Philippines
2. Technology Head, Dr. Amit Rastogi at International Plant Nutritional Institute, Georgia, USA

We are our people. Since our inception each and everyone associated with Coromandel has been a driving force to catapult our growth to where we are today. As a company we are proud of our people and are focused towards enriching their careers in terms of professional and personal development. We strive to hire the best and leave no stones unturned to ensure that their growth is in sync with the Company's growth.

Coromandel invests on development of its people through various programs including AGNYA - Coromandel's Leadership Development Program which aims to develop leaders from within. The organisation sends its current and future leaders for advanced management development programs to the best of institutes including **Harvard Business School, INSEAD, Asian Institute of Management, IIM's,** etc. Coromandel strives to build best in class functional, technical and managerial capabilities with a view to deliver superior performance in all areas.

We seek to actively promote and nurture innovation. Coromandel's quest for innovation on all fronts and its efforts to promote innovation was recognised when we won the DMA Erehwon National Award for Innovation in HR. A structure of i-council (Innovation Council), i-sponsors (Innovation Sponsors) and i-leads (Innovation Leaders) complemented by a venturing process and training to support innovation has been initiated by Coromandel.

Coromandel has a high degree of focus on employee engagement and has partnered with Gallup in this area – these efforts are yielding good results with levels of employee engagement improving year on year. Highly engaged employees working in an exciting work culture deliver better performance in terms of customer service, better products and lower costs among others. No wonder Coromandel has won awards for employee engagement, and has also been ranked among the top 20 best companies to work for by Business Today.

AWARDS

Various prestigious awards that keep us striving for more noteworthy accomplishments

AIBCI Silver Award in the Magazine Design category.

Agriculture Leadership Award 2010 presented to Coromandel by Agriculture Today at New Delhi on 29.9.2010 for Coromandel's contribution to agriculture & agribusiness.

Gold Award in the Internal Magazine category from the Association of Business Communicators of India (ABCI), Mumbai at the National Awards 2010.

Another Gold in the Wall Paper category for Engage Poster campaign.

Second Prize in the Corporate Website category for www.coromandel.biz from PRSI.

1st prize for Best House Magazine from the category from the Public Relations Society of India(PRSI), New Delhi, at the National Awards 2010.

1. Mr. P. Gopalakrishna, Sr. VP - Retail, receiving the Best Video Film award from Shri. M. K. Alagiri, Hon'ble Union Minister for Chemicals & Fertilisers, GOI, as Mr. A.Vellayan, Chairman, Coromandel looks on.

2. Dr. G. Ravi Prasad, President – Marketing (Fertisers and SND), receiving the Agriculture Leadership award from Sri H.E. Shivraj Patil, Governer of Punjab as Mr. M.S. Swaminathan looks on.

Encouraging them to reach out

CORPORATE SOCIAL RESPONSIBILITY

1. Coromandel's water tanker supplying fresh drinking water to villagers
2. Girl students being awarded under the Rural Girl Child Education scheme

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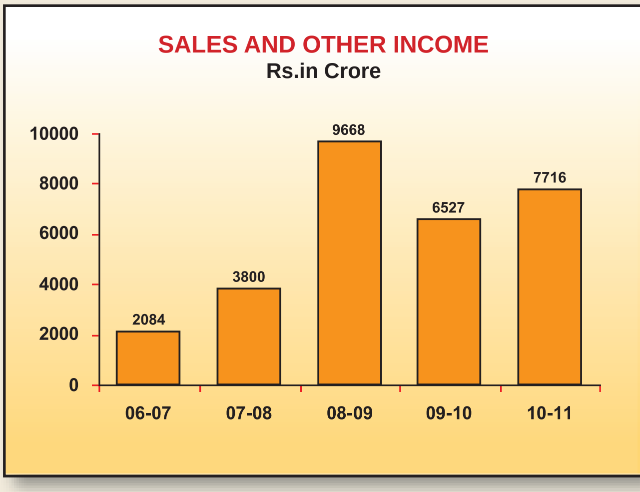
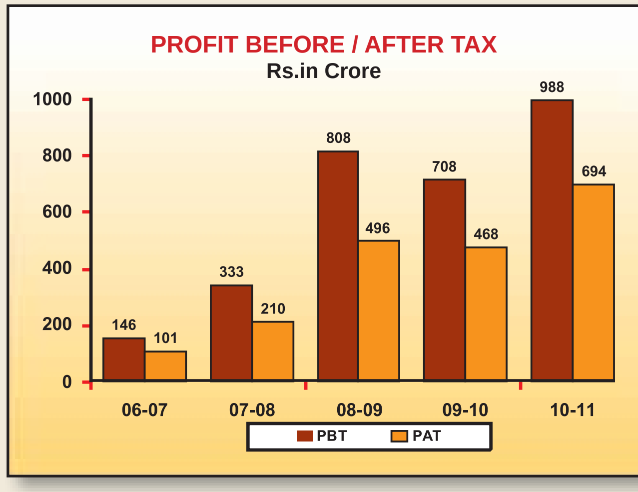
Sustainable development cannot be achieved unless rural people are part of the solution and education is key to preparing them for active participation in this process. Coromandel's Rural Girl Child Education program, one of its corporate social responsibility programs, works effectively towards achieving this goal.

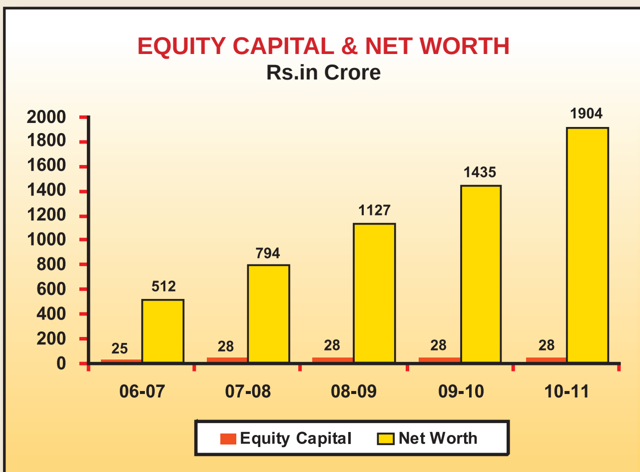
The Rural Girl Child Education scheme was initially introduced 6 years back in Andhra Pradesh and now recognises girl students from Karnataka, TamilNadu, Orissa and Maharashtra as well. The core objective of the program was to reduce the percentage of rural girl child drop outs from school and encourage them to go for higher studies. This year, 60 rural girls were sponsored for higher education under this program.

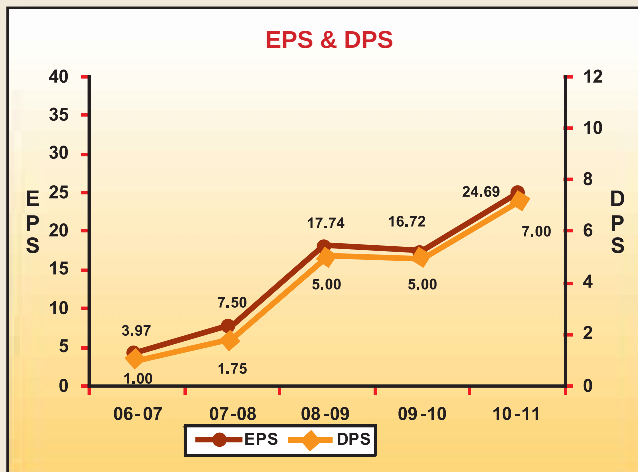
Another important initiative taken up by Coromandel was to supply drinking water to 2 remote villages. People of Vakalapudi and Valasapakala villages are now extremely happy as Coromandel reaches fresh drinking water to them every day with the help of a water tanker. Coromandel has also decided to provide medical assistance in Ennore through a Coromandel Public Health Care Centre. The centre will provide outpatient consultation at a very nominal fee, quality medicines at 'No Profit-No Loss' basis and a Lab Collection Centre that'll conduct testing at half the actual cost.

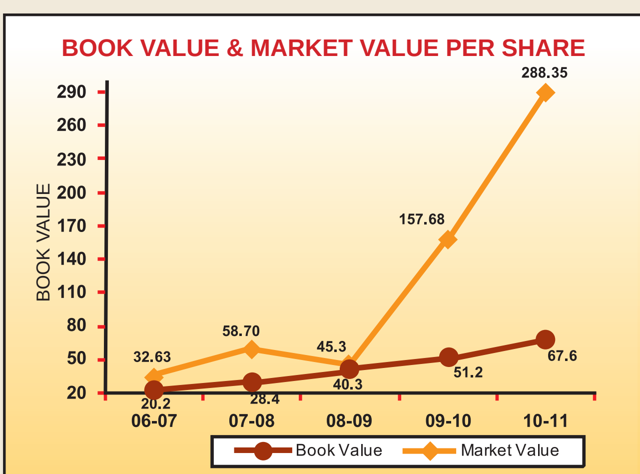
STRONG FUNDAMENTALS

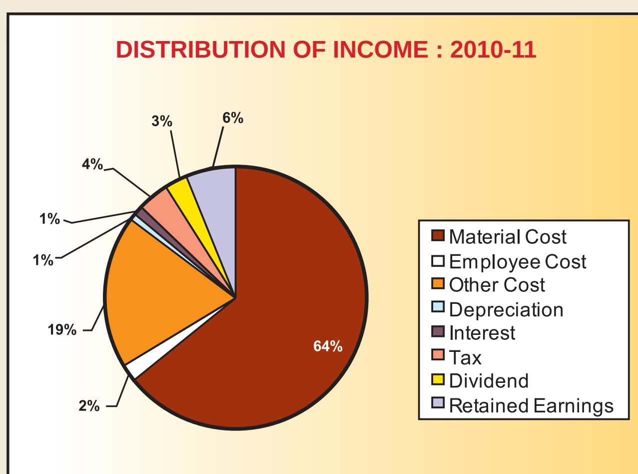












CORPORATE INFORMATION

BOARD OF DIRECTORS

A Vellayan
Chairman

K Balasubramanian
Director

B V R Mohan Reddy
Director

R A Savoor
Director

M K Tandon
Director

M M Venkatachalam
Director

Ranjana Kumar
Director

V Ravichandran
Director

Kapil Mehan
Managing Director (from 19.10.2010)

MANAGEMENT TEAM

Kapil Mehan
Managing Director

P Nagarajan
Chief Financial Officer

G Ravi Prasad
President - Marketing Fertilisers & SND

P Gopalakrishna
Sr Vice President - Retail

Harish Malhotra
Sr Vice President - Commercial

G Veera Bhadram
Sr Vice President - Plant Protection - SBU

Arun Leslie George
Sr Vice President & Head of HR

S Govindarajan
Sr Vice President & Head of Manufacturing

M R Rajaram
Company Secretary

BANKERS

State Bank of India
HDFC Bank Limited
IDBI Bank Limited
ICICI Bank Limited
Hongkong and Shanghai Banking Corporation Limited
Yes Bank Limited

AUDITORS

Price Waterhouse
8-2-293/82/A/1131A
Road No. 36, Jubilee Hills
Hyderabad - 500 034

COST AUDITORS

V Kalyanaraman
Dantu Mitra

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
Plot No. 17-24, Vithal Rao Nagar
Madhapur
Hyderabd - 500 081

REGISTERED OFFICE

"Coromandel House"
1-2-10, Sardar Patel Road
Secunderabad - 500 003

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FINANCIAL HIGHLIGHTS - TEN YEARS' RECORD

Rupees in Lakhs

	Year Ended 31st March									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Income	67972	58977	122259	155417	187471	208423	380011	966781	652685	771614
Gross Profit	10801	7497	13213	14670	17645	21812	45537	94903	84304	113442
Depreciation	1724	1560	3264	3510	3708	3984	5213	5613	5923	6174
Interest	1769	1288	2872	1873	2401	3193	6983	8472	7537	8422
Profit Before Tax	7308	4649	7077	9287	11536	14635	33342	80818	70844	98846
Profit After Tax	4554	2703	4311	6919	8355	10074	20976	49638	46820	69446
Net fixed Assets @	22269	21821	37757	37134	36367	38241	73539	79184	81731	85319
Investments	298	1265	13617	13488	16181	17408	7231	16331	21105	21233
Net Current Assets	14693	22674	20006	22768	41393	57625	111208	197136	240989	239121
Total Capital Employed @	37260	45760	71380	73390	93941	113274	191978	292651	343825	345673
Shareholders' Funds @	21490	22954	33105	37906	43799	51244	79444	112714	143499	190412
Borrowings	11210	17785	29559	26791	42626	54896	104287	171990	191779	147116
Deferred Tax Liability (Net)	4560	5021	8716	8693	7516	7134	8247	7947	8547	8145
Total Capital Employed @	37260	45760	71380	73390	93941	113274	191978	292651	343825	345673
Earnings Per Share (Rs.)*	2.34	1.39	1.70	2.72	3.29	3.97	7.50	17.74	16.72	24.69
Dividend On Equity (%)	70	60	65	75	85	100	175	500	500	700
Book Value per share (Rs.)*	11.0	11.8	13.0	14.9	17.3	20.2	28.4	40.3	51.2	67.6

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

@ Excluding Fixed Assets Revaluation Reserve

* Earnings per share and Book value per share upto the year 2010 recomputed based on split face value of Re.1/- per share.

NOTICE

Notice is hereby given that the FORTY NINTH Annual General Meeting of the Members of Coromandel International Limited will be held on Thursday, July 21, 2011 at 10.30 AM at Hotel Minerva Grand, CMR Complex, Beside Manju Theatre, Sarojini Devi Road, Secunderabad-500 003, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr V Ravichandran, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr K Balasubramanian, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr B V R Mohan Reddy, who retires by rotation and, being eligible, offers himself for re-appointment
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors M/s Price Waterhouse, Chartered Accountants, have informed the Company that they do not wish to seek re-election as Auditors of the Company. The Company has received a special notice from a member proposing the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company in the place of M/s Price Waterhouse.

   To consider and if deemed fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, bearing Registration No. 008072S with the Institute of Chartered Accountants of India, be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs.28.00 lakhs (Rupees Twenty eight lakhs only) plus reimbursement of out of pocket expenses and service tax."

Special Business

7. To appoint a Director in place of Mr Kapil Mehan who was appointed as an Additional Director under Article 109 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting by reason of Section 260 of the Companies Act, 1956, but being eligible, offers himself for re-appointment and in respect of whom a notice in writing has been left at the Registered Office of the Company by a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr Kapil Mehan as a candidate for the office of the Director.
8. To pass with or without modification the following resolution as an Ordinary Resolution:

   "RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 and all other related and applicable provisions, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval be and is hereby given for the appointment of Mr Kapil Mehan as the Managing Director of the Company for a period of 5 years from October 19, 2010 to October 18, 2015, on the terms and conditions including remuneration as set out below with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter, vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

   RESOLVED FURTHER THAT Mr Kapil Mehan, Managing Director, be paid remuneration by way of salary, allowances, incentive and perquisites subject to the requirements as contained in Sections 198, 309 and 310 read with Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and further subject to an overall limit of 5% of the net profits of the Company for each financial year computed in the manner prescribed in Sections 349 and 350 of the Companies Act, 1956, as specified below with effect from October 19, 2010:

   a. **Salary**

      Rs. 3,55,000/- per month in the range of Rs.3,50,000/- to Rs.10,50,000/-.

      The Increments to be decided by the Remuneration & Nomination Committee (R&NC).

   b. **Allowances**

      Allowances like House Rent Allowance, Leave Travel Allowance, Personal Allowance, Special Allowance, Additional Special Allowance, Grade Allowance and/ or any other allowance/component of remuneration as determined by the Remuneration and Nomination Committee

   c. **Incentive**

      As determined by the Remuneration and Nomination Committee for each year.

   d. **Perquisites**

      As determined by the Remuneration and Nomination Committee such as Furnished / Unfurnished accommodation or House Rent Allowance in lieu thereof, reimbursement of medical expenses incurred by Mr Kapil Mehan and his family, club fees, provision of cars and encashment of leave as per the rules of the Company in force from time to time, and any other perquisites, benefits, amenities as applicable to senior management staff of the Company, from time to time.

e. **Retiral Benefits**

Provident Fund/Superannuation Fund

Contribution to the Provident Fund and Superannuation Fund shall be in accordance with the approved schemes of the Company as in force from time to time.

Gratuity

Gratuity payable in accordance with the rules of the approved scheme of the Company as in force from time to time.

f. **Employee Stock Option Scheme 2007**

Participate in the Employee Stock Option Scheme 2007 of the Company.

g. **General**

(i) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.

(ii) Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.

(iii) Mr Kapil Mehan would not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

(iv) Mr Kapil Mehan would be subject to all other service conditions as applicable to any other employee of the Company.

THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr Kapil Mehan's office as Managing Director, the remuneration by way of salary, perquisites, special allowance, benefits, amenities and facilities shall not, unless approved by the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made there under or any statutory modifications or re-enactment thereof."

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

M R RAJARAM
Company Secretary

Registered Office:
"Coromandel House"
1-2-10, Sardar Patel Road
Secunderabad 500 003
Andhra Pradesh
Dated: April 21, 2011

NOTES:

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

An Explanatory Statement under Section 173 of the Companies Act, 1956, in respect of items 7 & 8 is appended hereto.

The Register of Members and the Share Transfer Books of the Company will remain closed from July 15, 2011 to July 21, 2011 (both days inclusive).

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

Pursuant to the provisions of Section 205C of the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed upto the financial year 2002-2003 has been transferred to the Investors Education & Protection Fund.

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

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

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

ANNEXURE TO NOTICE

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

ITEM NO 7

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

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

Mr Kapil Mehan is interested in the Resolution at this item of the Notice since it relates to his own appointment. A brief resume, as required pursuant to Clause 49(vi) of the Listing Agreement entered into between the Company and the Stock Exchanges, is set out in the Report on "Corporate Governance" appearing at page 26 of the Annual Report.

ITEM NO 8

The Board of Directors at their meeting held on October 19, 2010 have appointed Mr Kapil Mehan as the Managing Director of the Company for a period of 5 years from October 19, 2010 to October 18, 2015. Brief particulars of the terms of appointment and remuneration are given under item No. 8 of this Notice.

An abstract of the terms of appointment of Mr Kapil Mehan, Managing Director, pursuant to Section 302 of the Companies Act, 1956 was sent to all the Members on October 20, 2010.

The appointment of Mr Kapil Mehan as the Managing Director with effect from October 19, 2010 and terms of remuneration with effect from that date require the approval of the shareholders in general meeting as per provisions of the Companies Act, 1956.

Accordingly, Ordinary Resolution set out under Item No.8 of the Notice is submitted to the Meeting.

The terms of appointment and remuneration as set out in the Notice may be regarded as an abstract of the terms and conditions and memorandum of concern or interest for the purpose of Section 302 of the Companies Act, 1956 and the requirements of the Act may be deemed to have been complied with.

Mr Kapil Mehan is interested in the Resolution at Item No. 8 since it relates to his own appointment and remuneration.

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

M R RAJARAM
Company Secretary

Registered Office:
"Coromandel House"
1-2-10, Sardar Patel Road
Secunderabad 500 003
Andhra Pradesh
Dated: April 21, 2011

DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the highlights of the performance of your Company together with the Audited Accounts for the Financial Year ended March 31, 2011.

SUMMARY OF FINANCIAL RESULTS:

Rupees in crore

	2010-2011	2009-2010
Income		
From Operations	7527.95	6394.73
Other	188.19	132.12
Total	7716.14	6526.85
Profit		
Profit before Interest, Depreciation and Taxation	1134.42	843.04
Less: Interest	84.22	75.37
Depreciation	61.74	59.23
Profit Before Tax	988.46	708.44
Less: Provision for Tax (including deferred tax credit)	294.00	240.24
Profit after Tax	694.46	468.20
Add: Surplus brought forward	203.18	148.86
Amount available for Appropriation	897.64	617.06
Appropriation		
- Interim Dividend (incl. dividend tax)	131.47	98.45
- Proposed Final Dividend (incl. dividend tax)	98.27	65.43
- Transfer to General Reserve	350.00	250.00
- Surplus retained in the Profit and Loss Account	317.90	203.18

Operations

The Company has shown improved performance in all its business segments and achieved higher revenue of Rs.7716 crore for the year ended March 31, 2011 (2009-10 - Rs.6527 crore). Profit for the year, before depreciation, interest and taxation was Rs.1134 crore, compared to Rs. 843 crore in the previous year. Profit after tax was Rs.694 crore as against Rs.468 crore in 2009-10 recording an increase of 48%. Higher volumes and improved operating and raw material procurement efficiencies have significantly contributed to improved performance all round, resulting in higher profit.

The Fertiliser division continued to improve on its performance with record volume of production and sales. The total fertiliser sales (including bought out fertilisers) during the year touched the record level of 31.0 lakh MT compared to 29.8 lakh MT in the previous year. Kakinada Plant achieved a number of new records including highest production ever.

The Plant Protection business also performed well during the year recording higher sale of technicals and significant volume increase in branded formulations especially through "Mana Gromor" retail outlets. There has been a significant improvement in the operations of the Ankleshwar Unit with the commissioning of new facilities for manufacturing technicals and robust environment management system. With the centralisation of technical grade facilities at Ankleshwar, Navi Mumbai operations have been stopped. Management is taking initiative for alternate use of the existing facilities. The Jammu formulation units including the newly acquired unit of Pasura Bio-Tech Private Limited have performed well during the year.

The Speciality Nutrients business consisting of Water Soluble Fertilisers (WSF), Secondary and Micro Nutrients and Municipal Compost, achieved profitable growth over the previous year and established new sales records.

The rural retail business which was started in 2007 has now 443 centres operating across Andhra Pradesh and Karnataka catering to the requirements of the farming community - both agri and some of the non-agri products including life style products. During the year, the Company has launched a pilot farm mechanization project to provide services to the farmers.

Sub-division of Equity Shares

During the year under review, the Members had approved the sub-division of the equity shares of the Company from Rs 2/- each into Re. 1/- each through a Special Resolution passed by way of Postal Ballot. Your Company has completed the process of crediting the split shares in electronic mode and also dispatched the new share certificates to the respective Members.

Acquisition and Amalgamation of Pasura Bio-Tech Private Limited

During the year under review, your Company acquired 100% equity capital of Pasura Bio-Tech Private Limited, which has a Pesticides formulations manufacturing facility in Jammu (adjacent to Company's existing unit in Jammu) and completed the process of its Amalgamation into the Company through a Scheme approved by the Hon'ble High Court of Andhra Pradesh. With this acquisition, your Company is in a stronger position to cater to the pesticides formulation needs of the markets in the northern parts of the country.

Subsidiary Companies

CFL Mauritius Limited

The Company (a 100% subsidiary) earned a total income of US $ 0.14 million (equivalent to Rs.0.62 crore) and net loss of US $ 0.026 million (equivalent to Rs.0.12 crore) during the year ended December 31, 2010.

Parry Chemicals Limited (PCL)

The Company (a 100% subsidiary) earned a total income of Rs.0.47 crore for the year ended March 31, 2011 and Profit after Tax was Rs. 0.03 crore.

Coromandel Brasil Limitada

The Company, a Limited Liability Partnership incurred net loss of Brazilian Real 0.515 million (equivalent to Rs.1.33 crore) for the year ended December 31, 2010.

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

Your Company along with its wholly owned subsidiary Company, CFL Mauritius Limited continues to hold 14.0% of equity of Foskor.

During the year the Company renewed the Technical Assistance Agreement with Foskor (Pty) Limited, South Africa, for a period of two years which would end on March 31, 2012. The relationship with Foskor continues to be mutually beneficial.

Joint Venture Companies

Tunisian Indian Fertilizers (TIFERT)

TIFERT, a joint venture Company, was formed in Tunisia in 2008, to set up a phosphoric acid plant. The plant which was originally expected to be commissioned by the first quarter of 2011 is delayed mainly due to the recent political developments in Tunisia and it is now expected that this plant would be commissioned by the second half of 2011-12. Your Company's strategic investment of a sum of about US $ 29 Million towards 15% equity stake in TIFERT is aimed at securing uninterrupted supply of phosphoric acid for the Company's operations.

Coromandel Getax Phosphates Pte Limited

The Joint Venture Company based in Singapore continued its efforts to explore opportunities for rock phosphate mining/sourcing.

Coromandel SQM India Private Limited

The Joint Venture Company, formed to set up a WSF Plant at Kakinada, Andhra Pradesh, has since secured all necessary statutory approvals. The Plant is expected to be commissioned during the course of the year (2011).

Safety, Health and Environment (SHE)

Company's focus on Safety, Health and Environment continued during the year under review across all locations with all manufacturing plants maintaining high safety standards.

Dividend

Your Directors recommend a Final Dividend of Rs.3/- per equity share. With this the total dividend for the year would be Rs.7/- per equity share including an interim dividend of Rs. 4/- per equity share paid to the Members. The Members may recall that a Dividend of Rs. 10.00 per equity share of Rs.2/- each (equivalent to Rs.5/- per equity share of the face value of Re.1/- each) was paid last year.

Consolidated Financial Results

A Consolidated Financial Statement incorporating the operations of the Company, its Subsidiaries and Joint Venture Companies is appended.

The Ministry of Corporate Affairs, has given a general exemption to Companies from publishing the Annual Report of its Subsidiary Companies wherever a Consolidated Statement has been appended. In view of this, the Annual Report of the Subsidiary Companies, i.e. Parry Chemicals Limited, CFL Mauritius Limited and Coromandel Brasil Limitada have not been annexed.

