

**THIRD QUARTER & FIRST NINE MONTHS FY15
RESULTS PRESENTATION**

FEBRUARY 2015



Sharda Cropchem Limited





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- Q3 & 9M FY15 Results Highlights**
- Q3 & 9M FY15 Consolidated Financials**
- About Us**
- Business Model**
- Business Strategy & Outlook**

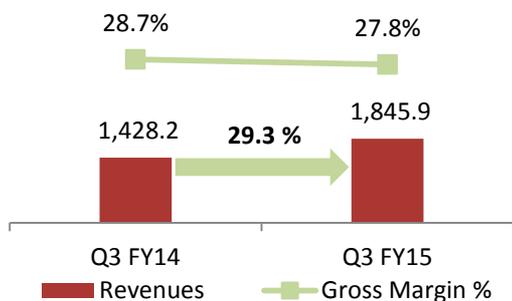


Q3 & 9M FY15 RESULTS: KEY HIGHLIGHTS



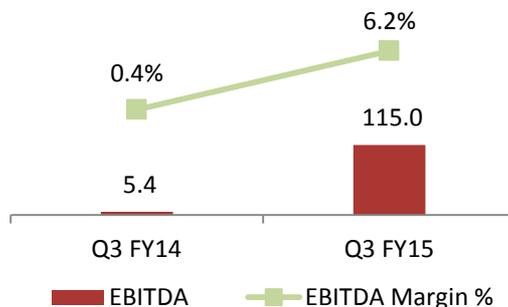
In Rs Mn

REVENUES & GROSS MARGIN

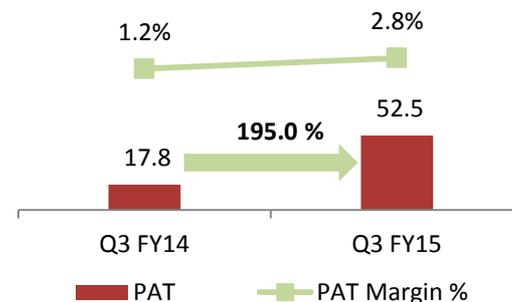


Q3 FY15 YoY ANALYSIS

EBITDA & EBITDA MARGIN *

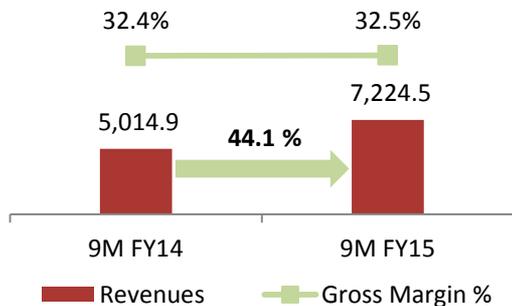


PAT & PAT MARGIN

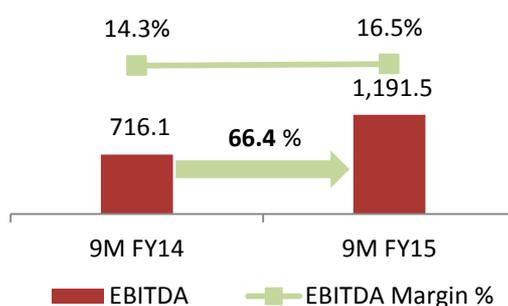


9M FY15 YoY ANALYSIS

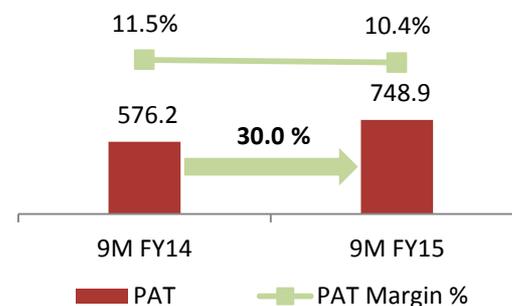
REVENUES & GROSS MARGIN



EBITDA & EBITDA MARGIN *



PAT & PAT MARGIN



* Excl. Forex Impacts

Q3 & 9M FY15 RESULTS: KEY HIGHLIGHTS



FINANCIAL UPDATE -

- 9M FY15 Total Revenues increased by 44.1% YoY to Rs. 7,224.5 mn from Rs. 5,014.9 mn in 9M FY14.
- 9M FY15 Gross Profit increased by 44.4% to Rs. 2,344.7 mn from Rs. 1,624.0 mn in 9M FY14. Gross Margin was stable at 32.5% in 9M FY15 compared to 32.4% in 9M FY14.
- Company has been able to maintain strong growth along with sustained Gross margins.
- 9M FY15 EBIDTA excl. forex impacts increased by 66.4% YoY to Rs. 1,191.5 mn from Rs. 716.1 mn in 9M FY14. EBIDTA Margin improved by 221 bps to 16.5% in 9M FY15 compared to 14.3% in 9M FY14.