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

Awards/Recognition

Your Company continues to receive awards/accolades from Industry associations. During the year the Company received the following awards/accolades:

- Fertiliser Association of India Award for Best Operating Phosphoric Acid Plant received by Visak Plant
- CII's National Award for excellence in Water Management was received by Visak Plant
- Energy Conservation Award for 2009-10 from NEDCAP, Dept. of Energy, Govt. of AP was received by Visak Plant
- Kakinada Plant received Commendation Certificate from CII-Exim Bank for "Significant Achievement" in Business Excellence
- Significant Achievement in HR Excellence at a National level by the Confederation of Indian Industries (CII).
- Dun & Bradstreet - Rolta Corporate Award 2009 in the Fertiliser sector.
- VOICE - the in house magazine received the Best House Magazine Award from the Public Relations Society of India, New Delhi at the National Awards.

Management Discussion & Analysis and Corporate Governance

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

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

Directors

During the year under review, Mr V Ravichandran, consequent to his appointment as a Lead Director on the Corporate Board of Murugappa Group, resigned from the office of the Managing Director; however, he continues to serve on the Board of the Company as a Non Executive Director effective October 20, 2010.

In accordance with Article 121 of the Company's Articles of Association, read with Section 255, 256 and 262 of the Companies Act, 1956, Mr V Ravichandran, Dr B V R Mohan Reddy and Mr K Balasubramanian, are retiring at the ensuing Annual General Meeting.

The Board of Directors appointed Mr Kapil Mehan as an Additional Director and Managing Director effective October 19, 2010. The Company has received notice from a Member proposing his nomination for Directorship.

Auditors

M/s Price Waterhouse, Chartered Accountants, Auditors of the Company, are retiring and have informed that they do not wish to seek re-election as Auditors at the ensuing Annual General Meeting.

The Board records its sincere appreciation of the long association your Company had with M/s Price Waterhouse.

A Special Notice has been received from a Member proposing the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Auditors.

Disclosures

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

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

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

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

Acknowledgement

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

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

On behalf of the Board

Place : Secunderabad
Date : April 21, 2011

A Vellayan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC SCENARIO

The Indian Economy has emerged stronger in the last 2 years despite the slow down caused by the global financial crisis of 2008-2009. As per the latest estimates released by Central Statistics Office (CSO), GDP growth in 2009-10 and 2010-11 is estimated at 8% and 8.5% respectively. While this has been largely driven by strong growth in industry and services sectors, the agricultural sector has also shown an upswing with growth of 6.6% in 2010-11 in contrast to a marginal decline in the previous year. The domestic environment is conducive for robust growth with private expenditure projected to grow by a healthy 7.5%, driven by rising investment demand and increase in domestic consumption.

One area of concern is inflation, especially, the inflation in food articles which remained in double digit for most of the year. As per IMF's forecast (January 2011 World Economic Outlook Update), consumer price inflation is expected to continue to be high in emerging and developing economies in 2011 due to demand pressures and sluggish supply response. Persisting high inflation has forced Reserve Bank of India to raise interest rates periodically. With increasing credit offtake despite monetary tightening and inflation, the country is passing through an era of high growth coupled with high inflation.

As per the latest estimates of CSO, production of food grains during 2010-11 is estimated to touch a record level of 234 million tonnes, compared to 218 million tonnes produced during 2009-10 due to wide spread rainfall and increase in gross irrigated area. At the same time, the need for a second green revolution is now being strongly felt, more than ever before . The Government has recognized the need to step up both private and public investments in the agricultural sector so as to achieve the target growth of 4% per annum in this sector. The significant rise in support prices of agricultural produce in recent years ought to spur further increase in agricultural production. In this context, the Government, has emphasized on the need for creation of more direct farm - to - fork supply chains in food items across the country to incentivize the farmer with higher produce prices and at the same time ensure lower price for end consumer. Absence of El nino effect and the expectation of normal monsoon, signal a positive outlook for Indian agriculture with growth projections at 6.5% to 7.5% in 2011-12.

2. ORGANIZATION

Coromandel is a flagship Company of Murugappa Group and is a subsidiary of EID-Parry (India) Limited (EIDP) which holds 62.86 % of the equity in the Company. The Company is engaged in the business of Farm Inputs comprising of Fertilisers, Pesticides and Speciality Nutrients. The Company is also engaged in rural retail business in Andhra Pradesh and Karnataka through a chain of 443 retail centres set up in various parts of these States. The Company has 7 manufacturing facilities located in Andhra Pradesh, Tamil Nadu, Gujarat and Jammu & Kashmir. The Company's products are marketed all over the Country through an extensive network of dealers and its own retail centres. During the year, the Company acquired Pasura Bio-Tech Pvt. Ltd, a Pesticides formulation Company with a manufacturing facility at Jammu, which has been amalgamated with Coromandel effective April 1, 2010.

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

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

In addition, the Company also holds strategic investment by way of 14% equity stake in Foskor (Pty) Ltd, South Africa, through combined holding of Coromandel and CFL Mauritius Limited.

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

3. FARM INPUTS

A. FERTILISERS SBU

Coromandel with a production capacity of 3.26 million tonnes of Phosphatic Fertilisers, is one of the leading manufacturers of phosphatic fertilisers in India. The Company produces and sells Phosphatic Fertilisers of various grades ranging from Di-Ammonium Phosphate (DAP), Complex Fertilisers with different composition of nutrients to Single Super Phosphate (SSP). The Company also distributes imported DAP, Potash and Urea. The Company's fertilisers are sold under the well established brand names viz. 'Gromor', 'Godavari', 'Paramfos', 'Parry Gold' and 'Parry Super'. The Company's manufacturing facilities are located at Visakhapatnam and Kakinada in Andhra Pradesh and Ennore and Ranipet in Tamilnadu.

(a) Industry Scenario

World fertiliser demand was strong and wide spread in 2010 and the global fertiliser consumption is expected to have gone up by 3.8%, over the previous year level. This was partly triggered by the higher commodity prices. World nutrient based fertiliser production also increased significantly by 11% over 2009 and global sales increased by 13% mainly on account of potash sales.

India continues to remain one of the key drivers of growth of nutrient based fertiliser demand in the World. At the national level, the total consumption of all nutrient based fertilisers in 2010-11 is estimated at 590 lakh tonnes compared to 533 lakh tonnes in the previous year.

(in Lakh MT)

Products	2010-11	2009-10
Urea	282	265
DAP	113	102
Complex Fertilisers	102	82
Muriate of Potash	58	47
SSP & Others	35	37
Total	590	533

Consumption of fertilisers in terms of nutrients crossed 280 lakh tonnes for the year.

Consumption of phosphatic fertilisers during 2010-11 is estimated at 250 Lakh MT, representing an increase of 13% over the previous year level of 221 Lakh MT.

The year also saw an unprecedented increase in import of fertilisers. Against an import of 58 lakh MT of DAP, SSP and TSP during 2009- 10, the country has imported about 74 lakh MT in 2010-11. Besides the country also imported 66 lakh MT of Urea (2009-10 - 52 Lakh MT), 63 Lakh MT of MOP (2009-10 - 52 Lakh MT) and 12 lakh MT of Complex and other Fertilisers of various grades (2009-10 - 2 Lakh MT), aggregating to total import of 215 lakh MT of various chemical fertilisers, compared to 164 Lakh MT imported during 2009 -10. However, the volume of imports of phosphatic fertilisers is expected to be much lower in 2011-12, both due to availability constraints as well as on account of prevailing higher international prices.

While the demand for Phosphatic fertilisers had gone up by nearly 28 lakh MT during the year, indigenous production of DAP, Complex Fertilisers and SSP had increased only marginally from 150 Lakh MT in 2009-10 to 156 Lakh MT in 2010-11. While there was a drop of about 20% in the production of DAP during the year, there was a corresponding increase in the production of complex fertilisers by 7%.

The international prices of DAP, other fertilisers and raw materials generally remained stable during the first half of the year after which there has been a steady increase owing to increased global demand.

(b) Government Policies

Government of India introduced the new Nutrient Based Subsidy (NBS) policy for phosphatic fertilisers effective April 1, 2010 with a view to deregulate the P&K fertilisers and move towards free market pricing. The salient features of NBS policy are:

- Subsidy is fixed based on the import parity price adjusted for MRP wherein "P" is based on DAP, "N" based on Urea and "K" based on Potash and "S" based on Sulphur. MRP is deducted from the import parity price to arrive at the Subsidy payable per nutrient.
- Under the NBS Policy, MRP has been decontrolled.
- Govt. had fixed the subsidy for "N", "P", "K" and "S" based on the prevailing international prices.Per kg rates for "N", "P", "K" and "S" are Rs.23.23, Rs.26.28, Rs.24.49 and Rs.1.78 respectively.

The new policy is a Win-Win proposition for all stakeholders viz. Government, farmers and the industry. The new policy seeks to emphasise the balanced nutrition of the soil consistent with the need for increasing the agricultural productivity. It is expected that the new policy will bring down the subsidy outgo for the Government and will provide product and pricing flexibility for the Industry. The new Policy is seen as a window of opportunity for the Company to provide the farmers new products and technologies through the Company's own R&D as well as through imports.

The response to the new policy has been positive. There was a marginal increase in the prices of various fertilisers during the first half of the year, but, steep increase in input prices especially of Ammonia and Phosphoric acid, necessitated further revision in the MRP of various grades of fertilisers during the second half of the year. NBS policy has been an unqualified success with abundant availability at affordable prices. It also helped Government to reduce its overall subsidy burden due to annual contracts and efficient buying by the industry.

In line with the new policy, the Government has announced the revised subsidy rates for "N", "P", "K" and "S" for the year 2011-12. Per kg rates for "N", "P", "K" and "S" for the year 2011-12 are Rs.27.15, Rs.32.33, Rs.26.75 and Rs.1.67 respectively.

The subsidy disbursement during the year 2010-11 was reasonably prompt and there were no fresh allotment of bonds during the year. It is expected that going forward Government will make adequate budgetary support to meet the subsidy bill in the year 2011-12.

During the year, Government of India announced a Scheme for buy back of the remaining Fertiliser Companies' Government of India Special Bonds (Fertiliser bonds - issued by it in an earlier year in lieu of subsidy dues) in two equal tranches during 2010-11 and 2011-12 through Reserve Bank of India and also decided to share atleast 50% of the loss on such sale of fertiliser bonds. The industry has sought full reimbursement of loss on the buy back of bonds.

(c) Fertiliser SBU Performance

The Company achieved a total sales volume of 29.02 Lakh MT of Fertilisers (including 1.64 Lakh MT of imported MOP, 0.99 Lakh MT of imported DAP, 0.37 Lakh MT of Urea) as against 29.80 Lakh MT sold during the previous year. Besides, the Company was also awarded the contract by Govt. of India for handling and marketing of urea imported through the port of Karaikal and the Company sold 1.98 Lakh MT of urea. The Company has started marketing this urea in its brand name of “Godavari Urea” through “Mana Gromor” retail outlets.

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

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

Strategic tie ups coupled with careful planning and close monitoring on the raw materials front, enabled the Company to maximise production in all its units thereby increasing availability of fertilisers and timely supply to farmers.

Kakinada unit achieved a record production of 13.63 lakh tonnes during the year, compared to 12.57 Lakh tonnes produced during 2009-10. This unit also continues to improve on its operational efficiencies.

The investments made by the Company in recent years in improving infrastructural and other facilities at its Kakinada and Visakhapatnam units should enable the Company to achieve higher production and further improve on operational efficiencies. The Company has recently taken up a project for installation of an additional granulation plant ("C" Train project) at Kakinada involving an investment of about Rs.335 crore with a view to increase the overall production capacity of this unit. This project is expected to be commissioned by September 2012. The proposed investments include augmenting Ammonia and Phosphoric acid tank facilities to meet the increased storage requirement of these raw materials.

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

The Company has during the year signed an agreement with Shell International Petroleum Company Ltd (Shell), under which Shell will provide technology for manufacture of sulphur enhanced fertilisers. This will enable the Company to introduce new grades of fertilisers which can increase productivity for farmers by improving soil fertility.

B. PLANT PROTECTION CHEMICALS - SBU

(a) Industry Scenario

Global Crop Protection Business witnessed a marginal growth of 1.2% to touch $ 38 billion by the end of year 2010. The business was affected by variable weather across the globe induced by La Nino effect. GM crops continued to grow across the World and the GM seeds business witnessed a growth of 14.2% over previous year to touch $12 billion during 2010.

Of the various regions across the Globe, growth in Latin America and Asia regions was over 8% compared to previous year, while Europe witnessed a negative growth of 9%. Variable weather in different countries affected agricultural production, which led to increase in commodity prices.

Indian agriculture benefitted from extended monsoon leading to a growth of 5% over previous year, which in turn helped increased consumption of plant protection chemicals. The industry is estimated to have grown by nearly 20% over previous year.

Prices of commodities like Cotton, Chillies and Pulses ruled high while price of Paddy was subdued throughout the year. Paddy continued to be the major crop for consumption of plant protection chemicals followed by Cotton.

(b) Plant Protection - SBU Performance

The SBU achieved an all time high turnover of Rs. 440 crores (growth of 23%) boosted by a growth in formulations brand business and in technical business in domestic and export markets. Acquisition of a new formulation unit in Jammu also helped in augmenting the production capacity. All the Formulation units achieved record production levels to meet the growing demand for Company's products. Post integration of Navi Mumbai unit operations, technical grade manufacturing unit at Ankleshwar achieved record production and implemented various new initiatives towards environment management system.

With its broad range of products and distribution network, the Company was able to achieve encouraging growth in many states taking advantage of increased acreages under target crops. Sustained business growth through its retail chain in Andhra Pradesh (AP) and trade channels, contributed to the Company reaching top position in terms of turnover in the biggest state for plant protection industry (AP)

During the year, the Company introduced new products (captive technical and sourced) to boost its top line growth in fast growing segments and strengthened co-marketing tie-ups for accessing new chemistry products.

In technical business, the Company recorded a growth of more than 20% over the previous year. The Institutional Sales & Public Health business continued to grow. In Public health business, the SBU gained entry into A.P. Government tender business and Defence Ministry tenders for the first time. The year saw Coromandel taking over the leadership position in certain molecules.

In exports, the Company expanded its reach into new markets of Africa and Far East. Through sustained efforts, there was a significant increase in new application registrations which will help in strengthening its presence in export markets.

In Brazil, leveraging upon its direct presence, the Company was able to reach out to new clients with strong growth in some of its key molecules. The Company is introducing new technicals to replace Endosulfan which is facing threat of ban. With new registrations in pipeline, the Brazil and Latin American business is poised for further growth.

C. SPECIALITY NUTRIENTS SBU

Industry/Company's Performance

Speciality Nutrient business of the Company comprises of:

- Secondary and micronutrients - Sulphur, Boron and Zinc.
- Water Soluble Fertilisers (WSF).
- Organic Manure.

These categories along with the regular NPK fertilisers are the essential building blocks of the Company's 'holistic crop nutrition' offerings to the farming community.

One of the main drivers of this business is the increasing acreage under high value crops. Besides, increase in coverage of land area under micro irrigation especially drip irrigation, provides an impetus to the usage of WSF.

Differentiating itself across all critical factors, viz., manufacturing, product offerings, pan India network and market development, the Company has emerged as a leader in this business.

Having pioneered the manufacture and marketing of Bentonite Sulphur in India, the Company enjoys leadership position and plans to intensify brand promotion activities to further increase its market share in this segment. To maintain the head start gained in G-Sulfur, a variant namely 'SulfoZinc' (Bentonite Sulfur + Zinc) has been introduced.

In WSF, the strategy of two pronged attack through in-house research products like "Insta" and "Superia" with exclusivity and range of generic grades riding on the strength of its umbrella brand of 'Gromor', has given the Company a lead position.

The Company has obtained all necessary approvals and work has begun on its the new WSF plant being set up at Kakinada in Joint Venture with SQM, Chile.

In Zinc and Boron, the Company is focusing on high value variants.

During the year, the Company also introduced a few variants of specialty nutrients and increased its product range.

Organic carbon, an essential component of Indian Agriculture is almost depleted all over the agricultural tracts in our Country. India is still at a nascent stage and uses a very small quantity of municipal solid waste in agriculture. However, the scenario is fast changing and the potential is huge. Currently, this business is dominated by the unorganized sector. Coromandel has zeroed in on organic carbon through municipal solid waste as a good source of improving soil health and its fertility and has entered this segment in 2008. Press mud is another important source of organic carbon. The Company's organic compost is being packed and marketed under the brand name "Godavari Gold". The Company has achieved significant volume growth of 54% over the previous year in this segment.

The overall turnover of the specialty nutrients business increased by 15% over the preceding year and the business has potential to grow in the coming years.

D. RETAIL SBU

During the year 2010-11 the Company operated 423 retail stores in Andhra Pradesh under the name "Mana Gromor Centres" providing "one stop solution" to the farmer community. This initiative has now been extended to Karnataka with the setting up of 20 centres in that state under the name "Namma Gromor Centres".

The response to this initiative has been very positive and through these centres Company has been striving to provide comfortable and respectful shopping experience for the rural community by setting up spacious outlets in rural areas with attractive ambiance. Apart from retailing Company's own products like fertilisers, pesticides, specialty nutrients and organic fertilisers, these centres also sell other agri inputs like seeds, imported fertilisers like urea and pesticides, beside Life Style Products. The emphasis here is to leverage the relationship with the rural customers for expanding business and enter into new and diversified areas. Some of the new products/services offerings taken up by these centres during the year include cattle feed, farm implements like sprayers, farm mechanization services, Life and General Insurance products etc.

During the year, the Company increased its turnover from sale of traded products through retail centres by 24%. Thanks to the retail centres, the Company's Pesticides business achieved No.1 position in A.P, with the retail centres contributing nearly 60% of the total sales. The Company is in the process of expanding the operations in Andhra Pradesh and Karnataka by adding more retail outlets during next financial year.

4. OVERALL PERFORMANCE

The Company's overall financial performance for the year 2010-11 have been good. While the total revenue grew by nearly 18% in 2010-11 compared to the previous year, the overall profitability, increased by 40% with improved performance coming from all the SBUs viz., Fertilisers, Pesticides, Speciality Nutrients and Retail.

5. STRENGTHS AND OPPORTUNITIES

The key strengths of the Company include strong manufacturing and related infrastructural facilities built over the years, its operational and product flexibility, strong brand image, strong dealer and retail network, technical and managerial skills, strategic tie ups for raw materials, and its high credit rating.

Coromandel strongly believes in investing in infrastructural facilities including raw material storage tanks, godowns, bagging and distribution facilities as the key to improved performance. The Company is also implementing, a new effluent treatment plant at Visak as part of its larger objective of contributing to the cleaner environment.

The Company's R&D pilot plant at Visak has enabled the Company to do trials on different grades of Rock Phosphate and also develop new grades of fertilisers including water soluble grades.

The Company's tie-ups with M/s Foskor (Pty) Ltd, South Africa, M/s Groupe Chimique Tunisien, Tunisia and Israel Chemical Limited, Israel, are strategic in nature and have enabled the Company to meet most of its phosphoric acid requirements essential to achieve continuous production in all its plants.

The Company's rural retail initiative has enabled the Company to sell its products directly to the farmers reducing its dependence on intermediaries; this has benefitted the Company as well as the farming community. The farmers data base being collected through these centres has been of particular use in developing new products to meet their requirements.

In the Plant Protection business, the Company has made significant capital investments augmenting Plant Capacity at its Ankaleshwar Plant which are of long term value, including its upgraded R & D facility and have enabled the Company to bring out new technicals for introduction in the market.

The Company's focus on specialties in the formulation business through special marketing efforts has helped in scaling up the volumes of these profitable products.

Intensified field promotion activities is among the key factors for growth in specialty nutrients business and the Company has developed strategies for increased focus and targeted marketing.

The strong financials of the Company and its sustained healthy credit rating/credit worthiness with the bankers and vendors has enabled the Company to raise working capital finance at attractive interest rates. During the year, CRISIL has upgraded Company’s long term debt rating to AA+(stable) and reaffirmed short term debt rating at P1+.

6. OUTLOOK

The new Nutrient Based Subsidy policy which has come into effect from April 2010, has brought about greater clarity and stability to the Fertiliser Subsidy Policy. It provides an opportunity for the Company to develop and introduce new fertilisers which are crop specific and soil specific. At the same time, the Policy has also thrown up a challenge in terms of negotiating with the international suppliers of fertilisers and raw materials to ensure closest possible alignment with the prices reckoned by Government of India for subsidy purposes. The new Policy would also enable the Company to capture better value for its estabilished brands.

Global availability of various raw materials required for fertiliser manufacture including Rock phosphate, sulphur, phosphoric acid etc., has become tight. In this context, the Company has benefitted from its global tie ups, which would help ensure continued supply of required raw materials at competitive international prices. The Company is also in the process of identifying and developing new sources of raw materials. The Company has a strategic equity stake in the joint venture viz. Tunisien Indian Fertiliser Company, Tunisia, for setting up a Phosphoric Acid Plant in Tunisia. This Project is delayed due to the recent political development in that country and with normalcy back, the project is expected to be commissioned in the second half of 2011-12.

The 'C' train project at the Company's Kakinada Plant is under way and is expected to be commissioned by middle of financial year 2012-13. This should enable the Company to increase its production capacity and reach an overall production target of about 4 million tonnes from the year 2013-14. As part of this project the Company is also building other infrastructural facilities like ammonia storage facility and phosphoric acid tanks besides railway siding and bagging facilities which will facilitate in achieving the higher volumes.

The Fertiliser Technology Development Centre at the Company's Visakhapatnam Plant, is dedicated to developing new products and help improving operating efficiencies.

In plant protection business, in the case of 'Technicals', efforts would continue for introduction of new products at the Company's Ankleshwar Plant and speed up the product identification and registration work in the Latin American market. This will enable the Company to expand its product portfolio in the top 10 countries of presence. The Company also proposes to go in for registration of new molecules from China and India in the overseas markets with a special focus on Africa. In its formulation business, the Company looks at expanding its product portfolio to include certain fast growing products through network expansion and strengthening the market teams.

The prevailing high level of commodity prices augur well for increased consumption of crop protection chemicals in the coming year too; the Company is well positioned to capture the growth in Industry with its broad range of products, pan Indian network and chain of own retail stores.

In the 'Specialty Nutrient' business, the Company will continue to expand its product range especially in the WSF segment to cater to all customers and crop segments. The new WSF Plant currently being put up in Kakinada in joint venture with SQM, Chile, is expected to be commissioned during the year and will enable the Company to introduce new products and scale up volumes. The Company is also working on a long term sustainable business model for the organic manure business and for developing long term tie ups with vendors for sourcing Municipal compost. Besides, the Company has plans to set up its own compost and granulation units across the country to scale up the volumes.

With regard to Rural Retail business, the Company plans to set up another 200 centres during the year in Andhra Pradesh and Karnataka and is aiming at generating higher sales volume of various products through these centres. There will be greater focus during the year on agri services including farm mechanization services.

7. RISK MANAGEMENT

Risk Management at Coromandel is an integral part of our business model. Risk Management covers Risk identification, evaluation and assessment, prioritization, developing & implementing mitigation plan and its continuous monitoring thereby minimising any adverse impact in achieving our objectives.

The risks associated with our business are broadly classified into six major categories viz., Environmental / Economic / Regulatory / Operational / Financial and Legal & Human Resource Risks.

A Risk Management policy document detailing various risks associated with business, the probability of their occurrence, their likely impact and plans to minimise or overcome the impact of the risk is circulated to the Senior Management team and Board of Directors periodically. A Committee of Directors has also been constituted for regular review of risk management practices.

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

Risk	Risk Impact	Mitigation Plan
Environmental/Economic/Regulatory Risks		
Handling and storage of hazardous materials incl., Ammonia, SO2 etc.	- Impact on operations - Stoppage of production - Accidents resulting from release of the hazardous materials and consequent claims	• Strict PSMS Implementation • Strict adherence to maintenance/inspection schedules, training and emergency/disaster management plans • Public Liability Insurance Policy • ISO 14001 & OHSAS 18001

Risk	Risk Impact	Mitigation Plan
Environmental/Economic/Regulatory Risks		
Un-treated effluents causing pollution	- Revocation of Factory License - Civil/Criminal action	• Augmenting ETP facilities • Strict adherence to PC standards
Season/Monsoon failure	- Impact on Turnover/ Profitability - Delayed collection - Possible Bad debts	• Focus on irrigated areas • Secondary & Tertiary Markets • Retail Initiative
Absence of New Chemistry/ Enzymes/Fermented Products/Monopoly Products	- Impact on Turnover/Profitability	• Upgraded R&D Centre & launch of New Products • Identification of new off-patented molecules. • Promotion of specialities • Co-marketing tie-ups
Non compliance with Legal/Regulatory/Tax Compliance -Including other Countries	- Disruption of operations - Legal proceedings against the Company and its officials.	• Understanding/awareness of regulations & statutes • Engagement/advice by renowned lawyers & experts • Monitoring regulatory changes • Periodic audit of compliance action
Non compliance with FCO Standards & Specifications	- Civil/Criminal proceedings - Production Stoppages - Disallowance of subsidy claims	• Rigid quality checks at Plant • Test verification of bags • Reprocessing of non-standard materials • Better bags handling procedures
Change in Government Subsidy Policies	- Impact on Turnover/Working Capital - Change in Product Mix - Change in Distribution Pattern	• New NBS Policy - greater clarity/certainty • New grades/customized Fertilisers • Increased focus on non-subsidy Business • Optimisation of rail road transportation • Liaison with Govt.
Restriction on sale/usage of some pesticide products in India/abroad	- Impact on Turnover/Profitability - Negative Publicity	• Development of newer & safer technicals; extension of product life-cycle • Public relations through Industry body & Stewardship activity
Operational Risks		
Non availability of critical Raw Materials	- Stoppage of production - Impact on Turnover/profitability	• Strategic alliances for major Raw Materials • Close monitoring of procurement plans • Trials with different grades of rocks • Flexibility in product mix
Volatility in the price of Key Fertiliser Raw Materials	- Impact on revenues. - Increased Cost of Production - Increase in Working Capital requirement	• Close monitoring of international price of raw materials • Price contract for shorter duration • Increased stock levels when prices are low
Product Life-cycle Obsolescence	- Impact on Turnover/Profitability	• Identification of new off-patent molecules • R&D initiatives
Introduction of pest/ resistant BT crops or change in crop pattern		• Identification of emerging pests & suitable molecules • Introduction of new products
Competition from importers Volatility in Pesticides Raw Material prices	- Volume Shrinkage - Impact on Turnover/Profitability	• Continuous Brand Promotion • Continuous monitoring of global trends in raw material prices • Maintaining Flexibility in production planning, in tune with raw material availability/pricing scenario • Maintaining Low Inventory • Tie-up for expanded product range

Risk	Risk Impact	Mitigation Plan
Operational Risks		
Difficulty in sourcing Municipal Compost	- Volume Shrinkage - Impact on Turnover/Profitability	• Tie-up with Govt agencies • Own manufacturing facilities for sourcing Municipal Compost
Government Intervention in Fertiliser allocation	- Lower foot fall & Drop in sales - Impact on Profitability	• Liaison with Govt Officials • Focus on Non-subsidy & Life Style products
Loss due to shrinkage at Rural Retail Centres	- Impact on Profitability - Financial Loss	• Close monitoring of Inventory, Regular Inspection / Audit • Daily MIS
Financial Risks		
Currency & Exchange Fluctuation Risk	- Under recovery of Subsidy - Impact on Profitability	• Online monitoring of exchange trend & exposures • Forward covers at appropriate time & level • Review of paid rate vs subsidy rate under subsidy policy
Interest Rate Risk	- Increase in Cost of Borrowing - Loss due to discount on bonds - Impact on Profitability	• Maximise buyer's credit • Healthy debt:equity and interest cover ratio • Sustain good credit rating • Sale of bonds at opportune time
Credit Risk	- Impact on Working Capital - Dues becoming bad - Loss of interest	• Maximise sale on cash basis through retail • Review of Credit evaluation & limits • Acceptance of Collaterals • Monitoring Receivables
Liquidity Risk - Delay in subsidy settlement	- Impact on Working Capital - Increase in cost of borrowing	• Close Liaison with Government officials • Increased Working Capital Facilities • Securitization of subsidy dues
Valuation Risk - Market value of bonds	- Impact on profitability	• Monitoring Bonds Market • Liaison with Govt. for compensation
Legal & Human Resource		
Contractual Liability Risk	- Disruption of operations - Impact on Turnover & Profitability	• Review of material contracts by the In-house Legal team • Independent outside experts' services for important contracts
Attrition of skilled / trained manpower	- Disruption of operations - Knowledge dissipation	• Compensation revision inline with market • Succession Planning • Career planning & training
In addition, IT related risks can result in loss of important data etc., leading to disruption in operations. These are addressed through adequate back-up mechanism, including Disaster Recovery Centre, authorization verification, regular training programs, regular purchase of licenses in line with the business requirement and other preventive measures. The assets of the Company, including its plant and machinery, as well work in process, inventory and Finished stocks are adequately insured against loss or destruction by fire and allied perils.		

8. INTERNAL CONTROLS

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

Coromandel 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 & assess the adequacy and effectiveness of the Internal Controls and Systems across all key processes covering various locations. Deviations are reviewed periodically and due compliance ensured. Summary of key audit observations along with recommendations and its implementation are reviewed by the Audit Committee and the concerns, if any, are reported to the Board.

9. FINANCE

The Company generated cash surplus of Rs. 907.84 crore during the year from its operations. The Company's net worth increased during the year and was at Rs.1904.12 crore as on March 31, 2011 compared to Rs.1434.99 crore as on March 31, 2010.

During the year, the Company incurred Rs.95.43 crore towards capital expenditure including advance paid for the new "C" train project being put up at Kakinada. Investments during the year include Rs.4.68 crore paid for acquisition of the equity stakes in Pasura Bio-Tech Private Limited (since merged with the Company) and Rs.1.30 crore towards further equity into Coromandel Brasil Limitada, Brasil.

The Company has sold 50% of the fertiliser bonds of each coupon rate held with aggregate face value of Rs.498.86 crore on March 31, 2011 and incurred loss of Rs.74.36 crore. The Company has accounted for the said loss in its Books and also reckoned 50% compensation receivable from Government of India amounting to Rs.37.18 crore. Consequent to the sale, Mark to Market provision of Rs.68.89 crore made in respect of these bonds have been reversed. In respect of unsold bonds, the Company continues to reckon the same at the current market value pending confirmation on the price and timing of sale from Government of India.

The Company has been resorting to prudent mix of rupee and foreign currency borrowings to finance its Working Capital requirements. The Company's long term debt : equity ratio continues to remain very healthy and the cash and bank balance of Rs. 902.06 crore as at the year end includes temporary surplus retained in short term bank deposits/current accounts.

10. HUMAN RESOURCES/INDUSTRIAL RELATIONS

During the year, industrial relations across all the Plants continued to remain cordial. Settlements at Visakhapatnam for contract workmen were concluded through contractors under section 18(1) of The Industrial Disputes Act, 1947 for a period of 3 years on 24th November 2010. At Ennore, the dispute raised before the Assistant Commissioner of Labour by the erstwhile Union was withdrawn by the new Labour Body in August, 2010.

The Company relocated all its employees based out of Navi Mumbai plant to other locations such as Visakhapatnam, Kakinada, Ennore, Corporate office etc.

As a part of its continuing efforts to address competence and skill needs, functional and behavioral competency framework was developed for Retail business. Furthermore, competency gaps assessed for other businesses and functioning were addressed through appropriate training and development interventions. The Company as part of its leadership development process put 60 executives through the Coromandel Leadership Development Program and 73 executives through the Capability Enhancement Program.

Employee engagement continued to be a focus area for the Company. As in the past, the employee engagement survey conducted by Gallup continued to show improvement over previous surveys. The employee engagement poster campaign won the Association of Business Communicators of India National Award (Gold).

The Company's focus remains on Business Excellence, and on continual improvement journey through its TQM initiatives in the quest to improve the quality of its products, processes and systems. The Company won the following awards:

Quality Circle Forum of India - National Convention 2010

1 Excellence Award for SGA
2 Excellence Award for Kaizen
3 Excellence Award for 5S

Quality Circle Forum of India - Vizag Chapter (2010)

4 Gold Medal for SGA
5 Silver Medal for SGA
6 Silver Medal for Kaizen
7 Silver Medal for 5S
8 Spot Poster Competition - First Prize

Quality Circle Forum of India - Chennai Chapter (2010)

9 Excellence Award for SGA

ABK AOTS 5S Competitions 2010

10 ABK AOTS CUMI 5S Award, Large Scale Industry - First Prize

Indian National Suggestion Scheme Association, National Awards 2010

11 Excellence in Suggestion Scheme, Fertiliser Category - First Place
12 Best Evaluator - First Place

The Company was awarded Significant Achievement in HR Excellence at a National level by the Confederation of Indian Industries (CII).

The Company continued its focus on improving communication through various means.

The in-house magazine 'The Voice' won the following awards:

1. Public Relations Society of India, New Delhi, National Award (Gold) for the 5th time
2. International Academy of Visual Arts, New York, Communicator Awards - 2010
   - Award of Excellence (Gold)
   - Award of Distinction (Silver)
3. Association of Business Communicators of India National Awards
   - Gold for Internal Magazine
   - Silver for Magazine Design

The redesigned website of the Company www.coromandel.biz won the following awards:

1. Public Relations Society of India, New Delhi, National Award (Silver)
2. Association of Business Communicators of India National Award (Silver)

ANNEXURE TO DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of Coromandel International Limited confirm that in the preparation of the Profit & Loss A/c for the year ended March 31, 2011 and the Balance Sheet as at that date ("financial statements") :

- the applicable accounting standards issued by the Institute of Chartered Accountants of India have been followed
- appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function.
- Proper systems are in place to ensure compliance of all laws applicable to the Company.
- The financial statements have been prepared on a going concern basis.

On behalf of the Board

Place : Secunderabad
Date : April 21, 2011

A Vellayan
Chairman

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

A. CONSERVATION OF ENERGY

- Improvement in various Cooling Tower (CT) systems were implemented at Ankleshwar Plant.
- A number of steam traps were installed in Sulphuric Acid Plant & G Sulphur Plants leading to conservation of energy at Visak Plant.
- Small Group Activity teams have been constituted to constantly look at the energy conservation and other improvement schemes at Visak Plant.

B. TECHNOLOGY ABSORPTION

Licence Agreement for Shell Thiogro Technology for production of Sulphur Enhanced Fertiliser was signed during the year. However, the project is in the process of implementation.

Phosphoric Acid Plant and "C" Train operating systems at Visak Plant were upgraded to Modern CS3000 distributed control systems. "A" and "B" Trains operating systems were upgraded from electronics to DCS Control Systems at Visak Plant.

Installed higher capacity Hot and Cold Heat Exchangers for Sulphuric Acid Plant-I at Visak Plant.

C. RESEARCH AND DEVELOPMENT

Two new grades of Rock Phosphates were tested at in-house Fertiliser R&D Centre at Visak Plant.

In the new R&D facility at Ankleshwar, Lab Processes for various Pesticide Molecules are being developed.

During the year the Company incurred a sum of Rs 335.70 lakhs towards revenue expenditure on account of research and Development at the Approved In House R&D Units at Vishakapatnam and Ankleshwar. The Company also incurred a sum of Rs 47.94 lakhs towards Capital expenditure in respect of Approved In-house R&D units at Vishakapatnam and Ankleshwar.

R&D expenses incurred at the In-House Approved Centres (Rupees lakhs)

Nature of expenses	2010-11	2009-10
Capital expenditure	47.94	58.93
Revenue Expenditure	335.70	303.87

D. FOREIGN EXCHANGE EARNINGS AND OUT GO

Total foreign exchange used and earned:

Rupees in Lakhs

	April'10-March'11 Current Year	April'09-March'10 Previous Year
Used	503046.13	374703.46
Earned	7289.73	6531.99

FORM A

	Current Year 2010-11	Previous Year 2009-10
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased		
Units (Lakh Units)	1,286.28	1,260.51
Amount (Rs Lakhs)	5,020.76	4,016.89
Rate/Unit (Rs/Kwh)	3.90	3.19
b) Own generation		
Through DG Sets		
Units (Lakh Units)	7.83	10.81
Units/litre of HSD	2.85	3.21
Rate/Unit (Rs/Kwh)	14.07	11.88
Through TG Set		
Units (Lakh Units)	428.43	488.67
Units/litre LSHS	–	–
Rate/Unit (Rs/Kwh)	0.15	0.11
2. Coal	Not used	Not used
3. a) Fuel: Furrnace oil/LSHS		
Quantity (K. Litres)	1,612.24	2,767.27
Total cost (Rs Lakhs)	538.09	688.23
Rate/Unit (Rs/K. Litres)	33,375	24,870
b) Compressed Natural Gas		
Quantity SM3 in Lakhs	83.68	67.02
Total amount (Rs. In Lakhs)	1,154.99	586.91
Average Rate per 1000 SM3 (Rs.)	13,801.78	8,757.19
B. Consumption per MT of Fertilisers produced		
Electricity (KWH)	61.97	63.80
Fuel: Furnace Oil/LSHS (K.Litres)	0.0012	0.0012
Compressed Natural Gas (SM3)	3.51	3.50

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

a) Employed throughout the Financial Year and in receipt of remuneration aggregating Rs.60,00,000 or more

Name, age and Qualification	Designation and nature of duties	Date of commencement of employment	Experience in years	Remuneration (Rs)	Last Employment
P Nagarajan, 60 @ B.Com., BGL. A.C.A.	Chief Financial Officer	09.06.1997	36	75,34,900	Sr. Vice President Visakha Industries Ltd.
P Gopalakrishna, 52 B.Sc (Ag), PGDM (IIMA)	Sr Vice President-Retail	01.12.2003	28	62,75,867	Deputy General Manager-Marketing EID Parry (India) Limited
G Veera Bhadram, 52 M.Sc.(Ag), PDGM (IIMA)	Sr Vice President-Pesticides SBU	01.12.2003	27	63,41,838	General Manager-Marketing EID Parry (India) Limited
Arun Leslie George, 44 M.A(SW), PMIR	Sr Vice President & Head of HR	01.10.2003	21	62,80,916	Deputy General Manager-HR EID Parry (India) Limited
Dr G Ravi Prasad, 55 Ph.D in Agricultural Chemicals	President - Marketing Fertilisers & SND	01.04.2007	28	71,40,489	Vice President-Commercial Zuari Industries Limited
S Govindarajan, 48 B.Tech (Mech), GDMM (IIMM)	Sr Vice President & Head of Manufacturing	26.09.1992	26	61,93,412	Asst. Manager National Fertilisers Limited
b) Employed for part of the Financial Year and in receipt of remuneration aggregating Rs.5,00,000 per month					
V Ravichandran, 54 BE (Hons), AICWA, ACS, PGDM (IIMA)	Managing Director	01.12.2003	31	1,39,32,144	Vice President EID Parry (India) Limited
Kapil Mehan, 52 Graduate in Vet. Science, PGDM (Agri) (IIMA)	Managing Director	20.09.2010	30	67,47,847	Executive Director Tata Chemicals Limited

1. Remuneration includes salary and allowances, commission where applicable, Company's contribution to Provident Fund, Superannuation Fund and Group Gratuity Scheme, reimbursement of medical expenses at actuals, and monetary value of perquisites calculated in accordance with the Income Tax Act/Rules.
2. The employment of all employees of the Company is of contractual nature.
3. There are no employees in the service of the Company within the category covered by Sub-Section (2)(iii) of Section 217(2A) of the Companies Act, 1956.
4. None of the above employees is a relative of any Director of the Company.

@ Remuneration paid under full time contract post his retirement.

On behalf of the Board

A Vellayan
Chairman

Place : Secunderabad.
Dated : April 21, 2011

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

Nature of Disclosure		Particulars	
a.	Options granted	17,81,000 were granted during the year. The total options granted is 73,31,600. Each Option gives the grantee a right to subscribe to one equity share of Re.1/ each of the Company	
b.	The pricing formula	The Options carry a right to subscribe to equity shares at the closing price on the Stock Exchange in which there was highest trading volume, prior to the date of grant of the Options.	
c.	Options vested	30,23,918	
d.	Options exercised	20,40,302	
e.	The total no of shares arising as a result of exercise of option	20,40,302	
f.	Options lapsed/surrendered	10,68,682	
g.	Variation of terms of Option	Vesting schedule has been varied in certain cases	
h.	Money realised by exercise of Options	Rs.5,97,98,245	
i.	Total no of Options in force	42,22,616	
j.	(i) Details of Options granted to Senior Management Personnel	**Name and Designation**	**No of Options granted**
		V Ravichandran *Managing Director**	9,67,000
		Kapil Mehan *Managing Director***	9,46,000
		Dr G Ravi Prasad *President-Marketing Fertilisers & SND*	2,70,400
		P Nagarajan *Chief Financial Officer*	2,70,400
		P Gopalakrishna *Sr Vice President-Retail*	2,70,400
		G Veerabhadram *Sr Vice President- Pesticides SBU*	2,70,400
		Arun Leslie George *Sr Vice President & Head of HR*	2,70,400
		S Govindarajan *Sr Vice President & Head of Manufacturing*	2,70,400
		Harish Malhotra *Sr Vice President-Commercial*	4,55,600
	(ii) Any other employee who received a grant in any one year of Option amounting to 5% or more of Options granted during the year	V Ravichandran*	9,67,000
		Kapil Mehan**	9,46,000
		Dr G Ravi Prasad	2,70,400
		P Nagarajan	2,70,400
		P Gopalakrishna	2,70,400
		G Veerabhadram	2,70,400
		Arun Leslie George	2,70,400
		S Govindarajan	2,70,400
		Harish Malhotra	4,55,600
		C Hima Srinivas	1,20,000
		C Sitaram	1,44,000
		K Sankaranarayanamoorthy	1,44,000
		Manoj K Agarwal	91,400
		Parvez Shaikh	80,000
		R Vaidyanathan	80,000
		Suri V	96,000

	(iii)	Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	None
k.		Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20.	Rs.24.46 per share
l.	(i)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the intrinsic value method of accounting to account for Options issued under the ESOP Scheme 2007. The stock based compensation cost as per the intrinsic value method for the financial year 2010-11 is Nil.
	(ii)	Difference between the compensation cost using the intrinsic value of the Stock Options (which is the method of accounting used by the Company) and the compensation cost that would have been recognized in the accounts if the fair value of Options had been used as the method of accounting.	Rs.1129.65 lakhs
	(iii)	Impact of the difference mentioned in (i) above on the profits of the Company	**Net Income** — **Rs in lakhs** As reported: 69445.74 Less: fair value compensation cost (Black Scholes model): 1129.65 68316.07
	(iv)	Impact of the difference mentioned in (i) above on the EPS of the Company	**Basic (Rs)** / **Diluted (Rs)** As reported: 24.69 / 24.46 As Adjusted: 24.29 / 24.07
m.	(i)	Weighted Average exercise price of Options	Rs.46.44 per equity share
	(ii)	Weighted Average fair value of Options	Rs.46.74 per equity share
n.	(i)	Method used to estimate the fair value of Options	Black Scholes Model
	(ii)	Significant assumptions used (Weighted Average information relating to all grants):-	
		(a) Risk-free interest rate	7.5% - 8.0%
		(b) Expected life of the Option	3-4 years
		(c) Expected volatility	0.46 - 0.53
		(d) Expected dividend yields	100% - 400%
		(e) Price of the underlying share in market at the time of option grant	**Date of grant** — **Market Price (Rs.)** 31.08.2007: 44.58 22.01.2008: 56.08 22.04.2008: 68.88 22.07.2008: 59.95 22.10.2008: 62.75 18.03.2009: 45.10 19.10.2010: 317.35 12.01.2011: 287.50

* Resigned as Managing Director w.e.f October 19, 2010

**Appointed as Managing Director w.e.f October 19, 2010

Note: All options have been converted from Rs.2/- per share to Re.1/- per share

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

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

Coromandel looks at corporate governance as the corner stone for sustained superior financial performance, for serving all its stakeholders and for instilling pride of association. Apart from drawing on the various legal provisions, the group practices are continuously benchmarked in terms of the CII Code and international studies. The entire process begins with the functioning of the board of directors, with leading professionals and experts serving as independent directors and represented in the various board committees. Systematic attempt is made to eliminate informational asymmetry between Executive and Non-Executive Directors.

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

The following is a report on the corporate governance.

I. Board of Directors

- **Composition**

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

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

Name of the Director	Category of Directorship	Attendance particulars		No. of other Directorships and Committee Memberships (other than Coromandel)@		
		Board Meetings	Last AGM	Other Directorships	Committee	
					M	C
Mr K Balasubramanian	NE/ID	4	No	6	-	2
Dr B V R Mohan Reddy	NE/ID	5	Yes	6	-	-
Mr V Ravichandran*	NE/NID	5	Yes	3	3	-
Mr M K Tandon	NE/ID	5	Yes	2	1	2
Mr A Vellayan	NE/NID	5	Yes	5	-	-
Mr M M Venkatachalam	NE/NID	5	Yes	9	1	1
Mr R A Savoor	NE/ID	4	Yes	6	4	5
Mrs Ranjana Kumar	NE/ID	4	Yes	3	2	-
Mr Kapil Mehan**	MD/NID	3	-	-	-	-

*Resigned as Managing Director w.e.f October 19, 2010

**Appointed as Managing Director w.e.f October 19, 2010

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

M = Membership

C = Chairmanship

MD/NID = Managing Director/Non-Independent

NE/ID = Non-Executive/Independent

NE/NID = Non-Executive/Non-Independent

- **Number of Board Meetings held and the dates on which held**

  Five Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are as follows: April 22, 2010, July 22, 2010, October 19, 2010, January 12, 2011 and March 18, 2011.

2. Audit Committee

- **Terms of Reference/Powers & Composition, Names of Members and Chairman**

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

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

- **Meetings and attendance during the year**

  There were four meetings of the Audit Committee during the year 2010-11. The attendance of each Member of the Committee is given below:

Name of the Director	No. of Meetings Attended
Mr K Balasubramanian	3
Dr B V R Mohan Reddy	4
Mr M K Tandon	4
Mr M M Venkatachalam	3

3. Subsidiary Companies

The Minutes of the Meetings of the Board of Directors and the Financial Statements for the year ended March 31, 2011 of Parry Chemicals Limited, December 31, 2010 of CFL Mauritius Ltd and Coromandel Brasil Limitada (a Limited Liability Partnership) wholly owned Subsidiary Companies, are placed before the Board of Directors and Audit Committee, respectively, for review.

4. Remuneration to Directors

a) Policy

Executive Directors

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

Non-Executive Directors

- The compensation of the non-executive directors is in the form of commission paid out of profits. Though the shareholders have approved payment of commission upto 1% of net profits of the Company for each year calculated as per the provisions of the Companies Act, 1956, the commission paid to the directors is usually restricted to a fixed sum. This sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the directors for attending to the affairs and business of the Company and extent of responsibilities cast on directors under general law and other relevant factors. The aggregate commission paid to all non-executive directors currently is well within the limit of 1% of net profits as approved by the shareholders. The non-executive directors are also paid sitting fees as permitted under the relevant statutory provisions for every Board / Committee meeting attended by them.
- **Shareholdings**

  The details of Shareholdings of the Non Executive Directors as at March 31, 2011 is as follows:

Name	No. of Shares
Mr K Balasubramanian	360
Dr B V R Mohan Reddy	48,000
Mrs Ranjana Kumar	Nil
Mr V Ravichandran	63,400
Mr R A Savoor	2,000
Mr M K Tandon	Nil
Mr A Vellayan	1,18,510
Mr M M Venkatachalam	1,00,160

b) Remuneration & Nomination Committee

- The Remuneration & Nomination Committee presently comprises of 3 Non-Executive Directors, viz. Mr M K Tandon (Chairman), Mr M M Venkatachalam & Mr R A Savoor.
- The main scope of the Committee is to determine and recommend to the Board the persons to be appointed/reappointed as Executive Director/Non Executive Director.
- The Committee also determines and recommends to the Board on the financial component and the incentive/commission to the Executive Directors.