UNDERSTANDING SEASONALITY –

- The Q3 FY15 results are comparable on YoY basis rather than QoQ basis due to seasonal nature of the business.
 - The business in the Northern hemisphere especially in Europe is lowest during Oct-Dec period and peaks during Jan-Mar period. Hence, on an annual basis, the company registers highest revenues in Europe in Q4 of financial year, which further tapers down over Q1 and Q2, and registers lowest revenues in Q3 of financial year.

OPERATIONAL UPDATE-

- Total number of registrations increased to 1,334 as of 31-Dec-14 as compared to 1,207 as of 15-Jul-14. The company currently has another 601 registrations in the pipeline across geographies.
- Total revenue contribution from the Top 10 molecules has been 64% in 9M FY15 as compared to 60% in 9M FY14.



Q3 FY15 YoY % CHANGE IN REVENUE FROM OPERATIONS



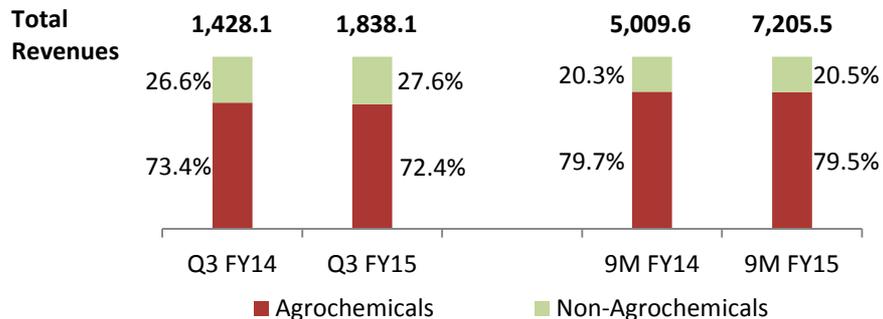
9M FY15 YoY % CHANGE IN REVENUE FROM OPERATIONS