- The Committee has also been appointed for administration of the Employee Stock Option Scheme 2007.
- The Committee had met four times during the year. The details of the attendance of each member of the Committee is given below:

Name of the Director	No. of Meetings Attended
Mr M K Tandon	4
Mr R A Savoor	3
Mr M M Venkatachalam	4

c) **Details of remuneration paid to the Directors for the year**

- The details of remuneration paid/payable to the Managing Director for the financial year ended March 31, 2011 is as follows:

Rupees

Name	Salary	Contribution to Funds	Value of Perk & Allowances	Incentive	Total
Mr V Ravichandran* Director	25,12,749	8,01,065	49,91,910	44,56,486	1,27,62,210
Mr Kapil Mehan** Managing Director	22,60,167	7,20,541	37,67,139	22,60,167	90,08,014

*Resigned from the position of Managing Director w.e.f October 19, 2010 - continued as a Non-Executive Director.
**Appointed as Managing Director w.e.f October 19, 2010

- 967000 options were granted during the earlier year to Mr V Ravichandran pursuant to Employee Stock Option Scheme 2007 at an exercise price of Rs.44.58 per equity share exercisable over a period of 3 years from the date of grant. The following is the summary of options granted to Mr V Ravichandran:

Total Options granted	9,67,000
Options Vested (net of options lapsed)	9,37,990
Options Exercised	5,60,000
Balance Outstanding	3,77,990

- 946000 options were granted during the current year to Mr Kapil Mehan pursuant to Employee Stock Option Scheme 2007 at an exercise price of Rs.317.30 per equity share vesting over a period of 4 years with first vesting after one year from the date of grant. These vestings are exercisable over a period of 3 years from the date of vesting. The following is the summary of options granted to Mr Kapil Mehan:

Total Options granted	9,46,000
Options Vested	–
Options Exercised	–
Balance Outstanding	9,46,000

- The agreement with the Executive Director is for a period of five years (October 19, 2010 to October 18, 2015). Either party to the agreement is entitled to terminate the agreement by giving not less than three months' notice in writing to the other party.
- The details of remuneration paid/payable to Non-Executive Directors for the financial year ended March 31, 2011:

Non-Executive Directors	Sitting Fees (Rs)	Commission (Rs)
Mr K Balasubramanian	1,05,000	5,00,000
Dr B V R Mohan Reddy	1,35,000	5,00,000
Mrs Ranjana Kumar	60,000	5,00,000
Mr V Ravichandran*	40,000	2,23,288
Mr R A Savoor	90,000	5,00,000
Mr M K Tandon	1,85,000	5,00,000
Mr A Vellayan	85,000	5,00,000
Mr M M Venkatachalam	1,60,000	5,00,000

*Commission payable w.e.f October 20, 2010

5. **Share Transfer & Investors' Grievance Committee**

- Details of the Members, Compliance Officer, number of complaints received and pending, and share transfers pending as on close of the financial year.
- The Share Transfer & Investors' Grievance Committee presently comprises of Mr M K Tandon (Chairman), Mr A Vellayan and Mr V Ravichandran, Non-Executive Directors. The Company Secretary is the Compliance Officer of the Company. During the year the Company had received 3056 letters/complaints from the shareholders and all of them were resolved satisfactorily by furnishing the requisite information/documents to the shareholders. There were no transfers pending at the close of the financial year.
- In order to facilitate faster redressal of investors' grievances the Company has created an exclusive email ID "Investorsgrievance@coromandel.murugappa.com". Investors' and shareholders may lodge their query/complaints addressed to this email ID which would be attended to immediately.
- The Committee had met once during the year. The details of the attendance of each member of the Committee is given below:

Name of the Director	No. of Meetings Attended
Mr M K Tandon	1
Mr A Vellayan	1
Mr V Ravichandran	1

6. **General Body Meetings**

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

Year	Location	Date	Time
2007-2008	Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad	22/07/2008	10.30 AM
2008-2009	Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad	21/07/2009	10.30 AM
2009-2010	Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad	22/07/2010	10.30 AM

- Special Resolutions relating to Employees Stock Option Scheme, Payment of Commission to Non-Wholetime Directors and change of name of the Company from 'Coromandel Fertilisers Limited' to 'Coromandel International Limited' were passed in the above Annual General Meetings.
- A Court Convened Meeting of the Members was held at Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad 500 003 on October 8, 2007 at 2.00 PM to approve the Scheme of Amalgamation of M/s Godavari Fertilisers and Chemicals Limited with the Company.
- One Postal Ballot was conducted in the year 2007-08 seeking Members' approval for amending the Objects Clause of the Memorandum of Association of the Company. Mr S Anand S S Rao, Practicing Company Secretary was appointed as Scrutinizer to conduct the Postal Ballot. In all 2,094 Postal Ballot forms were received, out of which, 168 were invalid. 1,904 members holding 89835999 equity shares representing 70.26% of the equity capital approved the Special Resolution and 22 members holding 3,989 equity shares representing 0.004% of the equity capital dissented to the resolution. The Chairman announced the result of the Postal Ballot on August 6, 2007.
- One Postal Ballot was conducted in the year 2009-10 seeking Members' approval for amending clause 3 of the Company's Memorandum of Association of the Company. Mr S Anand S S Rao, Practicing Company Secretary was appointed as Scrutinizer to conduct the Postal Ballot. In all 2032 Postal Ballot forms were received, out of which, 72 were invalid. 1960 members holding 90662762 equity shares representing 64.78% of the equity capital approved the Special Resolution and 46 members holding 14832 equity shares representing 0.01% of the equity capital dissented to the resolution. The Chairman announced the result of the Postal Ballot on October 19, 2009.
- Whether Special Resolutions were put through postal Ballot last year: - YES

  One Postal Ballot was conducted in the year 2010-11 seeking Members' approval for sub-division of equity shares of face value of Rs.2/- each to Re.1/- each and amending Clause 5 being Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company. Mr S Anand S S Rao, Practicing Company Secretary was appointed as Scrutinizer to conduct the Postal Ballot. In all 2636 Postal Ballot forms were received, out of which, 130 were invalid. 2475 members holding 94713724 equity shares representing 67.25% of the equity capital approved the Special Resolution and 31 members holding 7463 equity shares representing 0.01% of the equity capital dissented to the resolution. The Chairman announced the result of the Postal Ballot on December 6, 2010.
- Whether any Special Resolutions proposed to be put through Postal Ballot this year: NO

a. **Notes on Directors seeking appointment / re-appointment**

Mr Kapil Mehan (52) is a graduate in Veterinary Science and Animal Health. He also holds a PG Diploma in Management from IIM, Ahmedabad with specialization in Agriculture. He brings with him rich experience and background in varied leadership roles. He started his career with Rallis India and later moved on to Tata Chemicals Limited. He had held various positions in Sales and Marketing function in Rallis and Tata Chemicals Limited before moving into the position of Chief Operating Officer for its fertilisers business in 2003. He took over as the Executive Director in 2008. Presently, he is the Managing Director of Coromandel.

Mr K Balasubramanian (68), is a Graduate in Commerce from the University of Madras and has done Advanced Management programme from the Harvard Business School. He has 40 years of experience in International Banking. Presently, he is a Member GMR Holding Board. He is also on the Board of GMR Group of Companies and DQ Entertainments Limited.

Dr B V R Mohan Reddy (60) is a Graduate in Mechanical Engineering and holds a Master's degree in Management Engineering from University of Michigan, Ann Arbor, USA; and a Master's Degree in Industrial Engineering from Indian Institute of Technology (IIT), Kanpur. Dr Mohan Reddy is the Founder Chairman and Managing Director of Infotech Enterprises Limited. He is also on the Boards of Vizag IT Park Limited, Ocimum Bio Solutions Limited.

Mr V Ravichandran (55) is an Engineering Graduate and holds Post Graduate Diploma in Management from IIM, Ahmedabad. He is also a Cost Accountant and a Company Secretary. After having served Ashok Leyland Limited initially for a short period, joined the Murugappa Group and had served Parry Group of Companies mainly in the fields of finance and marketing. He also headed the Plant Protection business.

b. **Other Directorships**

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

Name of the Company	Chairmanship/ Directorship	Committee	Chairman/ Member
Mr Kapil Mehan			
Nil	Nil	Nil	Nil
Mr K Balasubramanian			
DQ Entertainment International Ltd	Director	Audit	Chairman
Easy Access Financial Services Ltd	Director	Audit	Chairman
Parrys Sugar Industries Ltd	Director	-	-
Raxa Security Services Ltd	Director	-	-
GMR Aviation Private Ltd	Director	-	-
Grow Talent Ltd	Director	-	-
Dr B V R Mohan Reddy			
Infotech Enterprises Ltd	Chairman & MD	-	-
Ocimum Bio Solutions Ltd	Director	-	-
Infotech Geospatial (India) Ltd	Chairman	-	-
Infotech HAL Ltd.	Director	-	-
Infotech Enterprises IT Services Pvt Ltd	Director	-	-
Vizag IT Park Ltd	Director	-	-
Mr V Ravichandran			
Parry Chemicals Ltd	Chairman	-	–
EID Parry (India) Ltd	Director	Audit Investors Grievance	Member Member
Parrys Sugar Industries Ltd	Director	Audit	Member

Note: Includes public limited companies governed by Companies Act, 1956 and excludes directorships in Private Limited Companies, Foreign Companies, Mutual Funds and Associations as well as Alternate Directorships.

c. Mr Kapil Mehan holds "nil" shares in the Company. Mr K Balasubramanian holds 360 shares, Dr B V R Mohan Reddy holds 48000 shares and Mr V Ravichandran holds 63400 shares in the Company.

- None of the Directors are inter-se related as per definition of the term "Relative" under the Companies Act, 1956. Mr A Vellayan, Chairman and Mr MM Venkatachalam, Directors belong to the promoter group.

7. Disclosures

- **CEO and CFO Certification**

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

- **Related Party Transactions**

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

  Transactions with the Related Parties are disclosed in note no XVII of Schedule 18 to the Accounts in the Annual Report.

- **Compliance**

  A Statement of Compliance with all Laws and Regulations as certified by the Managing Director and the Company Secretary is placed at periodic intervals for review by the Board. The Board considers materially important Show Cause/Demand Notices received from Statutory Authorities and the steps/action taken by the Company in this regard. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary.

- **Code of Conduct**

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

- **Risk Management**

  The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

  A Risk Management Committee comprising of Mr Kapil Mehan, Managing Director and Mrs Ranjana Kumar, Director, has been constituted by the Board. This Committee is empowered to monitor the Risk management and their mitigation processes.

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

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

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

  During the last three years, there were no strictures or penalties imposed on the Company by either Stock Exchanges or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to capital markets.

8. Means of Communication

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

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

9. General Shareholder Information

• Date, Time & Venue of AGM	July 21, 2011 at 10.30 AM at Hotel Minerva Grand CMR Complex, Beside Manju Theatre Sarojini Devi Road Secunderabad - 500 003
• Financial Calendar	i) Financial Year - April to March ii) First Quarter Results - last week of July 2011* iii) Half-yearly Results - last week of October 2011* iv) Third Quarter Results - last week of January 2012* v) Results for the year ending March 31, 2012- last week of June 2012* *provisional
• Date of Book Closure	July 15, 2011 to July 21, 2011 (both days inclusive)
• Dividend 2010-2011	Proposed final Dividend 300% (subject to approval by members at the AGM)

• Dividend Payment date (s)	On or after July 21, 2011
Dividend declared in earlier years	2007-2008 - 175% 2008-2009 - 300% (Interim) 2008-2009 - 200% (Final) 2009-2010 - 300% (Interim) 2009-2010 - 200% (Final) 2010-2011 - 400% (Interim)
• Listing of Shares	Company's shares are listed at: The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051 Listing fees for the year have been paid to all the above Stock Exchanges.
• Stock Code:	
- The Bombay Stock Exchange Limited	Physical Scrip Code No.6395 Demat Scrip Code No.506395
- National Stock Exchange of India Ltd	COROMANDEL
• ISIN for (shares) of NSDL & CDSL	INE 169A01031
• Market Price Data: High, Low during each month in last Financial year/Performance in comparison to BSE Sensex and S&P CNX Nifty	Please see Annexure 'A'
• Registrar and Transfer Agents	Karvy Computershare Pvt. Ltd Plot No.17-24, Vithal Rao Nagar Madhapur, Hyderabad 500 081 Tel.No.(040) 23420815 - 828 Fax No.(040) 23420814
• Share Transfer System	All the transfers received are processed and approved by the Share Transfer & Investors' Grievance Committee at its meetings or by circular resolutions.
• Employee Stock Option Scheme	The Company has earmarked 1,27,85,976 equity shares of Re.1/- each (equivalent to 63,92,988 shares of Rs.2/- each) under the Employee Stock Option Scheme 2007. Each Option is convertible into an equity share of Re.1/- each. As on March 31, 2011, 42,22,616 Options are outstanding. The vesting period and the exercise period of the Stock Options shall be determined by the Remuneration & Nomination Committee subject to the minimum vesting period being one year.
• Distribution of Shareholding and Shareholding pattern as on 31.3.2011	Please see Annexure 'B'
• Dematerialisation of shares and Liquidity	94.99% of the shareholding has been dematerialized as on 31.03.2011.
• Plant Locations	The Company's plants are located at a) Malkapuram, Visakhapatnam, A.P. b) Beach Road, Kakinada, A.P. c) Ennore, Chennai, Tamil Nadu d) Ranipet, North Arcot, Tamil Nadu e) Ankleshwar, Gujarat f) Baribrahmana, Jammu & Kashmir

- Registered Office / Address for Correspondence

Coromandel International Limited
Coromandel House
1-2-10, Sardar Patel Road
Secunderabad 500 003
Tel.No.040 27842034
Fax: 040 27844117
email: rajarammr@coromandel.murugappa.com
parvathikr@coromandel.murugappa.com

- Nomination Facility

The Companies (Amendment) Act, 1999 has introduced through Section 109A, the facility of nomination to share / debenture / deposit holders. The facility is mainly useful for all those holding the shares / debentures / deposits in single name. In cases where the securities / deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors are advised to avail of this facility, especially investors holding securities in single name.

The nomination form may be had on request from the Company's Registrars & Transfer Agents for the shares held in physical form. For the shares held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.

A. NON-MANDATORY REQUIREMENT

a. Remuneration & Nomination Committee

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

b. Shareholder Rights

Quarterly financial results are published in leading newspapers, viz. The Business Standard and vernacular - Andhra Prabha. In addition, the first half yearly report of the financial results are being mailed to all the shareholders. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.

c. Whistle Blower Policy

The Company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also for appointment of an Ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. We further affirm that during the year, no employee was denied access to the audit committee.

d. Other Non-Mandatory Requirements

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

e. Unclaimed shares

The Members are aware that consequent to sub-division of equity shares of the Company from Rs.2/- per share to Re.1/- per share with effect from 24th December, 2010, the Company had during the 1st week of January, 2011 despatched the share certificates to the shareholders.

As per Clause 5A of the amended Equity Listing Agreement with the Stock Exchanges, all physical shares, which remain unclaimed by shareholders, need to be demated by the Company and kept in an "Unclaimed Suspense Account" to be opened by the Company for this purpose. As per the clause, the Company is required to send three reminders to the respective shareholders before transferring the physical shares to the "Unclaimed Suspense Account". The Company is in the process of sending reminder letters to such shareholders to claim their respective shares. After sending the third reminder, the Company would transfer the remaining unclaimed shares into the "Unclaimed Suspense Account". 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. Shareholders who are in receipt of the reminder letters are requested to write to the Registrars and Transfer Agents and provide the correct details to enable the Company to re-send the share certificates. These shares would be, thereafter transferred to the respective shareholders as and when claimed by them.

f. **Voluntary guidelines on Corporate Governance**

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

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

Annexure 'C'

On behalf of the Board

A Vellayan
Chairman

Place : Secunderabad
Dated : April 21, 2011

AUDITORS' CERTIFICATE

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

To the Members of
Coromandel International Limited

We have examined the compliance of conditions of Corporate Governance by Coromandel International Limited ('the Company') ((formerly Coromandel Fertilisers Limited), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Anupam Dhawan
Partner
Membership No. F-84451

Place : Hyderabad
Date : April 21, 2011

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, 2011 as envisaged in clause 49 of the listing agreement with stock exchanges.

Place : Secunderabad
Dated : April 21, 2011

Kapil Mehan
Managing Director

Annexure 'A'

Monthly High/Low of market price of the Company's shares traded on The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai, and performance in comparison to BSE Sensex and S&P CNX Nifty during the period from April 1,2010 to March 31, 2011 is furnished below:

Period	The Bombay Stock Exchange Ltd., (Rs)		Sensex Index		National Stock Exchange of India Ltd., (Rs)		S&P CNX Nifty Index	
	High	Low	High	Low	High	Low	High	Low
Apr 2010	377.40	275.00	18047.86	17276.80	376.00	285.00	6677.56	6467.49
May 2010	419.95	300.00	17536.86	15960.15	421.50	343.10	6491.43	5980.08
Jun 2010	484.00	400.05	17919.62	16318.39	483.90	395.00	6684.61	6186.03
July 2010	549.90	455.00	18237.56	17395.58	550.00	455.00	6812.99	6541.23
Aug 2010	598.90	495.00	18475.27	17819.99	599.40	502.00	6937.50	6762.76
Sep 2010	675.80	528.00	20267.98	18027.12	675.70	527.40	7562.13	6850.39
Oct 2010	724.00	613.55	20854.55	19768.96	722.10	597.70	7810.52	7495.03
Nov 2010	746.05	480.00	21108.64	18954.82	687.00	476.85	7917.48	7214.47
Dec 2010	644.90	304.00	20552.03	19074.57	646.00	303.30	7698.29	7232.70
Jan 2011	324.95	224.25	20664.80	18038.48	324.75	220.00	7727.31	6910.76
Feb 2011	311.95	217.50	18690.97	17295.62	311.50	215.10	6963.79	6560.54
Mar 2011	302.30	254.00	19575.16	17792.17	330.00	253.00	7327.83	6738.10

Annexure 'B'

DISTRIBUTION OF HOLDINGS AS ON 31.03.2011

No. of equity shares held	No. of shares	%	No. of shareholders	%
1 - 5000	22484108	7.98	52277	98.35
5001 - 10000	2883286	1.02	402	0.76
10001 - 20000	2471464	0.88	174	0.33
20001 - 30000	1983990	0.70	80	0.15
30001 - 40000	1020204	0.36	29	0.05
40001 - 50000	1011665	0.36	22	0.04
50001 - 100000	3699532	1.31	51	0.10
100001 and above	246279949	87.38	120	0.23
TOTAL	**281834198**	**100.00**	**53155**	**100.00**
Physical mode	**14118038**	**5.01**	**26227**	**49.34**
Demat mode	**267716160**	**94.99**	**26928**	**50.66**

SHAREHOLDING PATTERN AS ON 31.03.2011

Sl.No.	Category	No. of shares	%
1	Promoters	180577868	64.07
2	UTI & Mutual Funds	17688796	6.28
3	Banks, Financial Institutions & Insurance Companies	7532651	2.67
4	Foreign Institutional Investors	15672809	5.56
5	Private Corporate Bodies	6301565	2.24
6	Indian Public	41014311	14.55
7	NRI's	2876555	1.02
8	Foreign Nationals	95810	0.03
9	Foreign Company	500	0.00
10	Foreign Bank	1840	0.00
11	Foreign Corporate Bodies	9939060	3.53
12	Trusts	43980	0.02
13	Clearing Members	88453	0.03
	TOTAL	**281834198**	**100.00**

Annexure 'C'

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

Sl No.	Names of the Promoters	Sl No.	Names of the Promoters
1	EID Parry (India) Ltd.& its subsidiaries	18	MM Muthiah Research Foundation
2	Silkroad Sugars Pvt. Ltd.	19	A R Lakshmi Achi Trust
3	New Ambadi Estates Pvt. Ltd.& its subsidiaries	20	AMM Foundation
4	Ambadi Enterprises Ltd.& its subsidiaries	21	M V Murugappan & family
5	Cholamandalam MS Risk Services Limited	22	M V Subbiah & family
6	Tube Investments of India Ltd.& its subsidiaries	23	S Vellayan & family
7	Presmet Pvt Ltd	24	A Vellayan & family
8	Carborundum Universal Ltd.& its subsidiaries	25	V Arunachalam & family
9	Laserwords Private Ltd & its subsidiaries	26	A Venkatachalam & family
10	Coromandel Engineering Company Limited	27	M M Murugappan & family
11	Murugappa Educational and Medical Foundation	28	M M Muthiah & family
12	AMM Arunachalam & Sons P Ltd.	29	M M Venkatachalam & family
13	AMM Vellayan Sons P Ltd.	30	M A Alagappan & family
14	MM Muthiah Sons P Ltd.	31	Arun Alagappan & family
15	Murugappa & Sons	32	M A M Arunachalam & family
16	Yelnoorkhan Group Estates	33	Any Company/entity promoted or controlled by any of the above
17	Kadamane Estates Company		

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

AUDITORS' REPORT

To the Members of Coromandel International Limited

1. We have audited the attached Balance Sheet of Coromandel International Limited ('the Company'), as at March 31, 2011, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

   (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Act and, give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Anupam Dhawan
Partner
Membership No. F-84451

Place : Hyderabad
Date : April 21, 2011

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Coromandel International Limited on the financial statements for the year ended March 31, 2011]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted in earlier years from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of sales-tax, service tax, excise duty and cess as at March 31, 2011 which have not been deposited on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Years to which they relate	Forum where the dispute is pending
Karnataka Sales tax Act, 1957	Turnover Tax on chemical mixture fertilizers	8.33	1993-1994 to 1996-1997	Sales Tax Appellate Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales tax on scrap sales, Taxable turnover/Tax on stock transfer/Tax on Government of India Subsidy/ Lease rentals/Set-offs	115.32	1995-1996 to 2005-2006	Appellate Deputy commissioner Sales Tax, Sales Tax Appellate Tribunal/Joint Commissioner of Commercial Taxes/ Commercial tax Officer/Assistant Commissioner (CT)

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Years to which they relate	Forum where the dispute is pending
West Bengal Sales Tax Act, 1994	Disallowance of tax adjustment, surcharge and penalties	3.90	2002-2003	Assistant Commissioner (Appeals), West Bengal
Tamil Nadu General Sales Tax Act, 1959	Disallowance on Stock Transfers	0.98	2001-2002	Sales Tax Appellate Tribunal
Electricity Supply Act, 1948	Cess on generation of electricity	155.06	2003-2004 to 2008-2009	Hon'ble High Courts of Madras and Andhra Pradesh
Central Excise Act, 1944	Disallowance/demands relating to excise duty	501.33	1999-2003	Commissioner (Appeals)/Customs, Excise, Service Tax Appellate Tribunal and Hon'ble High Courts of Andhra Pradesh and Mumbai
The Customs Act, 1962	Penalty on customs duty	10.84	1998-1999	Customs, Excise, Service Tax Appellate Tribunal, Mumbai
Orissa VAT Act, 2004	Disallowance of input tax credit	11.3	2005-2009	Additional Commissioner of Commercial Tax
UP VAT Act	Disallowance of exemption benefit	29.27	2005-2008 to 2010-2011	Additional Commissioner of Commercial Taxes and Appellate Tribunal

10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not raised any money by public issues during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
21. The other clauses, (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g), (v)(b) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported upon under the aforesaid order.

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

Anupam Dhawan
Partner
Membership No. F-84451

Place : Hyderabad
Date : April 21, 2011

BALANCE SHEET AS AT MARCH 31, 2011

Rupees in Lakhs

	Schedule	March 31, 2011	March 31, 2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	1	2,818.34	2,805.46
(b) Reserves and Surplus	2	187,593.23	140,693.35
		190,411.57	143,498.81
2. Loan Funds			
(a) Secured Loans	3	38,768.71	46,559.85
(b) Unsecured Loans	4	108,347.42	145,219.54
		147,116.13	191,779.39
3. Deferred Tax Liability (net)		8,145.49	8,546.71
(Refer Note XII on Schedule 18)			
TOTAL		345,673.19	343,824.91
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	134,421.12	129,959.79
(b) Less : Depreciation		55,050.92	49,555.88
(c) Net Block		79,370.20	80,403.91
(d) Capital Work-in-Progress (including capital advances)		5,949.29	1,327.55
		85,319.49	81,731.46
2. Investments	6	21,232.52	21,104.61
3. Current Assets, Loans and Advances			
(a) Inventories	7	151,312.12	92,642.27
(b) Sundry Debtors	8	20,517.67	14,271.30
(c) Cash and Bank Balances	9	90,205.59	80,985.86
(d) Other Current Assets	10	42,997.87	85,995.73
(e) Loans and Advances	11	111,992.78	62,328.72
		417,026.03	336,223.88
Less: Current Liabilities and Provisions			
(a) Liabilities	12	164,677.59	85,796.12
(b) Provisions	13	13,227.26	9,438.92
		177,904.85	95,235.04
Net Current Assets		239,121.18	240,988.84
TOTAL		345,673.19	343,824.91
Notes to the Accounts	17&18		

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

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rupees in Lakhs

		Schedule	**Year ended March 31, 2011**	Year ended March 31, 2010
I.	**Income**			
	Sales (Gross)		332,199.23	286,641.29
	Less: Excise Duty		5,692.96	3,588.69
	Sales (Net)		326,506.27	283,052.60
	Government Subsidies		426,288.71	356,420.43
	Other Income	14	18,818.64	13,211.54
			771,613.62	652,684.57
II.	**Expenditure**			
	Manufacturing and Other Expenses	15	658,172.22	568,380.39
	Interest	16	8,421.63	7,537.13
	Depreciation	5	6,174.05	5,923.16
			672,767.90	581,840.68
III.	**Profit before tax**		98,845.72	70,843.89
	Tax Expense			
	- Current Tax		29,800.00	23,424.00
	- Deferred Tax (Credit)/Expense		(400.00)	600.00
IV.	**Profit after taxation**		69,445.72	46,819.89
	Balance brought forward		20,318.27	14,885.92
V.	**Available for Appropriation**		89,763.99	61,705.81
	Transfer to General Reserve		35,000.00	25,000.00
	Interim Dividend		11,274.57	8,414.64
	Proposed Dividend		8,455.03	5,610.93
	Dividend Tax		3,244.18	2,361.97
VI.	**Balance carried to Balance Sheet**		31,790.21	20,318.27
	Earnings per share of Re.1/- each			
	- Basic (Rs.)		24.69	16.72
	- Diluted (Rs.)		24.46	16.54
	(Refer Note XIII on Schedule 18)			
	Notes to the Accounts	17&18		

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

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rupees in Lakhs

		2010-2011	2009-2010
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	98,845.72	70,843.89
	Adjustments for:		
	Depreciation	6,174.05	5,923.16
	Interest expense	8,421.63	7,537.13
	Loss on sale of fixed assets	53.00	524.74
	Loss on sale of Fertiliser Special Bonds	3,717.76	-
	Profit on sale of current investments	-	(4.15)
	Interest income	(6,720.12)	(6,814.52)
	Dividend income	(1,255.78)	(655.25)
	Foreign exchange fluctuation	760.20	(1,805.13)
	Mark to Market of Fertiliser Special Bonds	-	2,033.12
	Provision for Diminution in Value of Other Investments	2.08	-
	Provision for doubtful debts no longer required, written back	(34.26)	(54.10)
	Provision for Mark to Market of Fertiliser Special Bonds no longer required, written back	(6,888.58)	-
	Other Provisions no longer required written back	(1,221.50)	(2,898.24)
	Provision for doubtful debts and advances	155.28	704.37
	Bad debts written off	34.36	55.04
	Operating Profit Before Working Capital Changes	102,043.84	75,390.06
	Adjustments for:		
	(Increase)/Decrease in trade and other receivables	(53,035.79)	38,436.79
	(Increase)/Decrease in inventories	(58,667.59)	42,108.78
	Increase/(Decrease) in trade payables	80,041.13	(76,001.65)
	Proceeds from sale of Fertiliser Companies' Govt of India Special Bonds	42,450.93	-
	Cash Generated From Operations	112,832.52	79,933.98
	Interest received	7,446.93	6,781.84
	Direct Taxes paid (net of refunds)	(29,495.47)	(24,350.76)
	Net Cash from Operating Activities	90,783.98	62,365.06
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(9,543.09)	(9,027.96)
	Sale of fixed assets	164.49	32.20
	Purchase of Long term investments - others (Refer Note 2 below)	(597.71)	(4,773.02)
	Sale of Current investments	-	3.60
	Purchase of investments - mutual funds	(516,600.00)	(456,700.00)
	Sale of investments - mutual funds	516,600.00	456,700.00
	Dividends received - Trade investments	2.01	2.56
	Dividends received - others	1,253.77	652.69
	Net Cash used in Investing Activities	(8,720.53)	(13,109.93)

CASH FLOW STATEMENT (Contd.)

Rupees in Lakhs

	2010-2011	2009-2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares on exercise of Employee stock Options (including share premium)	597.98	352.41
Proceeds from long term borrowings	9,423.40	4,656.28
Repayment of long term borrowings	(2,088.51)	(9,605.18)
Increase/(Decrease) in working capital finance	(53,163.96)	26,026.83
Dividends paid (including tax thereon)	(19,443.08)	(16,190.17)
Interest paid	(8,169.55)	(7,658.72)
Net Cash from Financing Activities	(72,843.72)	(2,418.55)
Net Increase/ (Decrease) in Cash And Cash Equivalents	9,219.73	46,836.58
Cash and Cash Equivalents at the beginning of the year	80,985.86	34,149.28
Cash and Cash Equivalents at the end of the year	90,205.59	80,985.86

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 211 (3C) of the Act.
2. Pursuant to the Scheme of Amalgamation of Pasura Bio-Tech Private Limited (PBPL) with the Company cash and cash equivalents as at April 1, 2010 amounting to Rs. 10.48 lakhs have been taken over by the Company. Purchase of investment others includes an amount of Rs.467.72 lakhs (net of cash acquired) paid for the acquisition of PBPL (Refer Note II on Schedule 18)
3. In view of note 2 above, the current year's figures are not comparable with those of the previous year.

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rupees in Lakhs

	March 31, 2011	March 31, 2010
1. CAPITAL		
Authorised 350,000,000 (2010: 175,000,000 Equity Shares Rs.2/- each) Equity shares of Re. 1/- each	3,500.00	3,500.00
Issued and Subscribed* 281,834,198 (2010: 140,273,244 Equity Shares of Rs.2/- each) Equity Shares of Re. 1/- each fully paid-up	2,818.34	2,805.46
Total	2,818.34	2,805.46

*Notes:

(A) Of the above, since inception:

(i) 1,161,220 Equity Shares of Rs. 10/- each fully paid-up have been allotted pursuant to contracts without payments being received in cash.

(ii) 13,855,758 Equity Shares of Rs.10/- each fully paid-up have been issued as Bonus Shares by capitalisation of a part of General Reserve.

(iii) 881,888 Equity Shares of Rs.10/- each fully paid-up have been issued at a premium of Rs.10/- per share to the Debenture Holders and Public Financial Institutions pursuant to the right exercised by them for converting a part of their Debentures/Loan amounts into fully paid-up Equity Shares.

(B) 4,864,000 Equity Shares of Rs. 10/- each fully paid-up have been bought back at a price of Rs. 65/- per share from the shareholders pursuant to the offer for buy back of equity shares made during the year ended March 31, 2000.

(C) 5,949,901 Equity Shares of Rs.10/- each fully paid-up have been allotted to the shareholders of E.I.D. Parry (India) Limited in the ratio of one share of the Company for every three shares of E.I.D. Parry (India) Limited, pursuant to the scheme of arrangement (demerger) between E.I.D. Parry (India) Limited and the Company for the acquisition of Farm Inputs Division of E.I.D. Parry (India) Limited during the year ended March 31, 2004.

(D) 831,981 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Ficom Organics Limited in the ratio of 3 shares of the Company for every 11 shares of Ficom Organics Limited pursuant to the Scheme of Amalgamation between Ficom Organics Limited and Rasilah Investments Limited and the Company during the year ended March 31, 2007.

(E) 12,037,182 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Godavari Fertilisers and Chemicals Limited in the ratio of 3 shares of the Company for every 2 shares of Godavari Fertilisers and Chemicals Limited pursuant to the Scheme of Amalgamation between Godavari Fertilisers and Chemicals Limited and the Company during the year ended March 31, 2008.

(F) Of the total Equity Share Capital as at March 31, 2011, E.I.D. Parry (India) Limited (Holding Company) holds 177,155,580 (2010 : 88,284,290 Equity Shares of Rs.2/- each) Equity Shares of Re. 1/- each fully paid-up.

(G) 1,287,710 (2010: 376,296 Equity Shares of Rs.2/- each) Equity Shares of Re.1 each have been allotted pursuant to exercise of stock options under 'ESOP 2007' scheme during the year.

(H) During the year, the Equity Shares of face value of Rs.2/- each fully paid-up have been sub-divided into Equity Shares of Re. 1/- each.

Rupees in Lakhs

		March 31, 2011	March 31, 2010
2. RESERVES AND SURPLUS			
Capital Reserve (on Amalgamation)	(A)	13,564.83	13,564.83
Capital Reserve			
Per last Balance Sheet		14.97	14.97
Add: Transferred on Amalgamation (Refer note II on schedule 18)		4.07	–
		19.04	14.97
Capital Redemption Reserve		486.40	486.40
Securities Premium Account			
Per last Balance Sheet		6,350.90	6,006.01
Add: Received on exercise of employee stock options		585.10	344.89
		6,936.00	6,350.90
Central Subsidy		11.25	11.25
	(B)	7,452.69	6,863.52
General Reserve			
Per last Balance Sheet		99,961.70	74,961.70
Less: On Amalgamation (Refer Note II on Schedule 18)		161.23	–
Add: Transfer from Profit and Loss Account		35,000.00	25,000.00
	(C)	134,800.47	99,961.70
Profit and Loss Account	(D)	31,790.21	20,318.27
	{A+B+C+D}	187,608.20	140,708.32
Less: Amalgamation Adjustment Account		14.97	14.97
	Total	187,593.23	140,693.35
3. SECURED LOANS (Refer Note IX on Schedule 18)			
(a) Term Loans			
From Banks			
- Foreign Currency Loans		14,079.69	5,868.74
From Others		554.11	1,358.22
(b) Cash Credit and Working Capital Demand Loans			
From Banks			
- Rupee Loans		24,134.91	39,332.89
	Total	38,768.71	46,559.85
4. UNSECURED LOANS			
(a) Short Term Loans			
From Banks			
- Foreign Currency Loans		55,870.38	65,410.29
- Rupee Loans		42,334.13	70,000.00
(b) From other than banks, other than short term			
- Sales Tax Deferral		2.78	2.78
- Security/Trade and Other Deposits		10,140.13	9,806.47
	Total	108,347.42	145,219.54

5. FIXED ASSETS

Rupees in Lakhs

Description	COST or VALUATION					DEPRECIATION					NET BOOK VALUE	
	As at April 1, 2010	Amalgamation (Refer Note 1)	Additions	Deductions/ Adjustments	**As at March 31, 2011**	Upto April 1, 2010	Amalgamation (Refer Note 1)	For the year	On Deductions/ Adjustments	**Upto March 31, 2011**	**As at March 31, 2011**	As at March 31, 2010
Land												
– Freehold	26,067.98	–	–	–	26,067.98	–	–	–	–	–	26,067.98	26,067.98
– Leasehold	1,287.51	9.70	–	–	1,297.21	157.26	0.02	18.68	–	175.96	1,121.25	1,130.25
Buildings	9,391.77	139.76	1,033.01	57.00	10,507.54	1,877.64	0.82	277.34	42.41	2,113.39	8,394.15	7,514.13
Roads	829.48	1.43	29.23	–	860.14	108.81	–	100.68	–	209.49	650.65	720.67
Railway Siding	700.27	–	1.68	–	701.95	303.34	–	33.15	–	336.49	365.46	396.93
Plant and Machinery												
– Research & Development	522.92	–	39.56	–	562.48	65.50	–	32.74	–	98.24	464.24	457.88
– Others	84,859.60	270.37	3,021.54	701.85	87,449.66	44,288.68	4.86	4,646.89	532.33	48,408.10	39,041.56	40,570.46
Office Equipment, Furniture and Fittings												
– Research & Development	23.75	–	8.38	–	32.13	1.89	–	4.38	–	6.27	25.86	21.92
– Others	4,915.16	2.10	501.72	50.59	5,368.39	2,167.30	0.06	821.93	43.89	2,945.40	2,422.99	2,747.80
Vehicles	1,350.37	23.99	286.23	97.93	1,562.66	574.48	5.11	238.26	71.25	746.60	816.06	775.89
Technical Know–how	10.98	–	–	–	10.98	10.98	–	–	–	10.98	–	–
Total	129,959.79	447.35	4,921.35	907.37	134,421.12	49,555.88	10.87	6,174.05	689.88	55,050.92	79,370.20	80,403.91
Previous Year	120,497.69	–	10,480.59	1,018.49	129,959.79	44,094.27	–	5,923.16	461.55	49,555.88	80,403.91	–
Capital work in Progress (Including capital advances)											5,949.29	1,327.55

Notes:

1. Taken over at book values pursuant to the Scheme of Amalgamation of Pasura Bio–Tech Private Limited (PBPL) with the Company (Refer Note II on Schedule 18)
2. Additions to Plant and Machinery and Building for the year include interest capitalised amounting to Rs.108.98 lakhs (2010: Rs.45.04 lakhs).

Rupees in Lakhs

	March 31, 2011	March 31, 2010
6. INVESTMENTS - LONG TERM - AT COST		
I. TRADE INVESTMENTS		
UNQUOTED		
Prathyusha Chemicals and Fertilisers Limited	143.00	143.00
1,001,000 (2010: 1,430,000) Equity Shares of Rs.10/- each, fully paid-up		
Less: Provision for diminution in value	141.00	141.00
	2.00	2.00
Indian Potash Limited	4.50	4.50
90,000 Equity Shares of Rs. 10/- each, fully paid-up		
Foskor (Pty) Limited, South Africa	23.02	23.02
199,590 Ordinary shares of South African Rand 1 each fully paid-up		
Murugappa Management Services Limited	72.63	72.63
16,139 Equity Shares of Rs. 450/- each fully paid up		
Bharuch Enviro Infrastructure Limited	1.61	1.61
16,100 Equity Shares of Rs. 10/- each, fully paid-up		
Bharuch Eco Aqua Infrastructure Limited	27.50	27.50
275,000 Equity Shares of Rs. 10/- each, fully paid-up		
A.P. Gas Power Corporation Limited	753.75	753.75
1,340,000 Equity shares of Rs.10 each fully paid		
(A)	885.01	885.01
II. SUBSIDIARY COMPANIES - UNQUOTED		
Parry Chemicals Limited	50.00	50.00
500,000 Equity Shares of Rs.10/- each, fully paid-up		
CFL Mauritius Limited, Mauritius		
18,025,000 Ordinary Shares of USD 1 each, fully paid -up.	7,774.09	7,774.09
III. LIMITED LIABILITY PARTNERSHIP - WHOLLY OWNED, UNQUOTED		
Coromandel Brasil Limitada, Sau Paulo, Brasil		
9,900 (2010: 4,950) Ordinary Shares of Brazilian Real 100 each, fully paid -up.	238.97	108.98
IV. JOINT VENTURE COMPANIES - TRADE, UNQUOTED		
Tunisian Indian Fertilizers S.A., Tunisia	11,862.17	11,862.17
3,375,000 ordinary shares of Tunisian Dinars (TND) 10 each fully paid up. (Refer note XXI (g) on Schedule 18).		
Coromandel Getax Phosphates Pte Limited, Singapore		
500,000 Ordinary Shares of USD 1 each, fully paid -up.	218.90	218.90
Coromandel SQM India Private Limited, Secunderabad		
1,997,300 Ordinary Shares of Rs.10 each, fully paid -up.	199.73	199.73
(B)	20,343.86	20,213.87

Rupees in Lakhs

		March 31, 2011	March 31, 2010
CURRENT INVESTMENTS - AT COST OR BELOW*			
QUOTED			
Ashnoor Textile Mills Limited 238 Equity Shares of Rs. 10/- each, fully paid-up		0.05	0.05
I G Petrochemicals Limited 13,000 Equity Shares of Rs. 10/- each, fully paid-up		12.64	12.64
UTI Master Shares 1,000 Equity Shares of Rs. 10/- each, fully paid-up		0.15	0.15
		12.84	12.84
Less: Provision for diminution in value		9.19	7.11
	(C)	3.65	5.73
	Total {A+B+C}	21,232.52	21,104.61

* (Aggregate Market Value of quoted investments - Rs.3.65 lakhs (2010: Rs. 5.73 lakhs)
(Aggregate Value of quoted investments - Rs.3.65 lakhs (2010: Rs.5.73 lakhs)
(Aggregate Value of Unquoted investments - Rs.21,228.87 lakhs (2010: Rs. 21,098.88 lakhs)
For quantitative details of investments purchased and sold during the year, refer Note XV on Schedule 18

		March 31, 2011	March 31, 2010
7. INVENTORIES			
Stores and Spare Parts*		4,613.21	3,274.06
Raw Materials**		89,777.93	54,443.80
Work-in-process**		2,178.19	1,707.25
Finished Goods**		54,742.79	33,217.16
	Total	151,312.12	92,642.27

*At cost or under
**At cost or net realisable value, whichever is lower
Raw Materials include Materials in Transit of Rs. 23,173.32 lakhs (2010: Rs. 23,952.34 lakhs).

		March 31, 2011	March 31, 2010
8. SUNDRY DEBTORS			
(Considered good, unless otherwise stated)			
Debts outstanding for a period exceeding six months			
Secured		326.60	133.80
Unsecured		1,130.27	653.73
Unsecured - Considered Doubtful		607.69	486.68
		2,064.56	1,274.21
Less: Provision for Doubtful Debts		607.69	486.68
	(A)	1,456.87	787.53
Other Debts			
Secured		1,804.13	1,765.49
Unsecured *		17,256.67	11,718.28
	(B)	19,060.80	13,483.77
	Total {A+B}	20,517.67	14,271.30

*Includes due from Parry Chemicals Limited a Subsidiary Company:
Rs. 276.94 lakhs (2010: Rs. 290.34 lakhs)

		March 31, 2011	March 31, 2010
9. CASH AND BANK BALANCES			
Cash on Hand		22.42	16.26
Balances with Scheduled Banks:			
- On Current Accounts		35,175.90	8,928.02
- On Deposit Accounts		55,000.20	72,000.20
- On Margin Money Accounts		4.14	34.77
Balances with non-Scheduled Banks:			
- On Current Account - Ned Bank, South Africa*		2.93	6.61
	Total	90,205.59	80,985.86

*Maximum balance outstanding during the year -
Rs. 6.61 lakhs (2010: Rs. 8.09 lakhs)

Rupees in Lakhs

	March 31, 2011	March 31, 2010
10. OTHER CURRENT ASSETS		
7.00% Fertiliser Companies' Government of India Special Bonds 2022 {7,625,500 (2010: 15,251,000) bonds of Rs.100 each}	7,625.50	15,251.00
6.20% Fertiliser Companies' Government of India Special Bonds 2022 * {19,465,600 (2010: 38,931,200) bonds of Rs.100 each}	19,465.60	38,931.20
6.65% Fertiliser Companies' Government of India Special Bonds 2023 {22,795,350 (2010: 45,590,700) bonds of Rs.100 each}	22,795.35	45,590.70
	49,886.45	99,772.90
Less: Mark to Market write down (Refer Note XX on Schedule 18)	6,888.58	13,777.17
Total	42,997.87	85,995.73
* Out of these, Nil (2010: 37,500,000) bonds of Rs.100 each have been marked as lien in favour of a lender.		
11. LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Interest accrued but not due on deposits/loans/ Fertilisers special bonds	809.13	1,535.94
Advances recoverable in cash or in kind or for value to be received		
Considered Good *	11,014.83	7,474.93
Considered Doubtful	6.08	662.78
Government Subsidies Receivable	96,895.69	50,824.55
Deposits with Government Bodies	1,902.53	1,876.67
Balances with Excise, Customs, Port Trust etc.,	1,370.60	616.63
	111,998.86	62,991.50
Less: Provision for Doubtful Advances	6.08	662.78
Total	111,992.78	62,328.72
* Includes due from companies under the same management : Rs.7.12 lakhs (2010: Rs. 6.12 lakhs)		
12. LIABILITIES		
Acceptances	1,527.23	4,456.82
Sundry Creditors		
- Outstanding dues of Micro and Small Enterprises	-	-
- Outstanding dues of other than Micro and Small Enterprises	151,220.97	71,124.28
Unclaimed dividends*	819.18	572.29
Cheques issued but not encashed		
- Fixed Deposit Refunds*	0.23	0.35
Advances from customers	9,440.67	8,092.06
Other Liabilities	720.15	853.24
Interest accrued but not due on loans/security deposits	949.16	697.08
Total	164,677.59	85,796.12
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
13. PROVISIONS		
Taxation (net of advance tax)	1,568.14	1,263.61
Dividend	8,455.03	5,610.93
Tax on Dividend	1,371.62	931.91
Employee Benefits	1,832.47	1,632.47
Total	13,227.26	9,438.92

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
14. OTHER INCOME		
Interest on loans/deposits, Fertiliser Special bonds, income tax refunds, etc. (Gross)	6,720.12	6,814.52
[Tax deducted at source Rs.30.62 lakhs (2010: Rs. 10.17 lakhs)]		
Dividend (Gross)		
- On trade investments	2.01	2.56
[Tax deducted at source Rs. Nil (2010: Rs. Nil)]		
- On other investments	1,253.77	652.69
[Tax deducted at source Rs. Nil (2010: Rs. Nil)]		
Profit on sale of current investments	-	4.15
Provision for doubtful debts no longer required, written back	34.26	54.10
Other provisions/liabilities no longer required, written back	1,221.50	2,898.24
Provision for Mark to Market of Fertiliser Special Bonds no longer required, written back (Refer Note XX on Schedule 18)	6,888.58	-
Service Income	367.52	370.23
DEPB Income / Excise Benefits	999.96	816.75
Miscellaneous Income	1,330.92	1,598.30
Total	18,818.64	13,211.54
15. MANUFACTURING AND OTHER EXPENSES		
Raw Materials Consumed	493,410.30	400,197.95
Stores Consumed	12,691.74	10,458.88
Power, Fuel and Water	8,688.25	6,683.55
Purchase of Goods for Resale	89,121.29	70,359.49
Salaries, Wages and Bonus	15,248.82	14,097.58
Contribution to Provident Fund and Other Funds	1,172.97	1,058.32
Staff Welfare	1,750.52	1,523.08
Rent	1,514.69	1,409.68
Repairs to:		
Plant and Machinery	5,008.18	3,596.28
Buildings	349.83	156.30
Others	1,312.19	612.04
Insurance	280.52	232.14
Rates and Taxes	750.28	598.30
Travel	1,638.80	1,414.99
Communication	435.90	464.80
Freight and Distribution	34,639.23	30,690.64
Commission to Selling Agents	233.26	290.27
Directors' Fees	8.60	8.20
Loss/(Profit) on Sale/Scrap of Fixed Assets (net)	53.00	524.74
Provision for Doubtful Debts and Advances	155.28	704.37
Loss on Sale of Fertiliser Special Bonds (Refer Note XX on Schedule 18)	3,717.76	-
Mark to Market of Fertiliser Special Bonds	-	2,033.12
Provision for Diminution in Value of Other Investments	2.08	-
Bad Debts Written Off	34.36	55.04
Miscellaneous Expenses	7,950.94	5,842.17
(Increase)/Decrease in Stock:		
Stock as at April 1,		
- Work-in-Process	1,707.25	1,518.60
- Finished Goods	33,217.16	48,774.27
	34,924.41	50,292.87
Less: Stock as at March 31,		
Work-in-process	2,178.19	1,707.25
Finished Goods	54,742.79	33,217.16
	56,920.98	34,924.41
(Increase)/Decrease in Stock	(21,996.57)	15,368.46
Total	658,172.22	568,380.39
16. INTEREST		
On Term Loans	585.02	524.92
Others	7,836.61	7,012.21
Total	8,421.63	7,537.13

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

Quantitative information in respect of goods manufactured/purchased

(A) **Licensed, Installed Capacity and Production per annum**

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Installed Capacity	Production	Installed Capacity	Production
	(in MT)	(in MT)	(in MT)	(in MT)
(i) **Fertilisers**				
Ammonium Phosphatic Fertilisers	2,315,000	2,104,014	1,815,000	2,011,217
Di- Ammonium Phosphate (DAP)	815,000	434,475	815,000	514,564
Single Super Phosphate	132,000	104,472	132,000	100,102
(ii) **Plant Protection Products**				
Technicals	11,840	7,204	13,916	4,625
Formulations Liquids (in KL)	10,400	7,171	10,900	5,695
Formulations - Granules/Powder	6,920	5,338	5,600	5,011

Note:

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

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

	Year ended March 31, 2011		Year ended March 31, 2010	
	Metric Tonnes	Rupees in Lakhs	Metric Tonnes	Rupees in Lakhs
(B) Purchase of goods for resale*				
Di-Ammonium Phosphate (DAP)	98,971	24,583.51	-	-
Muriate of Potash	187,982	33,995.05	255,769	50,314.84
Urea	248,032	12,776.58	72,612	3,626.47
Ammonia	2,396	529.44	5,514	890.12
Plant Protection Chemicals		7,108.57		6,009.17
Others		10,128.14		9,518.89
		89,121.29		70,359.49
*does not include those meant for captive consumption.				
(C) Sales - Produced/Purchased*				
(i) Fertilisers				
Di-Ammonium Phosphate (DAP)	565,367	55,601.59	602,508	55,292.98
Ammonium Phosphatic Fertilisers	2,037,453	159,763.94	1,962,579	137,640.53
Single Super Phosphate	98,220	3,094.19	92,140	3,369.88
Muriate of Potash	164,092	7,065.91	251,280	10,396.09
Urea	234,688	12,242.07	71,429	3,436.36
(ii) Plant Protection Products				
Technicals	5,109	11,211.46	4,428	9,679.03
Formulations -Liquids (in KL)	6,873	23,176.14	5,451	16,678.95
Formulations - Others	9,005	14,868.89	5,930	10,975.58
(iii) Ammonia	2,396	604.07	5,514	1,054.40
(iv) Others		38,878.01		34,528.80
		326,506.27		283,052.60
*Sales are net of excise duty.				
(D) Raw Materials Consumed				
Ammonia	467,251	90,302.81	475,691	68,966.65
Rock Phosphate	665,149	47,600.63	653,242	45,564.22
Urea	87,234	13,724.05	134,345	19,688.93
Sulphur	260,112	21,032.43	252,755	7,867.40
Muriate of Potash	352,802	62,835.00	280,694	61,000.79
Mono Ammonium Phosphate	4,919	951.43	8,453	1,478.52
Phosphoric Acid	584,219	222,990.86	617,046	174,290.84
Plant Protection Chemicals		23,451.79		17,875.65
Others		10,521.30		3,464.95
		493,410.30		400,197.95

	Year ended March 31, 2011		Year ended March 31, 2010	
	Metric Tonnes	Rupees in Lakhs	Metric Tonnes	Rupees in Lakhs
(E) Stock Particulars of goods - Produced/Purchased				
Opening Stock:				
(i) Fertilisers				
Ammonium Phosphatic Fertilisers	93,804	13,370.35	45,611	5,895.81
Di-Ammonium Phosphate (DAP)	35,349	6,129.37	124,512	26,250.67
Single Super Phosphate	9,150	437.00	2,159	107.43
Muriate of Potash	5,737	1,365.17	32,077	6,457.62
Urea	2,197	110.40	–	–
(ii) Plant Protection Products				
Technicals	472	885.93	1,156	2,153.50
Formulations - Liquids (in KL)	1,133	2,585.28	1,070	2,269.19
Formulations - Others	1,137	1,644.44	725	981.07
(iii) Others		6,689.22		4,658.98
		33,217.16		48,774.27
Closing Stock:*				
(i) Fertilisers				
Ammonium Phosphatic Fertilisers	159,576	30,206.48	93,804	13,370.35
Di-Ammonium Phosphate (DAP)	2,746	578.67	35,349	6,129.37
Single Super Phosphate	15,399	909.77	9,150	437.00
Muriate of Potash	30,254	5,213.06	5,737	1,365.17
Urea	16,104	825.55	2,197	110.40
(ii) Plant Protection Products				
Technicals	1,219	2,012.30	472	885.93
Formulations - Liquids (in KL)	1,471	3,446.78	1,133	2,585.28
Formulations - Others	1,287	2,177.08	1,137	1,644.44
(iii) Others		9,373.10		6,689.22
		54,742.79		33,217.16

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

18. Notes forming part of the accounts for the year ended March 31, 2011

I. Significant Accounting Policies:

Basis of preparation of accounts

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

Fixed Assets

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

Depreciation on Fixed assets

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

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

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

Foreign Currency Transactions

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

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

Investments

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

Inventories

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

a) Stores and Spares - Weighted Average Cost.

b) Raw Material - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.

c) Finished Goods and Work-in-process - Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.

d) Goods purchased for resale - Weighted average cost

Sundry Debtors and Loans & Advances

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

Fertiliser Companies' Government of India Special Bonds

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

Revenue Recognition

a) Sale of goods is recognized at the point of despatch to customers. Sales include amounts recovered towards excise duty and exclude sales tax.

b) Dividend income from investments is accounted for in the year in which the right to receive the payment is established.

c) Subsidy is recognized on the basis of the concession schemes announced by the Government of India from time to time on the quantity of fertilisers sold by the Company at the final rates notified by the Government for the period for which notification has been issued and for the remaining period, based on estimates.

d) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties.

e) Export benefits under DEPB license and excise benefits are accounted for on accrual basis.