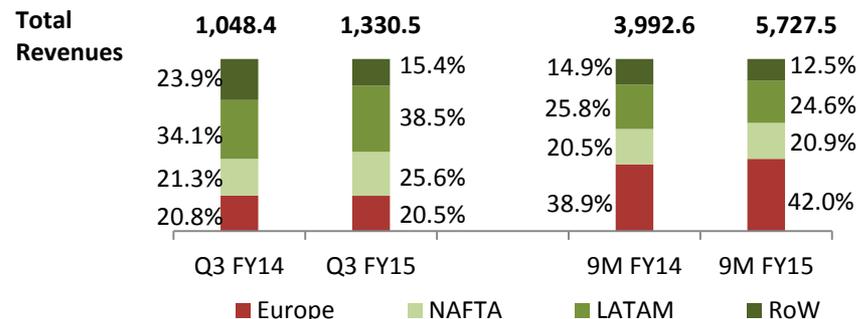
Q3 & 9M FY15 RESULTS: REVENUE ANALYSIS



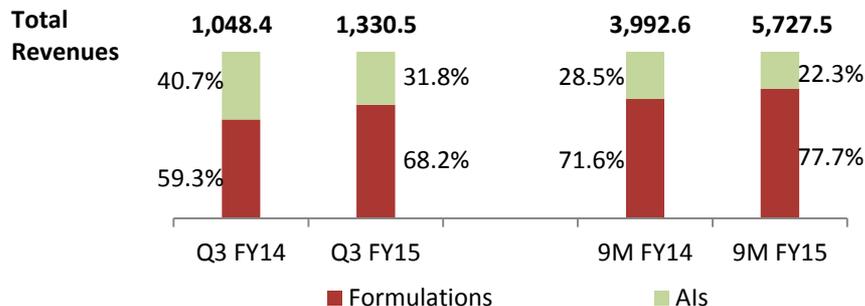
AGROCHEMICALS VS. NON-AGROCHEMICALS



GEOGRAPHICAL PRESENCE – AGROCHEMICAL SALES



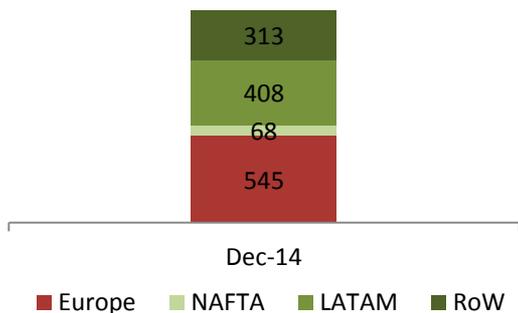
FORMULATIONS VS. ACTIVE INGREDIENTS



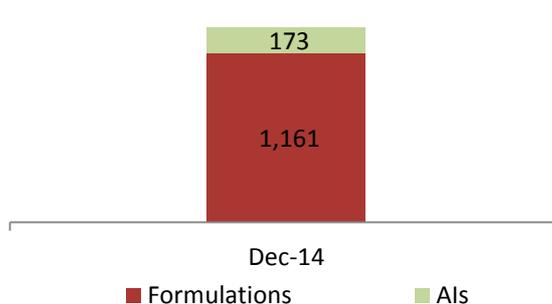
UPDATE ON REGISTRATIONS



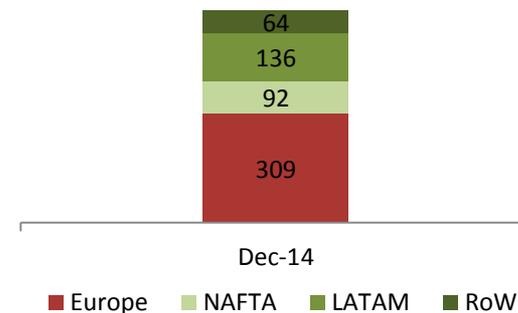
REGISTRATIONS AS ON 31-DEC-14 : 1,334



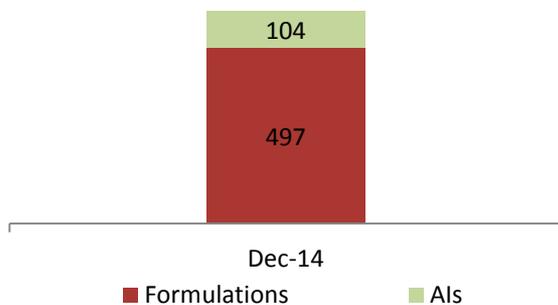
REGISTRATIONS - FORMULATIONS VS. ACTIVE INGREDIENTS



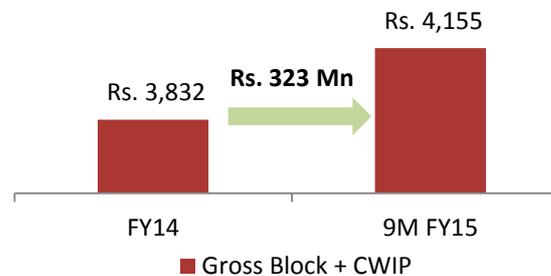
REGISTRATIONS PIPELINE AS ON 31-DEC-14: 601



REGISTRATIONS PIPELINE - FORMULATIONS VS. AIs



CAPEX INCURRED ON REGISTRATIONS



CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In Rs Mn) [quarterly unaudited]	Q3 FY15	Q3 FY14	YoY %	Q2 FY15	QoQ %	9M FY15	9M FY14	YoY %	FY14
Revenue from Operations	1,838.1	1,428.1	28.7%	2,662.8	-31.0%	7,205.5	5,009.6	43.8%	7,903.7
Other Operating Income	7.8	0.0	NM	5.3	47.7%	19.0	5.2	262.3%	7.7
Total Revenues	1,845.9	1,428.2	29.3%	2,668.1	-30.8%	7,224.5	5,014.9	44.1%	7,911.5
COGS	1,332.3	1,018.0	30.9%	1,815.9	-26.6%	4,879.7	3,390.9	44%	5,140.4
Gross Profit	513.6	410.1	25.2%	852.2	-39.7%	2,344.7	1,624.0	44.4%	2,771.1