Employee Benefits

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Profit and Loss Account each year.

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

b) Defined Benefit Plans

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

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

c) Other long term employee benefits

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

d) Short term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

Leases

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

Use of Estimates

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

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liabilities disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

Taxes on Income

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

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

Earnings per Share

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

Schedule 18 (Contd.)

Employee Stock Option Scheme

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

II. Amalgamation of Pasura Bio-Tech Private Limited with the Company

a) Pursuant to the Scheme of Amalgamation ('the Scheme') of the erstwhile Pasura Bio-Tech Private Limited (PBPL) with the Company, as approved by the Hon'ble High Court of Judicature of Andhra Pradesh on February 21, 2011, the entire business and undertaking of PBPL including all assets, liabilities, duties and obligations have been transferred to and vested in the Company with effect from April 1, 2010.

b) PBPL is engaged in the business of manufacture and sale of Pesticides formulations.

c) The Amalgamation has been accounted for under the 'Pooling of interests' method as prescribed by Accounting Standard 14, "Accounting for Amalgamations", notified under Sec 211(3C) of the Act.

d) In accordance with the Scheme, 8,18,475 Equity Shares of Rs.10/- each held by the Company in the equity share capital of PBPL stand cancelled. The difference of Rs.161.23 lakhs between assets, liabilities, statutory reserves of PBPL and the carrying value of investments being cancelled, has been adjusted against the General Reserve of the Company.

e) All assets, liabilities and licenses held in the name of erstwhile PBPL are in the process of being transferred in the name of the Company.

f) In view of the accounting for amalgamation with effect from April 1, 2010, the figures of the current year are not strictly comparable with those of the previous year.

III. Employee Stock Option Plan - ESOP 2007

a) Pursuant to the decision of the shareholders, at their meeting held on July 24, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Remuneration and Nomination Committee of the Board of Directors.

b) Under the Scheme, options not exceeding 12,785,976 (equivalent to 63,92,988 equity shares of Rs.2/- each) have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.

c) The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Remuneration and Nomination Committee resolution approving the grant.

d) Pursuant to the above mentioned scheme, the Company has granted options in earlier years which vest over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard.

e) The following are the number of options outstanding during the year:

	Year ended March 31, 2011		Year ended March 31, 2010	
	No. of Options (Re.1/- per share)	Weighted average Exercise price (Rs.)	No. of Options (Rs.2/- per share)	Weighted average Exercise price (Rs.)
Stock Options				
At the beginning of the Year*	39,67,736	48.53	26,94,756	96.05
Granted	17,81,000	303.33	-	-
Exercised	12,87,710	46.44	3,76,296	93.65
Cancelled	2,38,410	46.32	334,592	92.09
At the end of the Year	42,22,616	156.77	19,83,868	97.06

* The number of shares at the beginning of the Year have been adjusted for the sub-division of Rs.2/- per Equity Share into Equity Shares of Re.1/- each.

Schedule 18 (Contd.)

f) The above outstanding options have been granted in various tranches, at exercise price being equal to the closing market price prevailing on the date prior to the date of grant.

g) In accordance with the requirements of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on "Accounting for Employee Share Based Payments" issued by the Institute of Chartered Accountants of India, had the compensation cost for the employee stock option plan been recognized based on the fair value at the date of grant in accordance with the Black Scholes' model, the proforma amounts of the Company's Net Profit and Earnings Per Share would have been as follows:

	Year ended March 31, 2011	Year ended* March 31, 2010
Profit after Taxation (Rs. in Lakhs)		
- As reported	69,445.72	46,819.89
- Proforma	68,316.07	43,362.40
Earnings Per Share		
Basic		
- No. of Shares	281,278,424	280,073,450
- EPS as reported (Rs.)	24.69	16.72
- Proforma EPS (Rs.)	24.29	15.49
Diluted		
- No. of shares	283,864,107	283,054,030
- EPS as reported (Rs.)	24.46	16.54
- Proforma EPS (Rs.)	24.07	15.32
*The number of shares for the previous year have been adjusted for the sub-division of Rs.2/- per Equity Share into Equity Shares of Re.1/- each.		
The following assumptions were used for calculation of fair value of grants:		
Dividend Yield (%)	100-400	400
Expected Volatility (%)	0.46-0.53	0.54
Risk free interest rate (%)	7.5-8.0	7.5
Expected term (in years)	3-4	3-4

Rupees in Lakhs

IV. Managerial Remuneration	Year ended March 31, 2011	Year ended March 31, 2010
A. To the Directors of the Company		
(i) Remuneration to Whole-time director		
Salary and Allowances	131.02	116.12
Commission/Incentive	67.17	55.10
Contribution to Provident and other Funds	15.22	12.86
Valuation of Perquisites	4.30	1.09
(ii) Commission to non Whole-time Directors	37.23	19.03
(iii) Sitting Fee	8.60	8.20
Total	263.54	212.40

Note:

1. Includes an amount of Rs. 90.08 lakhs paid/payable to the Managing Director since his appointment on October 19, 2010 which is subject to the approval of the shareholders at the ensuing Annual General Meeting.
2. 9,46,000 (2010: Nil) Employee Stock Options were granted to the Managing Director at an exercise price of Rs.317.30 per share pursuant to Employee Stock Option Scheme 'ESOP' 2007.
3. Managerial Remuneration above does not include leave encashment benefit, since the same is computed by actuarial valuation for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

Schedule 18 (Contd.)

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
Computation of net profit under Section 309(5) of the Companies Act, 1956 ('the Act')		
Profit before tax	98,845.72	70,843.89
Add:		
Directors' sitting fee	8.60	8.20
Directors' remuneration	254.94	204.20
Net Profit as per Section 309(5) of the Act	99,109.26	71,056. 29
Commission/Incentive to Whole-time director, as per the resolution of the Board of Directors (Maximum)	47.73	36.75
1% Commission to non-Whole time directors - restricted to	37.23	19.03

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
V. Payment to Auditors*		
Audit fees	28.00	24.00
Tax Audit fees	3.50	3.50
Limited Reviews	12.00	7.50
Certifications	31.25	27.10
Reimbursement of expenses	2.46	0.94
Total	77.21	63.04

* Excludes service tax

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
VI. Expenditure in Foreign Currency		
(a) Expenditure in foreign currency (on payment basis)		
Export Commission	108.36	165.32
Interest	795.48	1,505.20
Others	554.14	602.17

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

Financial Year	Relating to	No. of shares held (Re. 1/- each)	No. of Non-Resident Shareholders	Amount (Rs. in lakhs)
2010-2011	2010-2011	10,115,420	56	404.62
2010-2011	2009-2010	5,067,460*	57	202.70
2009-2010	2009-2010	5,067,460*	57	304.05
2009-2010	2008-2009	5,067,460*	57	202.70

* Equity Shares of Rs. 2/- each

Schedule 18 (Contd.)

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
VII. (A) Value of imports on C.I.F. basis		
Raw Materials (net)	452,071.58	317,551.05
Stores and Spare Parts	259.99	12.94
Components and Spare Parts incorporated in the goods produced	–	–
Capital goods	10.45	77.51
Traded goods	48,638.81	54,282.52
(B) Earnings in Foreign Exchange		
F.O.B. value of exports of goods	6,637.91	5,919.67
Service Income	268.76	216.27
Others	383.06	396.05

Rupees in Lakhs

	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
VIII. Consumption of Raw materials				
a) Raw Materials				
- Imported (includes acquired through canalizing agents)	4,38,021.84	88.77	376,672.32	94.12
- Indigenous	55,388.46	11.23	23,525.63	5.88
	4,93,410.30	100.00	400,197.95	100.00
(b) Components and Spare Parts	–	–	–	–

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

IX. Secured Loans (Schedule 3)

Loans

a) The term loans from banks and others are secured by an exclusive first charge on the specific assets.

b) The working capital facilities from banks are secured by a hypothecation of stock of raw materials, work-in-process, finished goods, stores and spare parts and book debts of the Company. These are further secured by a second charge on the movable fixed assets of the Company.

X. Contingent Liabilities

a) Guarantees

(i) The Company has provided guarantee to third parties on behalf of its Subsidiary CFL Mauritius Limited - Rs.5,887.20 lakhs (2010:Rs. 5,963.76 lakhs.)

(ii) The Company has provided a guarantee towards the borrowing of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT), a joint venture Company, up to Rs. 23,080.50 lakhs (2010:Rs. 23,380.65 lakhs).

Schedule 18 (Contd.)

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
b) **Others**		
In respect of matters under dispute:		
Excise Duty	259.63	317.94
Sales Tax	21.07	3.94
Others	1,080.54	647.73

The amounts shown in the item (a) represent guarantees given in the normal course of business and not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their obligations as they arise. The amounts in item (b) represent 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.

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
XI. **Capital Commitments**		
Capital expenditure commitments	25,253.79	1,803.82
Commitment towards investments	800.00	300.00

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
XII. **Deferred Tax**		
a) Deferred Tax Asset:		
- On Employees separation and retirement costs	504.20	506.84
- Other timing differences mainly relating to statutory dues allowable on payment basis	448.91	572.80
	953.11	1,079.64
b) Deferred Tax Liability		
- On account of depreciation	9,098.60	9,626.35
Deferred Tax Liability (net)	8,145.49	8,546.71

Rupees in Lakhs

		Year ended March 31, 2011	Year ended March 31, 2010
XIII. **Earnings per Share**			
i) Profit after tax as per the Profit and Loss Account - (Rs. in Lakhs)	[a]	69,445.72	46,819.89
Basic			
ii) Weighted average number of Equity Shares of Re. 1/- each outstanding during the year	[b]	281,278,424	280,073,450
Dilution			
iii) Effect of Potential Equity Shares on employees stock options outstanding		2,585,683	2,980,580
iv) Weighted average number of equity shares of Re. 1/- each outstanding during the year	[c]	283,864,107	283,054,030
Earnings Per Share			
v) Basic - [a]/[b] - (Rs.)		24.69	16.72
vi) Diluted - [a]/[c] - (Rs.)		24.46	16.54

*The number of shares for the previous year have been adjusted for the sub-division of Rs.2/- per Equity share into Equity Shares of Re1/- each. (Also refer to foot note H on Schedule 1)

XIV. Segment Reporting

a) Business Segment

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

b) Geographical Segment

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

XV. Investments

The following investments in mutual funds were purchased and sold during the year.

Particulars	No of Units Purchased*		No. of Units Sold	
	2010-11	2009-10	**2010-11**	2009-10
Birla Mutual Fund	849,687,189	599,433,545	851,553,341	599,969,235
TATA Mutual Fund	471,962,438	367,919,682	473,657,039	368,202,608
IDFC Mutual Fund	684,948,267	750,489,271	686,185,691	750,967,525
Sundaram BNP Paribas Mutual Fund	422,788,107	351,515,928	423,356,269	351,657,483
HDFC Mutual Fund	506,366,237	601,298,709	507,250,747	602,123,709
J.M. Financial Mutual Fund	289,678,896	304,657,201	289,870,270	304,942,048
LIC Mutual Fund	663,077,790	952,463,331	663,631,230	953,529,851
PRINCIPAL Mutual Fund	-	284,870,201	-	284,961,031
UTI Mutual Fund	12,473,897	8,544,960	12,487,431	8,550,588
SBI Mutual Fund	342,067,933	-	342,689,906	-
Reliance Mutual Fund	467,123,044	869,467,328	467,239,098	869,913,198
ICICI Prudential Mutual Fund	109,599,192	536,886,335	109,734,982	537,145,157
DBS Chola Mutual Fund	-	29,599,567	-	29,618,256
KOTAK Mutual Fund	528,082,387	870,030,679	529,200,534	870,734,951

*excludes dividend units reinvested.

XVI. Leases

The Company has entered into certain operating lease agreements and an amount of Rs. 1,514.69 lakhs (2010: Rs. 1,409.68 lakhs) paid under such agreements has been charged to the Profit and Loss Account. These agreements are cancelable in nature.

Schedule 18 (Contd.)

XVII. Related Party Disclosures

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

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

Name of the Related Party	Relationship
E.I.D. Parry (India) Limited	Holding Company
Parry Chemicals Limited (PCL)	Subsidiary Company
CFL Mauritius Limited (CML)	Subsidiary Company
Coromandel Brasil Limitada (CBL)	Subsidiary Company
Parry Investments Limited (PIL)	Fellow Subsidiary Company
Parry Infrastructure Company Private Limited (PICPL)	Fellow Subsidiary Company
Sadashiva Sugars Limited (SSL)	Fellow Subsidiary Company
Parry Sugar Industries Limited (PSIL)	Fellow Subsidiary Company
Coromandel Getax Phosphates Pte Ltd. (CGPL)	Joint Venture
Coromandel SQM India Pvt Limited (CSQM)	Joint Venture
Tunisian Indian Fertilizers. SA (TIFERT)	Joint Venture
Mr.V.Ravichandran, Managing Director upto 19.10.2010	Key Management Personnel
Mr. Kapil Mehan, Managing Director from 19.10.2010	Key Management Personnel

Rupees in Lakhs

	2010-2011	2009-2010
B) Transactions during the year in the ordinary course of business		
i) Sale of finished goods/raw materials/services (net of discounts)		
a) Holding Company	–	118.05
b) Fellow Subsidiary Company - SSL	34.12	20.87
c) Fellow Subsidiary Company - PSIL	137.42	–
ii) Interest received from		
a) Subsidiary Company - PCL	19.69	20.06
b) Fellow Subsidiary - PICPL	11.08	–
iii) Rent received		
a) Fellow Subsidiary Company - PICPL	175.00	175.00
iv) Expenses reimbursed by		
a) Holding Company	55.64	2.32
b) Fellow Subsidiary - PSIL	9.40	–
c) Subsidiary Company - CBL	0.96	–
d) Joint Venture - CSQM	1.98	14.10
e) Joint Venture - TIFERT	5.94	–
f) Subsidiary Company - PCL	7.17	–
v) Purchase of finished goods and services		
a) Holding Company	220.90	–
vi) Commission on sales to Subsidiary Company - PCL	42.16	36.12
vii) Expenses reimbursed to		
a) Holding Company	209.38	332.98
b) Subsidiary Company - PCL	2.40	2.40
c) Joint Venture - CSQM	1.24	–
d) Fellow Subsidiary - SSL	0.01	–
viii) Advance given		
a) Subsidiary Company - CBL	–	3.39
b) Joint Venture - CSQM	–	0.27
ix) Advance received		
a) Fellow Subsidiary Company - SSL	–	2.98

Schedule 18 (Contd.)

Rupees in Lakhs

	2010-2011	2009-2010
x) Investment made in Equity Shares of		
a) Subsidiary Company - CBL	129.94	4.32
b) Joint Venture - TIFERT	-	4,496.34
xi) Dividend Paid		
a) Holding Company	10,617.59	8,814.97
xii) Outstanding balances as at the year end :		
a) Debtors/ Loans & Advances		
- Subsidiary Company - PCL	276.94	290.34
- Subsidiary Company - CBL	4.35	3.39
- Joint Venture - CSQM	2.77	2.73
- Fellow subsidiary - SSL	6.28	-
b) Creditors/Payables		
- Holding Company	110.50	72.94
- Fellow subsidiary PSIL	33.21	-
- Fellow Subsidiary - PICPL	3,000.00	3,000.00

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

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

XVIII. Employee benefits

a. Defined benefit plans

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

Rupees in Lakhs

Particulars	Gratuity Plan		Superannuation and other Pension Plans	
	2010-2011	2009-2010	2010-2011	2009-2010
Projected benefit obligation at the beginning of the period	2,114.18	1,699.18	115.36	146.24
Current service cost	217.52	190.84	1.70	3.26
Interest cost	159.86	113.47	9.23	10.86
Actuarial loss/(gain)	240.86	267.19	(9.45)	(44.99)
Benefits paid	(231.68)	(156.50)	-	-
Projected benefit obligation at the end of the period	2,500.74	2,114.18	116.84	115.37
Amounts recognised in the balance sheet				
Projected benefit obligation at the end of the period	2,500.74	2,114.18	116.84	115.37
Fair value of plan assets at end of the period	2,191.79	1,845.59	-	-
Funded status of the plans - (asset)/ liability	308.95	268.59	116.84	115.37
Liability recognized in the balance sheet	308.95	268.59	116.84	115.37
Cost for the period				
Current service cost	217.52	190.84	1.70	3.26
Interest cost	159.86	113.47	9.23	10.86
Expected return on plan assets	(161.49)	(123.14)	-	-
Net actuarial (gain)/loss recognised in the period	173.74	222.81	(9.45)	(44.99)
Past service cost	-	(1.59)	-	-
Net Cost recognized in Profit and Loss Account	389.63	402.39	1.48	(30.87)

Rupees in Lakhs

Particulars	Gratuity Plan		Superannuation and other Pension Plans	
	2010-2011	2009-2010	**2010-2011**	2009-2010
Nature and extent of investment details of the plan assets*				
State and Central Securities	22.01%	24.29%	-	-
Bonds	42.12%	32.30%	-	-
Special Deposits	35.88%	43.40%	-	-
Actual Return on Plan Assets*	228.59	228.16		
Assumptions				
Discount rate	8.00%	7.00%	8.00%	7.00%
Estimated rate of return on plan assets	8.00%	7.00%	-	-
Expected rate of salary increase	5.00%	3.50%	-	-

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

Defined contribution plans

In respect of the defined contribution plans, an amount of Rs. 724.58 lakhs (2010: Rs.608.31 lakhs) has been recognised in the Profit and Loss Account during the year.

XIX. The Company has recognized subsidy income for the current year as per the Nutrient Based Subsidy (NBS) Policy announced by Government of India, effective April 1, 2010. Such income has been shown under "Government Subsidies" in the Profit and Loss Account. The subsidy income for the year includes Rs.22,652.00 lakhs (2010: Rs. 26,211.00 lakhs) relating to previous years, following announcement / determination of the final rates of concession for the previous years.

XX. During the year, Government of India has decided to buy back the remaining Fertiliser Companies' Government of India Special Bonds (Fertiliser bonds - issued by it in an earlier year in lieu of subsidy dues) in two equal tranches during 2010-11 and 2011-12 through Reserve Bank of India and also decided to share atleast 50% of the loss on such sale of fertiliser bonds. Accordingly the Company has sold 50% of the fertiliser bonds of each coupon rate held (aggregate face value of Rs.49,886.45 lakhs) on 31st March 2011 and accounted for a loss of Rs.7,435.51 lakhs. The Company has also recognised 50% compensation receivable from Government of India amounting to Rs.3,717.76 lakhs. Consequently Mark to Market provision of Rs.6,888.58 lakhs made in respect of these bonds have been reversed. In respect of unsold bonds, the Company continues to value the same at the current market price pending confirmation on the price and timing of sale by Government of India.

XXI. Other Matters

a) Based on the information available with the Company, there are no dues/interest outstanding to Small and Micro Enterprises as at March 31, 2011.

b) Sales are net of discounts, other than usual trade discounts, Rs. 7,229.58 lakhs (2010: Rs. 5,804.59 lakhs).

c) The net difference in foreign exchange (i.e., difference between the spot rate on the dates of the transactions and the actual rate at which the transactions are settled / appropriate rates applicable at the year end) debited to the respective heads of account in the Profit and Loss Account is Rs.5,780.65 lakhs (2010: Rs. 8,915.14 lakhs credit).

d) Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting period is Rs. 1,199.91 lakhs debit (2010: Rs. 153.03 lakhs debit).

e) Research and development expenses incurred on the following heads have been accounted under the natural heads (Refer Schedule 15)

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
Salaries, Wages and Bonus	186.14	175.99
Contribution to Provident fund and other funds	65.13	14.61
Consumption of Stores and Spares	28.98	36.92
Power & Fuel	10.46	20.72
Repairs to Machinery	8.16	12.11
Miscellaneous Expenses	36.83	43.52
Total	335.70	303.87

Schedule 18 (Contd.)

f) Land - Lease deed in respect of land admeasuring 9.80 acres taken on lease from Visakhapatnam Port Trust by the erstwhile GFCL, is pending execution.

g) The Ordinary shares of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) held by the Company and included under Investments (Schedule 6) have been pledged to secure the obligations of TIFERT to their lenders.

h) During the year, the Company has made political donations of Rs. Nil (2010: 25.00 lakhs to Telugu Desam Party and Rs 15.00 lakhs to Prajarajyam Party).

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

Rupees in Lakhs

Name of the entity	Year ended March 31, 2011			Year ended March 31, 2010		
	Coromandel Getax	Coromandel SQM	TIFERT*	Coromandel Getax	Coromandel SQM	TIFERT*
Country of Incorporation	Singapore	India	Tunisia	Singapore	India	Tunisia
Percentage of Ownership interest	50%	50%	15%	50%	50%	15%
Assets						
Current Assets	174.33	98.36	788.37	174.69	133.82	12,372.07
Fixed Assets	-	97.43	28405.60	-	63.80	13,496.61
Liabilities						
Current Liabilities	5.39	2.52	5819.24	4.18	1.85	13,960.51
Income	0.14	6.05	84.95	-	1.62	325.54
Expenditure						
Manufacturing and Other expenses	2.25	8.41	41.59	7.23	5.72	202.91
Contingent Liabilities	-	-	-	-	-	-
Capital Commitments	-	0.34	-	-	19.85	-

* All figures relating to TIFERT are as per the unaudited financial statements for the year ended December 31, 2010 and information has been furnished to the extent available with the Company.

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

I	**REGISTRATION DETAILS**								
	Registration No.	0	1	-	0	0	8	9	2
	State Code							0	1
	Balance Sheet Date	3	1	-	0	3	-	1	1
II	**CAPITAL RAISED DURING THE YEAR**								
	(AMOUNT IN Rs. THOUSANDS)								
	Public Issue				N	I	L		
	Right Issue				N	I	L		
	Bonus Issue				N	I	L		
	Private Placement				N	I	L		
III	**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**								
	(AMOUNT IN Rs. THOUSANDS)								
	Total Liabilities	5	2	3	5	7	8	0	4
	Total Assets	5	2	3	5	7	8	0	4
	SOURCES OF FUNDS								
	Paid-up Capital			2	8	1	8	3	4
	Reserves and Surplus	1	8	7	5	9	3	2	3
	Secured Loans		3	8	7	6	8	7	1
	Unsecured Loans	1	0	8	3	4	7	4	2
	Deferred Tax Liability			8	1	4	5	4	9
	APPLICATION OF FUNDS								
	Net Fixed Assets		8	5	3	1	9	4	9
	Investments		2	1	2	3	2	5	2
	Net Current Assets	2	3	9	1	2	1	1	8
	Miscellaneous Expenditure				N	I	L		
	Accumulated Losses				N	I	L		
IV	**PERFORMANCE OF COMPANY**								
	(AMOUNT IN Rs. THOUSANDS)								
	Turnover	7	7	1	6	1	3	6	2
	Total Expenditure	6	7	2	7	6	7	9	0
	Profit Before Tax		9	8	8	4	5	7	2
	Profit After Tax		6	9	4	4	5	7	2
	Earnings per share (Rs.) - Diluted				2	4	.	4	6
	Dividend Rate (%)						7	0	0

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

Item Code No. (ITC Code)										Product Description							
3	1	0	5	3	0	.	0	0		Di-Ammonium Phosphate	-	18	:	46	:	0
3	1	0	5	4	0	.	0	0		Complex Fertilisers	-	28	:	28	:	0
3	1	0	5	4	0	.	0	0		Complex Fertilisers	-	20	:	20	:	0

CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED AUDITORS' REPORT

The Board of Directors of Coromandel International Limited

1. We have audited the attached consolidated balance sheet of Coromandel International Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate Company; hereinafter referred to as the "Group" (refer Note I on Schedule 17 to the attached consolidated financial statements) as at March 31, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of three subsidiaries and three jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs. 51,167.68 lakhs, net assets of Rs. 25,610.50 lakhs and total liabilities of Rs. 25,557.18 lakhs as at March 31, 2011, total revenue of Rs. 202.36 lakhs, net loss of Rs. 79.28 lakhs and net cash outflows amounting to Rs. 9,213.16 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. *Attention is drawn to Note III(d) on Schedule 17 regarding the use of unaudited financial statements of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT), a joint venture Company, for the period up to December 31, 2010,(since, as explained to us, the audited financial statements of TIFERT as at and for the year ended December 31, 2010 and the unaudited financials as at and for the three months ended March 31, 2011 were not available). The unaudited financial statements of TIFERT for the period up to December 31, 2010 constitute total assets of Rs. 32,943.78 lakhs, net assets of Rs. 10,591.06 lakhs, total liabilities of Rs.22,352.72 lakhs, revenues of Rs.84.95 lakhs and profit after tax of Rs.43.36 lakhs and net cash outflows of Rs. 8,074.26 lakhs of the consolidated financial statements of the Group as at and for the year ended March 31, 2011.*

5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211of the Companies Act, 1956.

6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us and *except for the impact of adjustments, if any, that are not ascertainable at this stage in respect of matters referred to in paragraph 4 above,* in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;

   (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Anupam Dhawan
Partner
Membership No. F-84451

Place : Hyderabad
Date : April 21, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Rupees in Lakhs

	Schedule	March 31, 2011	March 31, 2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	1	2,818.34	2,805.46
(b) Reserves and Surplus	2	192,855.61	147,347.69
		195,673.95	150,153.15
2. Loan Funds			
(a) Secured Loans	3	58,021.39	59,463.75
(b) Unsecured Loans	4	108,361.75	145,234.14
		166,383.14	204,697.89
3. Deferred Tax Liability (net)		8,145.49	8,546.71
(Refer Note XI on Schedule 17)			
TOTAL		370,202.58	363,397.75
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	135,291.26	130,742.67
(b) Less : Depreciation		55,145.18	49,619.49
(c) Net Block		80,146.08	81,123.18
(d) Capital Work-in-Progress (including capital advances and expenditure incurred during contruction period, pending allocation)		34,152.23	14,639.16
		114,298.31	95,762.34
2. Investments	6	17,053.14	16,928.32
3. Current Assets, Loans and Advances			
(a) Inventories	7	151,384.95	92,642.27
(b) Sundry Debtors	8	20,517.70	13,979.59
(c) Cash and Bank Balances	9	96,054.00	96,047.43
(d) Other Current Assets	10	42,997.87	85,995.73
(e) Loans and Advances	11	111,807.57	62,347.73
		422,762.09	351,012.75
Less: Current Liabilities and Provisions			
(a) Liabilities	12	170,696.32	90,690.82
(b) Provisions	13	13,214.64	9,614.84
		183,910.96	100,305.66
Net Current Assets		238,851.13	250,707.09
TOTAL		370,202.58	363,397.75
Notes to the Consolidated Accounts	17		

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

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rupees in Lakhs

		Schedule	Year ended March 31, 2011	Year ended March 31, 2010
I.	**Income**			
	Sales (Gross)		332,199.23	286,641.29
	Less: Excise duty		5,692.96	3,588.69
	Sales (net)		326,506.27	283,052.60
	Government Subsidies		426,288.71	356,420.43
	Other income	14	18,956.78	13,617.12
			771,751.76	653,090.15
II.	**Expenditure**			
	Manufacturing and Other Expenses	15	658,291.30	568,471.24
	Interest	16	8,681.92	7,818.75
	Depreciation		6,206.73	5,941.50
			673,179.95	582,231.49
III.	**Profit before tax**		98,571.81	70,858.66
	Tax Expense			
	- Current Tax		29,605.38	23,490.97
	- Deferred Tax (Credit)/Expense		(400.00)	600.00
IV.	**Profit after taxation**		69,366.43	46,767.69
	Balance brought forward		26,655.24	21,268.93
	Add: On Consolidation of a Joint Venture		-	6.16
V.	**Available for Appropriation**		96,021.67	68,042.78
	Transfer to General Reserve		35,000.00	25,000.00
	Interim Dividend		11,274.57	8,414.64
	Proposed Dividend		8,455.03	5,610.93
	Dividend Tax		3,244.18	2,361.97
VI.	**Balance carried to Balance Sheet**		38,047.89	26,655.24
	Earnings per share of Re.1/- each			
	- Basic (Rs.)		24.66	16.70
	- Diluted (Rs.)		24.44	16.52
	(Refer Note XII on Schedule 17)			
	Notes to the Consolidated Accounts	17		

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

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rupees in Lakhs

		2010-2011	2009-2010
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	98,571.81	70,858.66
	Adjustments for:		
	Depreciation	6,206.73	5,941.50
	Interest expense	8,681.92	7,818.75
	Loss on sale of fixed assets	53.00	524.74
	Loss on sale of Fertiliser Special Bonds	3,717.76	-
	Profit on sale of current investments	-	(4.15)
	Interest income	(6,849.12)	(7,065.70)
	Dividend income	(1,261.84)	(655.24)
	Foreign Currency Translation reserve	(1,312.64)	(822.63)
	Foreign exchange fluctuation	760.20	(1,805.14)
	Mark to Market of Fertiliser Special Bonds	-	2,033.12
	Provision for Diminution in Value of Other Investments	2.08	-
	Provision for doubtful debts no longer required, written back	(34.26)	(60.52)
	Provision for Mark to Market of Fertiliser Special Bonds no longer required, written back	(6,888.58)	-
	Other Provisions no longer required written back	(1,221.50)	(2,898.24)
	Provision for doubtful debts and advances	155.28	704.37
	Bad debts written off	34.36	60.71
	Operating Profit Before Working Capital Changes	100,615.20	74,630.23
	Adjustments for:		
	(Increase)/Decrease in trade and other receivables	(53,127.87)	42,137.86
	(Increase)/Decrease in inventories	(58,740.42)	42,108.78
	Increase/(Decrease) in trade payables	81,222.37	(72,201.16)
	Proceeds from sale of Fertiliser companies' Govt of India Special Bonds	42,450.93	-
	Cash Generated From Operations	112,420.21	86,675.71
	Interest received	7,580.49	7,028.45
	Direct Taxes paid (net of refunds)	(29,489.39)	(24,422.12)
	Net Cash from Operating Activities	90,511.31	69,282.04
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(24,551.80)	(22,182.15)
	Sale of fixed assets	164.49	32.20
	Purchase of Long term investments - others (Refer Note 2 below)	(506.08)	(72.63)
	Purchase of Current investments	(88.54)	-
	Sale of Current investments	-	143.73
	Purchase of investments - mutual funds	(516,600.00)	(456,700.00)
	Sale of investments - mutual funds	516,600.00	456,700.00
	Dividends received - Trade investments	8.07	2.56
	Dividends received - others	1,253.77	652.69
	Net Cash used in Investing Activities	(23,720.09)	(21,423.60)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

Rupees in Lakhs

	2010-2011	2009-2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares on exercise of Employee stock Options (including share premium)	597.98	352.41
Proceeds from long term borrowings	16,600.42	13,945.78
Repayment of long term borrowings	(3,002.91)	(10,508.77)
Increase/(Decrease) in working capital finance	(53,049.75)	25,998.02
Dividends paid (including tax thereon)	(19,443.08)	(16,190.17)
Interest paid	(8,487.31)	(7,939.17)
Net Cash from Financing Activities	(66,784.65)	5,658.10
Net Increase/ (Decrease) in Cash And Cash Equivalents	6.57	53,516.54
Cash and Cash Equivalents at the beginning of the year	96,047.43	42,530.35
Add: On consolidation of a joint venture	-	0.54
Cash and Cash Equivalents at the end of the year	96,054.00	96,047.43

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 211 (3C) of the Act.
2. Pursuant to the Scheme of Amalgamation of Pasura Bio-Tech Private Limited (PBPL) with the Company cash and cash equivalents as at April 1, 2010 amounting to Rs. 10.48 lakhs have been taken over by the Company. Purchase of investment others includes an amount of Rs.467.72 lakhs (net of cash acquired) paid for the acquisition of PBPL (Refer Note V on Schedule 17)
3. In view of note 2 above, the current year's figures are not comparable with those of the previous year.

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

	March 31, 2011	March 31, 2010
1. CAPITAL		
Authorised 350,000,000 (2010: 175,000,000 Equity Shares Rs.2/- each) Equity shares of Re. 1/- each	3,500.00	3,500.00
Issued and Subscribed* 281,834,198 (2010: 140,273,244 Equity Shares of Rs.2/- each) Equity Shares of Re. 1/- each fully paid-up	2,818.34	2,805.46
Total	2,818.34	2,805.46

*Notes:

(A) Of the above, since inception:

(i) 1,161,220 Equity Shares of Rs. 10/- each fully paid-up have been allotted pursuant to contracts without payments being received in cash.

(ii) 13,855,758 Equity Shares of Rs.10/- each fully paid-up have been issued as Bonus Shares by capitalisation of a part of General Reserve.

(iii) 881,888 Equity Shares of Rs.10/- each fully paid-up have been issued at a premium of Rs.10/- per share to the Debenture Holders and Public Financial Institutions pursuant to the right exercised by them for converting a part of their Debentures/Loan amounts into fully paid-up Equity Shares.

(B) 4,864,000 Equity Shares of Rs. 10/- each fully paid-up have been bought back at a price of Rs. 65/- per share from the shareholders pursuant to the offer for buy back of equity shares made during the year ended March 31, 2000.

(C) 5,949,901 Equity Shares of Rs.10/- each fully paid-up have been allotted to the shareholders of E.I.D. Parry (India) Limited in the ratio of one share of the Company for every three shares of E.I.D. Parry (India) Limited, pursuant to the scheme of arrangement (demerger) between E.I.D. Parry (India) Limited and the Company for the acquisition of Farm Inputs Division of E.I.D. Parry (India) Limited during the year ended March 31, 2004.

(D) 831,981 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Ficom Organics Limited in the ratio of 3 shares of the Company for every 11 shares of Ficom Organics Limited pursuant to the Scheme of Amalgamation between Ficom Organics Limited and Rasilah Investments Limited and the Company during the year ended March 31, 2007.

(E) 12,037,182 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Godavari Fertilisers and Chemicals Limited in the ratio of 3 shares of the Company for every 2 shares of Godavari Fertilisers and Chemicals Limited pursuant to the Scheme of Amalgamation between Godavari Fertilisers and Chemicals Limited and the Company during the year ended March 31, 2008.

(F) Of the total Equity Share Capital as at March 31, 2011, E.I.D. Parry (India) Limited (Holding Company) holds 177,155,580 (2010 : 88,284,290 Equity Shares of Rs.2/- each) Equity Shares of Re. 1/- each fully paid-up.

(G) 1,287,710 (2010: 376,296 Equity Shares of Rs.2/- each) Equity Shares of Re.1 each have been allotted pursuant to exercise of stock options under 'ESOP 2007' scheme during the year.

(H) During the year, the Equity Shares of face value of Rs.2/- each fully paid-up have been sub-divided into Equity Shares of Re. 1/- each.

Rupees in Lakhs

		March 31, 2011	March 31, 2010
2. RESERVES AND SURPLUS			
Capital Reserve (on Amalgamation)	(A)	13,601.44	13,601.44
Capital Reserve			
Per last Balance Sheet		14.97	14.97
Add: Transferred on Amalgamation (Refer Note V on Schedule 17)		4.07	-
		19.04	14.97
Capital Redemption Reserve		486.40	486.40
Securities Premium Account			
Per last Balance Sheet		6,350.90	6,006.01
Add: Received on exercise of employee stock options		585.10	344.89
		6,936.00	6,350.90
Central Subsidy		11.25	11.25
	(B)	7,452.69	6,863.52
Foreign Currency Translation Reserve (Refer Note II(v) on Schedule 17)			
Per last Balance Sheet		280.44	-
Add: Movement during the period		(1,312.64)	280.44
	(C)	(1,032.20)	280.44
General Reserve			
Per last Balance Sheet		99,962.02	74,961.70
Less: On Amalgamation (Refer Note V on Schedule 17)		161.23	-
Add:Movement during the period		(0.03)	-
Add: Transfer from Profit and Loss Account		35,000.00	25,000.00
Add: On consolidation of a Joint Venture		-	0.32
	(D)	134,800.76	99,962.02
Profit and Loss Account	(E)	38,047.89	26,655.24
	{A+B+C+D+E}	192,870.58	147,362.66
Less: Amalgamation Adjustment Account		14.97	14.97
	Total	192,855.61	147,347.69
3. SECURED LOANS			
(Refer Note VIII on Schedule 17)			
(a) Term Loans			
From Banks			
- Foreign Currency Loans		33,218.16	18,772.64
From Others		554.11	1,358.22
(b) Cash Credit and Working Capital Demand Loans			
From Banks			
- Rupee Loans		24,134.91	39,332.89
- Foreign currency loan		114.21	-
	Total	58,021.39	59,463.75
4. UNSECURED LOANS			
(a) Short Term Loans			
From Banks			
- Foreign Currency Loans		55,870.38	65,410.29
- Rupee Loans		42,334.13	70,000.00
(b) From other than banks, other than short term			
- Sales Tax Deferral		2.78	2.78
- Security/Trade and Other Deposits		10,154.46	9,821.07
	Total	108,361.75	145,234.14

5. FIXED ASSETS

Rupees in Lakhs

Description	COST or VALUATION						DEPRECIATION						NET BOOK VALUE	
	As at April 1, 2010	Amalga–mation (Refer Note 1)	Additions	Effect of Translation (Refer Note 3)	Dedu–ctions/ Adjust–ments	**As at March 31, 2011**	Upto April 1, 2010	Amalga–mation (Refer Note 1)	For the year	Effect of Translation (Refer Note 3)	On Deductions/ Adjustments	**Upto March 31, 2011**	**As at March 31, 2011**	As at March 31, 2010
Land – Freehold	26,084.03	–	–	–	–	26,084.03	–	–	–		–	–	26,084.03	26,084.03
Land – Leasehold	1,889.99	9.70	–	(11.61)	–	1,888.08	200.77	0.02	29.64	(0.36)	–	230.07	1,658.01	1,689.22
Buildings	9,533.36	139.76	1,076.35	(16.17)	57.00	10,676.30	1,879.87	0.82	285.70	(0.40)	42.41	2,123.58	8,552.72	7,653.49
Roads	829.48	1.43	29.23	–	–	860.14	108.81	–	100.68	–	–	209.49	650.65	720.67
Railway Siding	700.27	–	1.68	–	–	701.95	303.34	–	33.15	–	–	336.49	365.46	396.93
Plant and Machinery														
– Research & Development	522.92	–	39.56	–	–	562.48	65.50	–	32.74	–	–	98.24	464.24	457.88
– Others	84,859.60	270.37	3,021.54	–	701.85	87,449.66	44,296.84	4.86	4,646.89	–	532.33	48,416.26	39,033.40	40,562.30
Office Equipment, Furniture and Fittings														
– Research & Development	23.75	–	8.38	–	–	32.13	1.89	–	4.38	–	–	6.27	25.86	21.92
– Others	4,927.42	2.10	513.56	(0.89)	50.59	5,391.60	2,172.46	0.06	828.57	(0.70)	43.89	2,956.50	2,435.10	2,754.90
Vehicles	1,360.22	23.99	340.62	(1.12)	97.93	1,625.78	578.86	5.11	244.55	(0.55)	71.25	756.72	869.06	781.36
Technical Know–how	11.63	–	7.81	(0.33)	–	19.11	11.15	–	0.43	(0.02)	–	11.56	7.55	0.48
Total	130,742.67	447.35	5,038.73	(30.12)	907.37	135,291.26	49,619.49	10.87	6,206.73	(2.03)	689.88	55,145.18	80,146.08	81,123.18
Previous Year	121,014.50	14.85	10,731.81	–	1,018.49	130,742.67	44,135.07	4.47	5,941.50	–	461.55	49,619.49	81,123.18	
Capital work in Progress (Including capital advances)													34,152.23	14,639.16

Notes:

1. Taken over at book values pursuant to the Scheme of Amalgamation of Pasura Bio–Tech Private Limited (PBPL) with the Company (Refer Note V on Schedule 17)
2. Additions to Plant and Machinery and Building for the year include interest capitalised amounting to Rs. 644.32 lakhs (2010: 121.12 lakhs).
3. Represents translation of fixed assets of non–integral operations into Indian Rupee.

Rupees in Lakhs

		March 31, 2011	March 31, 2010
6. INVESTMENTS - LONG TERM - AT COST			
I. TRADE INVESTMENTS			
UNQUOTED			
Indian Potash Limited 90,000 Equity Shares of Rs. 10/- each, fully paid-up		4.50	4.50
Foskor (Pty) Limited, South Africa 199,590 Ordinary shares of South African Rand 1 each fully paid-up		12,439.70	12,401.34
Murugappa Management Services Limited 16,139 Equity Shares of Rs. 450/- each fully paid up		72.63	72.63
Bharuch Enviro Infrastructure Limited 16,100 Equity Shares of Rs. 10/- each, fully paid-up		1.61	1.61
Bharuch Eco Aqua Infrastructure Limited 275,000 Equity Shares of Rs. 10/- each, fully paid-up		27.50	27.50
A.P. Gas Power Corporation Limited 1,340,000 Equity shares of Rs.10 each fully paid-up		753.75	753.75
	(A)	13,299.69	13,261.33
CURRENT INVESTMENTS - AT COST OR BELOW*			
QUOTED			
Ashnoor Textile Mills Limited 238 Equity Shares of Rs. 10/- each, fully paid-up		0.05	0.05
I G Petrochemicals Limited 13,000 Equity Shares of Rs. 10/- each, fully paid-up		12.64	12.64
UTI Master Shares 1,000 Equity Shares of Rs. 10/- each, fully paid-up		0.15	0.15
		12.84	12.84
Less: Provision for diminution in value		9.19	7.11
	(B)	3.65	5.73
UNQUOTED			
Investments in Treasury bills		3,749.80	3,661.26
	(C)	3,749.80	3,661.26
Total	{A+B+C}	17,053.14	16,928.32

*(Aggregate Market Value of quoted investments - Rs.3.65 lakhs (2010: Rs. 5.73 lakhs)

(Aggregate Value of quoted investments - Rs.3.65 lakhs (2010: Rs.5.73 lakhs)

(Aggregate Value of Unquoted investments - Rs.17,049.49 lakhs (2010: Rs. 16,922.59 lakhs)

Rupees in Lakhs

		March 31, 2011	March 31, 2010
7. INVENTORIES			
Stores and Spare Parts*		4,686.04	3,274.06
Raw Materials**		89,777.93	54,443.80
Work-in-process**		2,178.19	1,707.25
Finished Goods**		54,742.79	33,217.16
	Total	151,384.95	92,642.27
*At cost or under			
**At cost or net realisable value, whichever is lower Raw Materials include Materials in Transit of Rs. 23,173.32 lakhs (2010: Rs. 23,952.34 lakhs).			
8. SUNDRY DEBTORS			
(Considered good, unless otherwise stated)			
Debts outstanding for a period exceeding six months			
Secured		326.63	133.83
Unsecured		1,130.27	653.73
Unsecured - Considered Doubtful		607.69	486.68
		2,064.59	1,274.24
Less: Provision for Doubtful Debts		607.69	486.68
	(A)	1,456.90	787.56
Other Debts			
Secured		1,804.13	1,473.75
Unsecured		17,256.67	11,718.28
	(B)	19,060.80	13,192.03
	Total {A+B}	20,517.70	13,979.59
9. CASH AND BANK BALANCES			
Cash on Hand		22.51	16.27
Balances with Scheduled Banks:			
- On Current Accounts		36,183.29	9,296.54
- On Deposit Accounts		59,841.13	86,693.24
- On Margin Money Accounts		4.14	34.77
Balances with non-Scheduled Banks:			
- On Current Account - Ned Bank, South Africa*		2.93	6.61
	Total	96,054.00	96,047.43
*Maximum balance outstanding during the year - Rs. 6.61 lakhs (2010: Rs. 8.09 lakhs)			
10. OTHER CURRENT ASSETS			
7.00% Fertiliser Companies' Government of India Special Bonds 2022 {7,625,500 (2010: 15,251,000) bonds of Rs.100 each}		7,625.50	15,251.00
6.20% Fertiliser Companies' Government of India Special Bonds 2022 * {19,465,600 (2010: 38,931,200) bonds of Rs.100 each}	-	19,465.60	38,931.20
6.65% Fertiliser Companies' Government of India Special Bonds 2023 {22,795,350 (2010: 45,590,700) bonds of Rs.100 each}		22,795.35	45,590.70
		49,886.45	99,772.90
Less: Mark to Market write down (Refer Note XVIII on Schedule 17)		6,888.58	13,777.17
	Total	42,997.87	85,995.73

*Out of these, Nil (2010: 37,500,000) bonds of Rs.100 each have been marked as lien in favour of a lender.

Rupees in Lakhs

	March 31, 2011	March 31, 2010
11. LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Interest accrued but not due on deposits/loans/ Fertilisers special bonds	809.14	1,540.51
Advances recoverable in cash or in kind or for value to be received		
Considered Good	10,750.30	7,489.26
Considered Doubtful	6.08	662.78
Government Subsidies Receivable	96,895.69	50,824.55
Deposits with Government Bodies	1,902.64	1,876.78
Balances with Excise, Customs, Port Trust etc.,	1,449.80	616.63
	111,813.65	63,010.51
Less: Provision for Doubtful Advances	6.08	662.78
Total	111,807.57	62,347.73
12. LIABILITIES		
Acceptances	1,527.23	4,456.82
Sundry Creditors		
- Outstanding dues of Micro and Small Enterprises	-	-
- Outstanding dues of other than Micro and Small Enterprises	157,221.88	75,940.71
Unclaimed dividends*	819.18	572.29
Cheques issued but not encashed		
- Fixed Deposit Refunds*	0.23	0.35
Advances from customers	9,452.46	8,103.85
Other Liabilities	726.18	862.25
Interest accrued but not due on loans/security deposits	949.16	754.55
Total	170,696.32	90,690.82

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

	March 31, 2011	March 31, 2010
13. PROVISIONS		
Taxation (net of advance tax)	1,555.52	1,439.53
Dividend	8,455.03	5,610.93
Tax on Dividend	1,371.62	931.91
Employee Benefits	1,832.47	1,632.47
Total	13,214.64	9,614.84

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
14. OTHER INCOME		
Interest on loans/deposits, Fertiliser Special bonds, income tax refunds, etc. (Gross)	6,849.12	7,065.70
[Tax deducted at source Rs.30.62 lakhs (2010: Rs. 10.17 lakhs)]		
Dividend (Gross)		
- On trade investments	8.07	2.56
[Tax deducted at source Rs. Nil (2010: Rs. Nil)]		
- On other investments	1,253.77	652.69
[Tax deducted at source Rs. Nil (2010: Rs. Nil)]		
Profit on sale of current investments	-	4.15
Provision for doubtful debts no longer required, written back	34.26	60.52
Other provisions/liabilities no longer required, written back	1,221.50	2,898.24
Provision for Mark to Market of Fertiliser Special Bonds no longer required, written back (Refer Note XVIII on Schedule 17)	6,888.58	-
Service Income	367.52	370.23
DEPB Income/Excise Benefits	999.96	816.75
Miscellaneous Income	1,334.00	1,746.28
Total	18,956.78	13,617.12
15. MANUFACTURING AND OTHER EXPENSES		
Raw Materials Consumed	493,410.30	400,198.69
Stores Consumed	12,691.74	10,458.88
Power, Fuel and Water	8,697.20	6,683.55
Purchase of Goods for Resale	89,121.29	70,364.45
Salaries, Wages and Bonus	15,366.05	14,154.76
Contribution to Provident Fund and Other Funds	1,173.71	1,064.93
Staff Welfare	1,750.52	1,523.08
Rent	1,524.65	1,415.05
Repairs to:		
Plant and Machinery	5,009.83	3,596.28
Buildings	349.83	156.30
Others	1,312.19	636.30
Insurance	281.16	232.97
Rates and Taxes	752.84	599.76
Travel	1,658.80	1,418.32
Communication	435.90	465.44
Freight and Distribution	34,639.23	30,690.64
Commission to Selling Agents	191.10	254.15
Directors' Fees	9.46	8.20
Loss/(Profit) on Sale/Scrap of Fixed Assets (net)	53.00	524.74
Provision for Doubtful Debts and Advances	155.28	704.37
Loss on Sale of Fertiliser Special Bonds (Refer Note XVIII on Schedule 17)	3,717.76	-
Mark to Market of Fertiliser Special Bonds	-	2,033.12
Provision for Diminution in Value of Other Investments	2.08	-
Bad Debts Written Off	34.36	60.71
Miscellaneous Expenses	7,956.22	5,884.41
(Increase)/Decrease in Stock:		
Stock as at April 1,		
- Work-in-Process	1,707.25	1,518.60
- Finished Goods	33,217.16	48,774.27
	34,924.41	50,292.87
Less: Stock as at March 31,		
- Work-in-process	2,178.19	1,707.25
- Finished Goods	54,742.79	33,217.16
	56,920.98	34,924.41
(Increase)/Decrease in Stock	(21,996.57)	15,368.46
Less: Transferred to expenditure during contruction period, pending allocation	6.63	26.32
Total	658,291.30	568,471.24
16. INTEREST		
On Term Loans	844.20	772.62
Others	7,837.72	7,046.13
Total	8,681.92	7,818.75

17. Notes forming part of the consolidated accounts for the year ended March 31, 2011

I. Basis of preparation of accounts

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

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

II. Principles of Consolidation:

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

(i) Subsidiary companies are those in which Coromandel International Limited, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations.

(ii) Investments in business entities over which the Company exercises joint control are accounted for using the proportionate consolidation.

(iii) Investments in associates are accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition changes based on share of profits or losses since the acquisition.

(iv) All inter Company transactions, balances and unrealized surplus and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

(v) The operations of the Company's Foreign subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation. Accordingly the exchange differences arising on conversion of their financial statements in to Indian Rupees is reflected under 'Foreign Currency Translation Reserve' (Refer Schedule 2).