Gross Margin	27.8%	28.7%	-89 bps	31.9%	-412 bps	32.5%	32.4%	7 bps	35.0%
Employee Expenses	55.7	55.7	-0.1%	57.7	-3.5%	174.0	120.4	44.5%	181.3
Other Expenses	408.5	349.0	17.0%	425.9	-4.1%	1,148.3	787.5	45.8%	1,039.4
EBITDA	49.5	5.4	816.5%	368.6	-86.6%	1,022.4	716.1	42.8%	1,550.4
EBITDA Margin %	2.7%	0.4%	230 bps	13.8%	-1113 bps	14.2%	14.3%	-13 bps	19.6%
Operating EBITDA Excl. Forex Impacts	115.0	5.4	NM	462.2	-75.1%	1,191.5	716.1	66.4%	1,550.4
Operating EBITDA Margin % excl. Forex Impacts	6.2%	0.4%	585 bps	17.3%	-1109 bps	16.5%	14.3%	221 bps	19.6%
Depreciation	54.8	75.1	-27.1%	59.4	-7.9%	166.8	211.0	-20.9%	289.3
Finance Cost	5.7	5.1	11.4%	6.8	-15.8%	16.6	8.5	95.2%	13.7
Other Income	63.8	60.7	5.2%	70.7	-9.8%	192.9	290.6	-33.6%	320.5
Prior Period Adjustments (Net of tax)	4.2	17.6	-75.8%	0.0	NM	4.2	9.8	-56.7%	-21.4
PBT	57.1	3.4	NM	373.1	-84.7%	1,036.2	797.0	30.0%	1,546.5
Tax Expense	4.6	-13.0	-135.5%	106.2	-95.7%	285.7	220.8	29.4%	436.0
Minority Interest	0.0	-1.4	-96.8%	1.6	-102.7%	1.5	0.0	NM	0.0
PAT after minority interest	52.5	17.8	195.0%	265.2	-80.2%	748.9	576.2	30.0%	1,110.5
PAT Margin %	2.8%	1.2%	160 bps	9.9%	-710 bps	10.4%	11.5%	-112 bps	14.0%
Earnings Per Share (EPS)	0.58	0.20	190.0%	2.94	-80.3%	8.30	6.39	29.9%	12.31