III. List of Subsidiaries and Joint Ventures considered for Consolidation

Name of the Company	Relationship	Country of incorporation	Percentage of voting power as at March 31, 2011
Parry Chemicals Limited (PCL)	Subsidiary	India	100
CFL Mauritius Limited (CML)	Subsidiary	Mauritius	100
Coromandel Brasil Limitada (CBL), Limited Liability Partnership	Subsidiary	Brazil	100
Coromandel Getax Phosphates Pte Ltd., (CGPL)	Joint Venture	Singapore	50
Coromandel SQM India Private Limited (CSQMPL)	Joint Venture	India	50
Tunisian Indian Fertilizers SA. (TIFERT)	Joint Venture	Tunisia	15

a. In respect of CML, CBL and CGPL the financial year is from January 1, 2010 to December 31, 2010 and accordingly audited financial statements are available up to December 31, 2010. These financial statements have been adjusted by the management for significant transactions between January 1, 2011 to March 31, 2011.

b. In respect of consolidation of TIFERT, since the audit has not yet been completed, unaudited financial results upto December 31, 2010 have been used. However, management does not expect any significant variance on completion of the audit. Financials for the period January 1, 2011 to March 31, 2011 are not available and hence have not been considered for consolidation. Any differences arising based on audited financials will be adjusted in the subsequent year.

c. In respect of Pratyusha Chemicals and Fertilisers Limited (PCFL), previously consolidated as an associate Company, the % of holding has been reduced from 25% to 12% due to Capital Reduction scheme implemented by PCFL and hence the same has not been considered for consolidation.

IV. Significant Accounting Policies:

Fixed Assets

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

Schedule 17 (Contd.)

Depreciation on Fixed assets

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

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

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

Foreign Currency Transactions

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

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

Investments

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

Inventories

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

a) Stores and Spares - Weighted Average Cost.

b) Raw Material - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.

c) Finished Goods and Work-in-process - Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.

d) Goods purchased for resale - Weighted average cost

Sundry Debtors and Loans & Advances

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

Fertiliser Companies' Government of India Special Bonds

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

Revenue Recognition

a) Sale of goods is recognized at the point of despatch to customers. Sales include amounts recovered towards excise duty and exclude sales tax.

b) Dividend income from investments is accounted for in the year in which the right to receive the payment is established.

c) Subsidy is recognized on the basis of the concession schemes announced by the Government of India from time to time on the quantity of fertilisers sold by the Company at the final rates notified by the Government for the period for which notification has been issued and for the remaining period, based on estimates.

d) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties.

e) Export benefits under DEPB license and excise benefits are accounted for on accrual basis.

Schedule 17 (Contd.)

Employee Benefits

a) **Defined Contribution Plans**

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective schemes are recognised in the Profit and Loss Account each year.

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

b) **Defined Benefit Plans**

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

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

c) **Other long term employee benefits**

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

d) **Short term employee benefits**

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

Leases

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

Use of Estimates

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

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liabilities disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

Taxes on Income

a) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year in accordance with the relevant tax regulations.

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

Earnings per Share

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

Schedule 17 (Contd.)

Employee Stock Option Scheme

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

V. Amalgamation of Pasura Bio- Tech Private Limited with the Company

a) Pursuant to the Scheme of Amalgamation ('the Scheme') of the erstwhile Pasura Bio-Tech Private Limited (PBPL) with the Company, as approved by the Hon'ble High Court of Judicature of Andhra Pradesh on February 21, 2011, the entire business and undertaking of PBPL including all assets, liabilities, duties and obligations have been transferred to and vested in the Company with effect from April 1, 2010.

b) PBPL is engaged in the business of manufacture and sale of Pesticides formulations.

c) The Amalgamation has been accounted for under the 'Pooling of interests' method as prescribed by Accounting Standard 14, "Accounting for Amalgamations", notified under Sec 211(3C) of the Act.

d) In accordance with the Scheme, 8,18,475 Equity Shares of Rs.10/- each held by the Company in the equity share capital of PBPL stands cancelled. The difference of Rs.161.23 lakhs between assets, liabilities, statutory reserves of PBPL and the carrying value of investments being cancelled has been adjusted against the General Reserve of the Company.

e) All assets, liabilities and licenses held in the name of erstwhile PBPL are in the process of being transferred in the name of the Company.

f) In view of the accounting for amalgamation with effect from April 1, 2010, the figures of the current year are not strictly comparable with those of the previous year.

VI. Employee Stock Option Plan - ESOP 2007

a) Pursuant to the decision of the shareholders, at their meeting held on July 24, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Remuneration and Nomination Committee of the Board of Directors.

b) Under the Scheme, options not exceeding 12,785,976 (equivalent to 63,92,988 equity shares of Rs.2/- each) have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.

c) The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Remuneration and Nomination Committee resolution approving the grant.

d) Pursuant to the above mentioned scheme, the Company has granted options in earlier years which vest over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard.

e) The following are the number of options outstanding during the year:

	Year ended March 31, 2011		Year ended March 31, 2010	
	No. of Options (Re.1/- per share)	Weighted average Exercise price (Rs.)	No. of Options (Rs.2/- per share)	Weighted average Exercise price (Rs.)
Stock Options				
At the beginning of the Year *	39,67,736	48.53	26,94,756	96.05
Granted	17,81,000	303.33	-	-
Exercised	12,87,710	46.44	3,76,296	93.65
Cancelled	2,38,410	46.32	334,592	92.09
At the end of the Year	42,22,616	156.77	19,83,868	97.06

*The number of shares at the beginning of the year have been adjusted for the sub-division of Rs.2/- per Equity Share into Equity Shares of Re1/- each.

f) The above outstanding options have been granted in various tranches, at exercise price being equal to the closing market price prevailing on the date prior to the date of grant.

g) In accordance with the requirements of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on "Accounting for Employee Share Based Payments" issued by the Institute of Chartered Accountants of India, had the compensation cost for the employee stock option plan been recognized based on the fair value at the date of grant in accordance with the Black Scholes' model, the proforma amounts of the Group's Net Profit and Earnings Per Share would have been as follows:

	Year ended March 31, 2011	Year ended* March 31, 2010
Profit after Taxation (Rs. in Lakhs)		
- As reported	69,366.43	46,767.09
- Proforma	68,236.78	43,310.20
Earnings Per Share		
Basic		
- No. of Shares	281,278,424	280,073,450
- EPS as reported (Rs.)	24.66	16.70
- Proforma EPS (Rs.)	24.26	15.47
Diluted		
- No. of shares	283,864,107	283,054,030
- EPS as reported (Rs.)	24.44	16.53
- Proforma EPS (Rs.)	24.04	15.30
* The number of shares for the previous year have been adjusted for the sub-division of Rs.2/- per Equity Share in to Equity Shares of Re 1/- each.		
The following assumptions were used for calculation of fair value of grants:		
Dividend Yield (%)	100-400	400
Expected Volatility (%)	0.46- 0.53	0.54
Risk free interest rate (%)	7.5- 8.0	7.5
Expected term (in years)	3-4	3-4

VII. Managerial Remuneration

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
A. To the Directors of the Company		
(i) Remuneration to Whole-time director		
Salary and Allowances	131.02	116.12
Commission/Incentive	67.17	55.10
Contribution to Provident and other Funds	15.22	12.86
Valuation of Perquisites	4.30	1.09
(ii) Commission to non Whole-time Directors	37.23	19.03
(iii) Sitting Fee	8.60	8.20
Total	263.54	212.40

Notes:

1. Includes an amount of Rs. 90.08 lakhs paid/payable to the Managing Director since his appointment on October 19, 2010 which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

2. 9,46,000 (2010: Nil) Employee Stock Options were granted to the Managing Director at an exercise price of Rs.317.30 per share pursuant to Employee Stock Option Scheme 'ESOP' 2007.

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

Schedule 17 (Contd.)

VIII. Secured Loans (Schedule 3)

Loans

a) The term loans from banks and others include an amount of Rs. 14,633.80 lakhs (2010: Rs. 7,226.96 lakhs) secured by an exclusive first charge on the specific assets of the Company. They further include a loan amounting to Rs. 2,719.20 lakhs (2010: Rs. 3614.40 lakhs) availed by CFL Mauritius Limited secured by a corporate guarantee of 100% from Coromandel International Limited. A negative lien has been created over the investments made in Foskor (Proprietary) Limited, upto 10% of equity shares of Foskor (Proprietary) Limited.

b) Foreign currency term loans from bank include long term financing availed by TIFERT amounting to Rs. 16,419.27 lakhs (2010: Rs. 9,289.50 lakhs) which are secured by first charge on all assets of the project of the Company (movables, immovables, bank accounts including offshore accounts, receivables and inventories). These are further secured by Corporate guarantee issued by Joint venture partners and Pledge of their Ordinary Shares held in TIFERT.

c) The working capital facilities from banks are secured by a hypothecation of stock of raw materials, work-in-process, finished goods, stores and spare parts and book debts of the Company. These are further secured by a second charge on the movable fixed assets of the Company.

IX. Contingent Liabilities

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
In respect of matters under dispute:		
Excise Duty	259.63	317.94
Sales Tax	21.07	3.94
Others	1,080.54	647.73

The amounts shown above represent best estimates and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
X. Capital Commitments		
Capital expenditure commitments	25,254.13	25,068.78
Commitment towards investment	500.00	-

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
XI. Deferred Tax		
a) Deferred Tax Asset:		
- On Employees separation and retirement Costs	504.20	506.84
- Other timing differences mainly relating to Statutory dues allowable on payment basis	448.91	572.80
	953.11	1,079.64
b) Deferred Tax Liability		
- On account of depreciation	9,098.60	9,626.35
Deferred Tax Liability (net)	8,145.49	8,546.71

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

		Year ended March 31, 2011	Year ended* March 31, 2010
XII. Earnings Per Share			
i) Profit after tax as per the Profit and Loss Account - (Rs. in lakhs)	[a]	69,366.43	46,767.69
Basic			
ii) Weighted average number of Equity Shares of Re. 1/- each outstanding during the year	[b]	281,278,424	280,073,450
Dilution			
iii) Effect of Potential Equity Shares on employees stock options outstanding		2,585,683	2,980,580
iv) Weighted average number of equity shares of Re. 1/- each outstanding during the year	[c]	283,864,107	283,054,030
Earnings Per Share			
v) Basic - [a]/[b] - (Rs.)		24.66	16.70
vi) Diluted - [a]/[c] - (Rs.)		24.44	16.53

*The number of shares for the previous year have been adjusted for the sub-division of Rs.2/- per Equity Share in to Equity Shares of Re.1/- each.

XIII. Segment Reporting

i) Business Segment

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

ii) Geographical Segment

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

XIV. Leases

The Group has entered into certain operating lease agreements and an amount of Rs. 1,524.65 lakhs (2010: Rs. 1,415.05 lakhs) paid under such agreements has been charged to the Profit and Loss Account. These agreements are cancelable in nature.

XV. Related Party Disclosures

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

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

Name of the Related Party	Relationship
E.I.D. Parry (India) Limited	Holding Company
Parry Investments Limited (PIL)	Fellow Subsidiary Company
Parry Infrastructure Company Private Limited (PICPL)	Fellow Subsidiary Company
Sadashiva Sugars Limited (SSL)	Fellow Subsidiary Company
Parry Sugars Industries Limited (PSIL)	Fellow Subsidiary Company
Mr.V.Ravichandran, Managing Director upto 19.10.2010	Key Management Personnel
Mr. Kapil Mehan from 19.10.2010	Key Management Personnel

Schedule 17 (Contd.)

Rupees in Lakhs

	2010-2011	2009-2010
B) Transactions during the year in the ordinary course of business		
i) Sale of finished goods/raw materials/services (net of discounts)		
a) Holding Company	-	118.05
b) Fellow Subsidiary - SSL	34.12	20.87
c) Fellow Subsidiary - PSIL	137.42	-
ii) Interest received from		
a) Fellow Subsidiary - PICPL	11.08	-
iii) Rent received		
a) Fellow Subsidiary - PICPL	175.00	175.00
iv) Expenses reimbursed by		
a) Holding Company	55.64	2.32
b) Fellow Subsidiary - PSIL	9.40	-
v) Purchase of finished goods and services		
Holding Company	220.90	-
vi) Expenses reimbursed to		
a) Holding Company	209.38	332.98
b) Fellow Subsidiary - SSL	0.01	-
vii) Advance received		
a) Fellow Subsidiary - SSL	-	2.98
viii) Dividend Paid		
a) Holding Company	10,617.59	8,814.97
ix) Outstanding balances as at the year end :		
a) Debtors/Loans & Advances		
- Fellow subsidiary - SSL	6.28	-
b) Creditors/Payables		
- Holding Company	110.50	72.94
- Fellow subsidiary - PSIL	33.21	-
- Fellow Subsidiary - PICPL	3,000.00	3,000.00

Notes: Details of remuneration to Directors are disclosed in note VII above.

XVI. Employee benefits

a. Defined benefit plans

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

Rupees in Lakhs

Particulars	Gratuity Plan		Superannuation and other Pension Plans	
	2010-2011	2009-2010	2010-2011	2009-2010
Projected benefit obligation at the beginning of the period	2,114.18	1,699.18	115.36	146.24
Current service cost	217.52	190.84	1.70	3.26
Interest cost	159.86	113.47	9.23	10.86
Actuarial loss/(gain)	240.86	267.19	(9.45)	(44.99)
Benefits paid	(231.68)	(156.50)	-	-
Projected benefit obligation at the end of the period	2,500.74	2,114.18	116.84	115.37
Amounts recognised in the balance sheet				
Projected benefit obligation at the end of the period	2,500.74	2,114.18	116.84	115.37
Fair value of plan assets at end of the period	2,191.79	1,845.59	-	-
Funded status of the plans - (asset)/ liability	308.95	268.59	116.84	115.37
Liability recognized in the balance sheet	308.95	268.59	116.84	115.37

Schedule 17 (Contd.)

Rupees in Lakhs

Particulars	Gratuity Plan		Superannuation and other Pension Plans	
	2010-2011	2009-2010	**2010-2011**	2009-2010
Cost for the period				
Current service cost	217.52	190.84	1.70	3.26
Interest cost	159.86	113.47	9.23	10.86
Expected return on plan assets	(161.49)	(123.14)	-	-
Net actuarial (gain)/loss recognised in the period	173.74	222.81	(9.45)	(44.99)
Past service cost	-	(1.59)	-	-
Net Cost recognized in Profit and Loss Account	389.63	402.39	1.48	(30.87)
Nature and extent of investment details of the plan assets*				
State and Central Securities	22.01%	24.29%	-	-
Bonds	42.12%	32.30%	-	-
Special Deposits	35.88%	43.40%	-	-
Actual Return on Plan Assets*	228.59	228.16		
Assumptions				
Discount rate	8.00%	7.00%	8.00%	7.00%
Estimated rate of return on plan assets	8.00%	7.00%	-	-
Expected rate of salary increase	5.00%	3.50%	-	-

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

Defined contribution plans

In respect of the defined contribution plans, an amount of Rs. 724.58 lakhs (2010: Rs.608.31 lakhs) has been recognised in the Profit and Loss Account during the year.

XVII. The Company has recognized subsidy income for the current year as per the Nutrient Based Subsidy (NBS) Policy announced by Government of India, effective April 1, 2010. Such income has been shown under "Government Subsidies" in the Profit and Loss Account. The subsidy income for the year includes Rs.22,652.00 lakhs (2010: Rs. 26,211.00 lakhs) relating to previous years, following announcement / determination of the final rates of concession for the previous years.

XVIII. During the year, Government of India has decided to buy back the remaining Fertiliser Companies' Government of India Special Bonds (Fertiliser bonds - issued by it in an earlier year in lieu of subsidy dues) in two equal tranches during 2010-11 and 2011-12 through Reserve Bank of India and also decided to share atleast 50% of the loss on such sale of fertiliser bonds. Accordingly the Company has sold 50% of the fertiliser bonds of each coupon rate held (aggregate face value of Rs.49,886.45 lakhs) on 31st March 2011 and accounted for a loss of Rs.7,435.51 lakhs. The Company has also recognised 50% compensation receivable from Government of India amounting to Rs.3,717.76 lakhs. Consequently Mark to Market provision of Rs.6,888.58 lakhs made in respect of these bonds have been reversed. In respect of unsold bonds, the Company continues to value the same at the current market price pending confirmation on the price and timing of sale by Government of India.

XIX. Other Matters

a) Based on the information available with the Group, there are no dues/interest outstanding to Small and Micro Enterprises as at March 31, 2011.

b) Sales are net of discounts, other than usual trade discounts, Rs. 7,229.58 lakhs (2010: Rs. 5,804.59 lakhs).

c) The net difference in foreign exchange (i.e., difference between the spot rate on the dates of the transactions and the actual rate at which the transactions are settled / appropriate rates applicable at the year end) debited to the respective heads of account in the Profit and Loss Account is Rs. 5,780.65 lakhs (2010: Rs. 9,116.30 lakhs credit).

d) Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting period is Rs. 1,199.91 lakhs debit (2010: Rs. 153.03 lakhs debit).

e) Research and development expenses incurred on the following heads have been accounted under the natural heads (Refer Schedule 15)

Schedule 17 (Contd.)

Rupees in Lakhs

	Year ended March 31, 2011	Year ended March 31, 2010
Salaries, Wages and Bonus	186.14	175.99
Contribution to Provident fund and other funds	65.13	14.61
Consumption of Stores and Spares	28.98	36.92
Power & Fuel	10.46	20.72
Repairs to Machinery	8.16	12.11
Miscellaneous Expenses	36.83	43.52
Total	335.70	303.87

f) Land - Lease deed in respect of land admeasuring 9.80 acres taken on lease from Visakhapatnam Port Trust by the erstwhile GFCL, is pending execution.

g) During the year, the Company has made political donations of Rs. Nil (2010: 25.00 lakhs to Telugu Desam Party and Rs 15.00 lakhs to Prajarajyam Party).

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

Rupees in Lakhs

Name of the entity	Year ended March 31, 2011			Year ended March 31, 2010		
	Coromandel Getax	Coromandel SQM	TIFERT*	Coromandel Getax	Coromandel SQM	TIFERT*
Country of Incorporation	Singapore	India	Tunisia	Singapore	India	Tunisia
Percentage of Ownership interest	50%	50%	15%	50%	50%	15%
Assets						
Current Assets	174.33	98.36	788.37	174.69	133.82	12,372.07
Fixed Assets	-	97.43	28,405.60	-	63.80	13,496.61
Liabilities						
Current Liabilities	5.39	2.52	5,819.24	4.18	1.85	13,960.51
Income	0.14	6.05	84.95	-	1.62	325.54
Expenditure						
Manufacturing and Other expenses	2.25	8.41	41.59	7.23	5.72	202.91
Contingent Liabilities	-	-	-	-	-	-
Capital Commitments	-	0.34	-	-	19.85	-

*All figures relating to TIFERT are as per the unaudited financial statements for the year ended December 31, 2010 and information has been furnished to the extent available with the Company.

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

For and on behalf of the Board

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

ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 21, 2011

KAPIL MEHAN
Managing Director

A. VELLAYAN
Chairman

P. NAGARAJAN
Chief Financial Officer

M.R. RAJARAM
Company Secretary

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

Rupees in Lakhs

	Parry Chemicals Limited Year ended March 31,2011	CFL Mauritius Limited Year ended Dec 31,2010	Coromandel Brasil Limitada Year ended Dec 31,2010
Share Capital	50.00	8,168.93	270.52
Reserves	119.01	6,249.65	(200.89)
Loan funds	14.33	2,719.20	–
Current liabilities and provisions	277.88	174.30	10.84
Total liabilities	**461.22**	**17,312.08**	**80.47**
Fixed Assets	459.66	–	16.05
Investments	–	12,418.99	–
Current assets	1.56	4,893.09	64.42
Total Assets	**461.22**	**17,312.08**	**80.47**
Turnover	47.12	61.92	2.18
PBT	8.85	(188.36)	(133.26)
Taxation	5.50	(200.12)	
PAT	3.35	11.76	(133.26)
Proposed dividends	–	–	–
Details of investments (unquoted)			
Foskor (Pty) Limited			
South Africa Rand 1 each fully paid (Nos)		199590	

COROMANDEL INTERNATIONAL LIMITED

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

ATTENDANCE SLIP

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

R.F.NO./CLIENT ID: DP ID:

NAME AND ADDRESS:

I hereby record my presence at FORTY NINTH ANNUAL GENERAL MEETING to be held on Thursday, July 21, 2011 at 10.30 A.M at Hotel Minerva Grand, CMR Complex, Beside Manju Theatre, Secunderabad - 500 003.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE MEMBER/PROXY*

*Strike out whichever is not applicable

TEAR OFF HERE

COROMANDEL INTERNATIONAL LIMITED

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

R.F.NO./CLIENT ID:

PROXY FORM

I/We ______________________ of ______________________

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

______________________ of ______________________

or failing him ______________________ of ______________________

or failing him ______________________ of ______________________

as my/our Proxy to attend and vote for me/us in the manner indicated below* and on my/our behalf at the FORTY NINTH ANNUAL GENERAL MEETING of the Company to be held at 10.30 A.M on Thursday, July 21, 2011 and at any adjournment thereof.

* '**For**' Item Nos. : ______________________

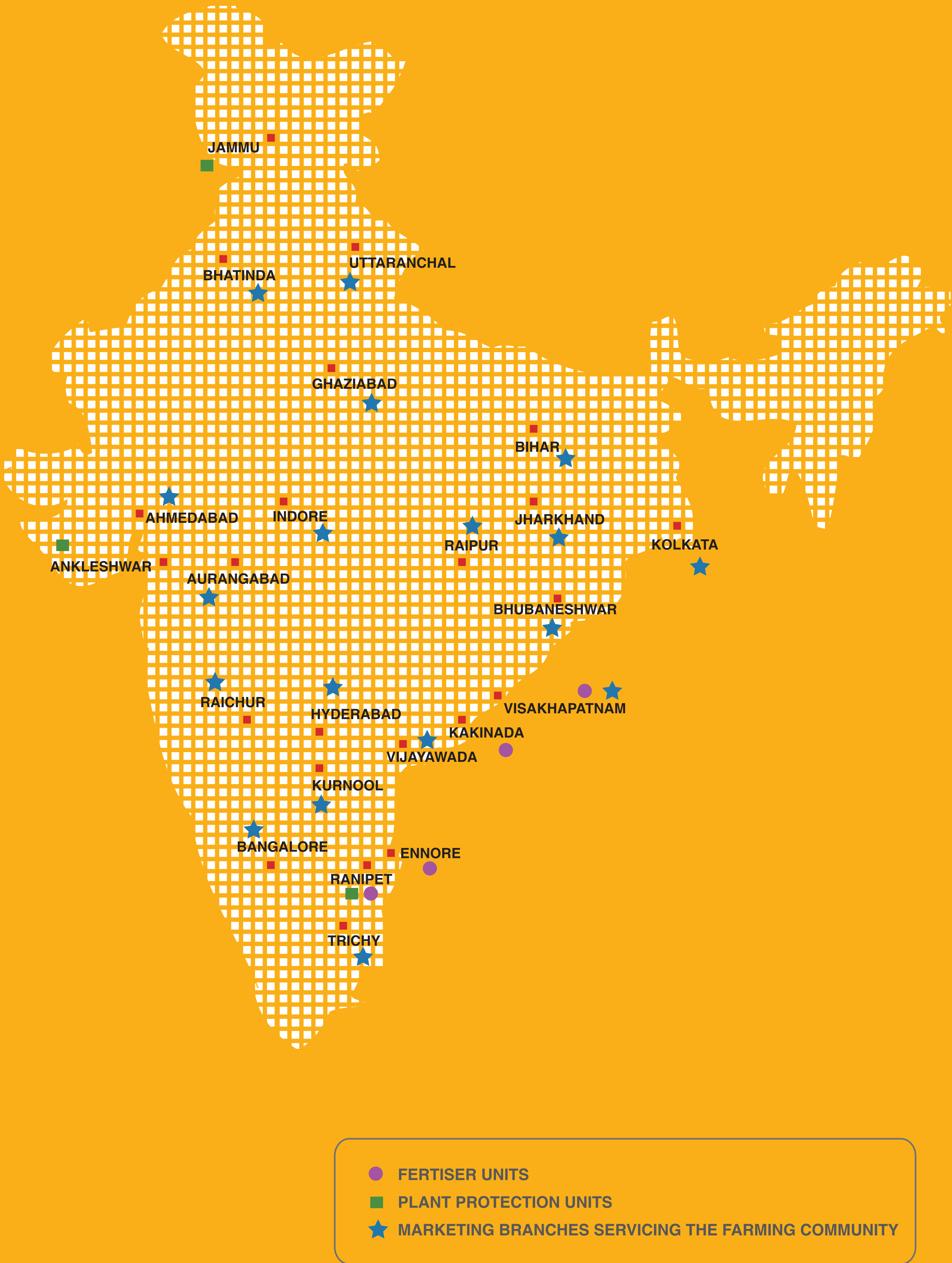
* '**Against**' Item Nos. ______________________:

Dated this ______________ day of ______________ 2011

Affix
Revenue
stamp

Signature of the Member(s) ______________________

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


JAMMU
UTTARANCHAL
BHATINDA
GHAZIABAD
BIHAR
AHMEDABAD
INDORE
JHARKHAND
RAIPUR
KOLKATA
ANKLESHWAR
AURANGABAD
BHUBANESHWAR
RAICHUR
HYDERABAD
VISAKHAPATNAM
KAKINADA
VIJAYAWADA
KURNOOL
BANGALORE
ENNORE
RANIPET
TRICHY
FERTISER UNITS
PLANT PROTECTION UNITS
MARKETING BRANCHES SERVICING THE FARMING COMMUNITY