BUSINESS OVERVIEW

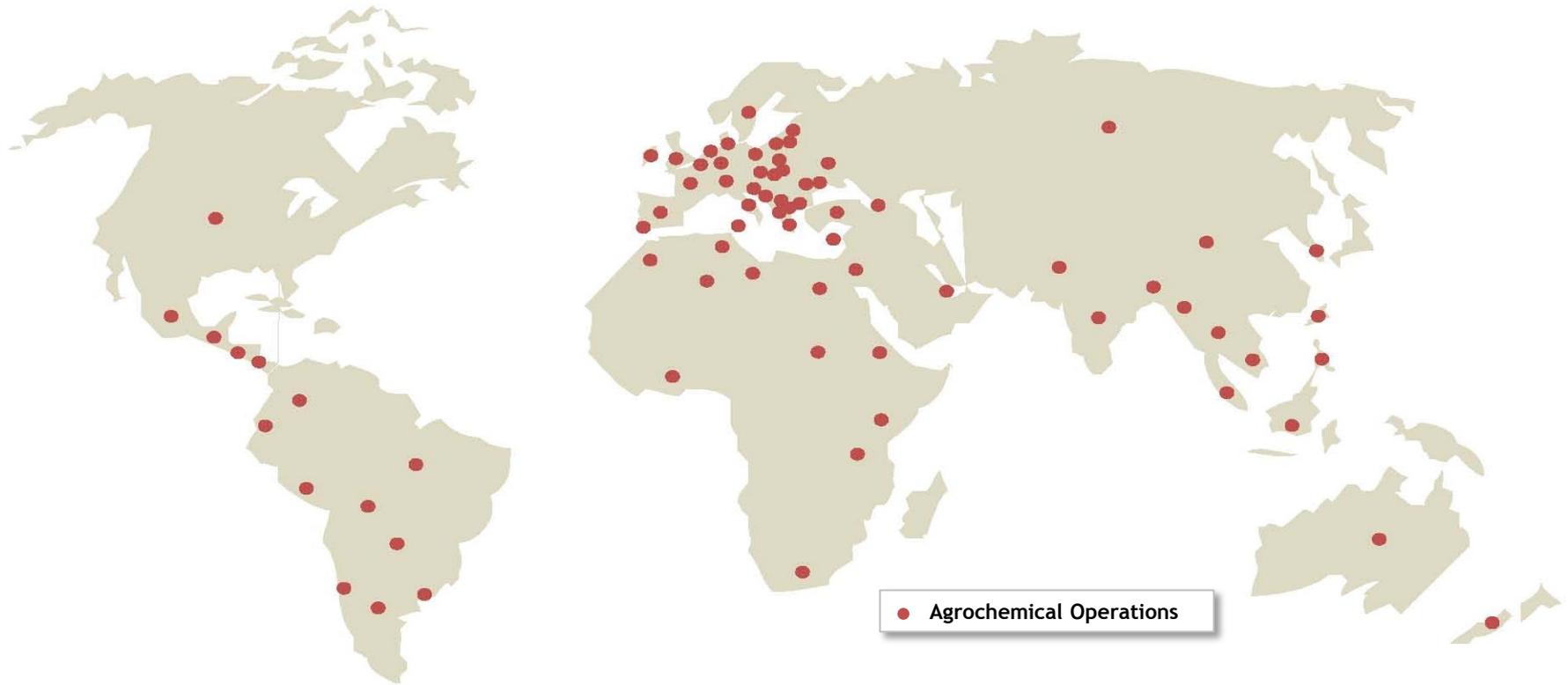
- Sharda Cropchem Limited is a global crop protection chemical company largely operating across Europe, NAFTA and Latin America across fungicides, herbicides and insecticides.
- Sharda operates with an asset light business model focused on identification and registration of potential molecules in strong demand.
- As of 31-Dec-14, Sharda owned 1,161 registrations for formulations & 173 registrations for active ingredients (AIs) and filed 601 applications for registrations globally pending at different stages.
- Sharda also runs a non-agrochemical business comprising of order-based procurement and supply of non-agrochemical products including conveyor belts and general chemicals, dyes and dyes intermediates.

KEY STRENGTHS

- Asset light business model with core competency of registrations and an extensive library of dossiers and registrations.
- Strong geographical presence in more than 60 countries with an established global marketing & distribution network (more than 440 third-party distributors and over 100 direct sales force).
- Superior sourcing capabilities with an established access to cost competitive manufacturers in China and India.
- Significant promoter experience and experienced management team.

STRONG FINANCIALS

- Consolidated Revenues, EBITDA and PAT were Rs 8,147 mn, Rs 1,786 mn and Rs 1,069 mn in FY14 having grown at CAGR of 23%, 28% and 39% over last five years.
- Strong balance sheet and asset light model resulting into a strong net cash position of Rs 1,509.6 mn, gross debt of Rs 399.1 mn and equity of Rs 5557.5 mn in FY14.
- Consistent improvement in return ratios over last five years.
 - ROCE – 12.6% in FY10 to 27.0% in FY14, Cash Adj. ROCE – 13.7% in FY10 to 37.9% in FY14.
 - ROE – 10.4% in FY10 to 20.9% in FY14.

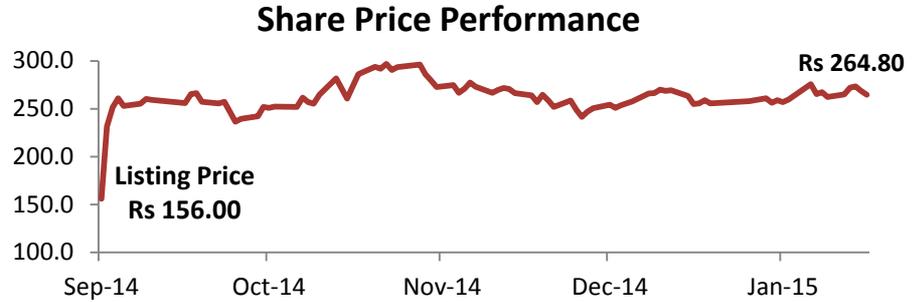


Diversified business operations across the globe leading to reduced risk of adverse market and seasonal conditions.

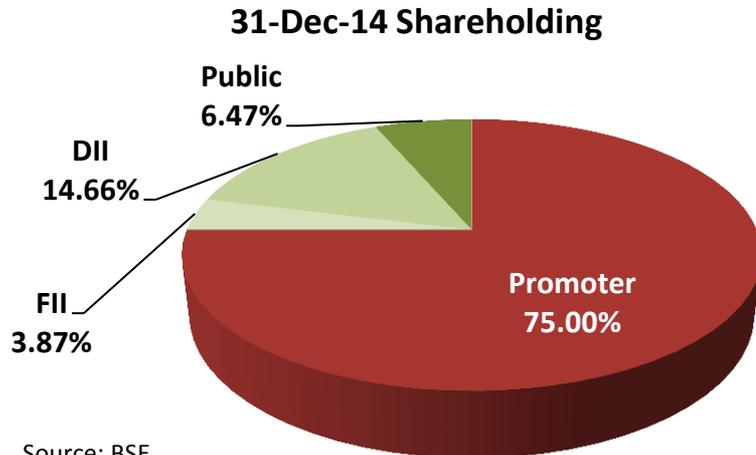
ABOUT US: SHAREHOLDING STRUCTURE



Market Data	As on 06.02.15 (BSE)
Market capitalization (Rs Mn)	23,890
Price (Rs.)	264.80
No. of shares outstanding (Mn)	90.22
Face Value (Rs.)	10.00
52 week High-Low (Rs.)	217.60 – 309.60



Source: BSE



Source: BSE

Key Institutional Investors at 31-Jan-15	% Holding
DSP Blackrock Investment Manager	3.89%
HDFC Asset Management	2.87%
SBI Funds Management	1.82%
L&T Investment Management	1.56%
Pinebridge Investments	1.06%
UTI Asset Management	0.93%
Goldman Sachs	0.82%
Kuwait Investment Authority	0.79%
Reliance Capital	0.71%

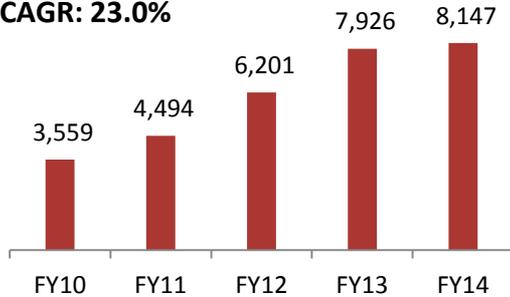
Source: Company

ABOUT US: FINANCIAL SUMMARY



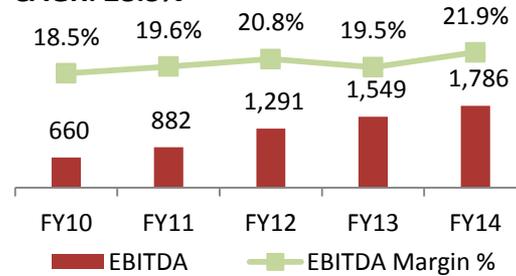
REVENUES

CAGR: 23.0%



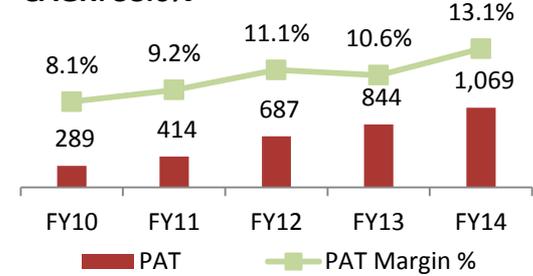
EBITDA & EBITDA Margin

CAGR: 28.3%

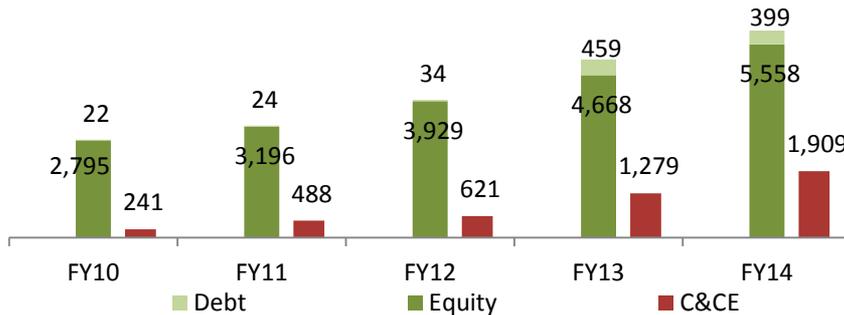


PAT & PAT Margin

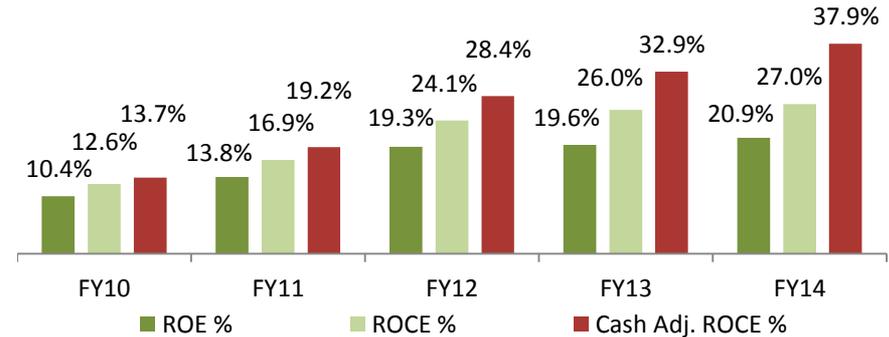
CAGR: 38.6%



LEVERAGE ANALYSIS



RETURN METRICS



Source: Red Herring Prospectus,

ROE: PAT/Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&CE)]



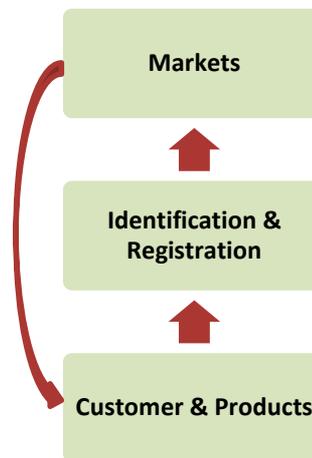
Agrochemical Value Chain



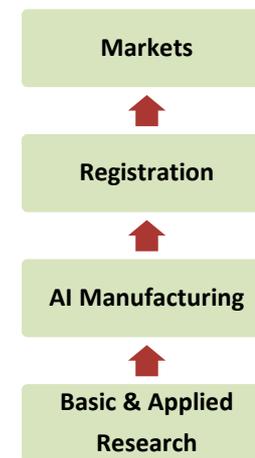
ASSET LIGHT BUSINESS MODEL

- Focus on identification of generic molecules, preparing dossiers, seeking registrations, marketing & distributing formulations through third party distributors and/or own sales.
- Manufacturing of AIs and formulations is outsourced.
- Highly flexible operating model resulting in –
 - Overall cost competitiveness
 - Efficient management of fluctuating market demand across various geographies.
 - Offering wide range of formulations and AIs.

Sharda's Model: Demand Pulled / Customer Driven



Traditional Model: Supply Pushed / Product Driven



SHARDA IS A FOCUSED GLOBAL AGROCHEMICAL MARKETING & DISTRIBUTION COMPANY



Forward Integration - Build own Sales Force

- Leverage market presence and execution capabilities.
- Adopt the factory-to-farmer approach & be a one-stop solution provider.
- Strategy on ground in Mexico, Colombia, South Africa & India .

Expand & Strengthen Distribution Presence

- Expand geographical reach using existing library of dossiers.
- Two-fold strategy of further penetrating existing markets & entering new markets.

Continual Investment in Obtaining Registrations

- Continue to identify generic molecules going off- patent.
- Investing in preparing dossiers & seeking registrations in own name.

Focus on Biocide Registrations

- Scale up marketing & distribution of biocides with a focus on Europe.
- Increase biocide registrations including through inorganic means.

Focus on Inorganic Growth

- Continue to explore possibilities of partnerships with other companies across jurisdictions.

FOR FURTHER QUERIES:



THANK YOU



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