



Sharda Cropchem Limited



**AGILE.
RESILIENT.
DIVERSIFIED.**

Annual Report FY2019-20

AGILE. RESILIENT. DIVERSIFIED.

As one of the fastest-growing global agrochemicals company, our resilience comes from accelerated productivity improvement and operational flexibility. Our unique asset-light business model enables us to face the changing market dynamics by embracing sector complexity, business uncertainty, and interdependence of capital and management talent.

This allows us to focus on identifying strategic opportunities to strengthen our registrations portfolio of generic active ingredients and formulations. Moreover, as adding registrations continues to be an engine for our growth, we aim to expand our diversified range of formulations and generic active ingredients into the fungicide, herbicide, insecticide and biocide segments, along with our presence in multiple geographies.

Over the years, we have grown our business operations in over 80 countries across Europe, NAFTA, Latin America and the Rest of the World. With our established market presence and sound execution capability, we strive to adopt a factory-to-farmer approach and to become a one-stop solution provider.

With agility and resilience ingrained in our business, we are undeterred and on course to expand our margin and increase our portfolio penetration, while simultaneously serving our customers efficiently.

We are moving towards a better tomorrow with **AGILITY**, **RESILIENT** business operations and **DIVERSIFIED** portfolio and geographic presence.



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Corporate Information

BOARD OF DIRECTORS:

Ramprakash V. Bubna
Chairman & Managing Director

Sharda R. Bubna
Whole-time Director

Ashish R. Bubna
Whole-time Director

Manish R. Bubna
Whole-time Director

M. S. Sundara Rajan
Independent Director

Shitin Desai
Independent Director

Shobhan Thakore
Independent Director

Sonal Desai
Independent Director

KEY MANAGERIAL PERSONNEL:

Ashish Lodha
Chief Financial Officer
(Resigned w.e.f. October 22, 2019)

Abhinav Agarwal
Chief Financial Officer
(Appointed w.e.f. February 26, 2020)

Jetkin N. Gudhka
Company Secretary & Compliance Officer

CORPORATE IDENTITY NUMBER (CIN):

L51909MH2004PLC145007

REGISTERED OFFICE:

Prime Business Park,
Dashrathlal Joshi Road,
Vile Parle (West),
Mumbai - 400 056
Tel. No.: 91 22 6678 2800
Fax No.: 91 22 6678 2828
Email address: co.sec@shardaintl.com
Website: www.shardacropchem.com

AUDITORS:

B S R & Associates LLP

REGISTRAR AND TRANSFER AGENT:

KFin Technologies Private Limited
Selenium Tower B,
6th Floor, Plot No 31 & 32
Financial District,
Nanakramguda,
Serilingampally Mandal
Hyderabad – 500 032
Tel. No.: 91 040 6716 1606
Fax No.: 91 040 2311 4087

BANKER:

Union Bank of India

WWW.SHARDACROPCHEM.COM

AT A GLANCE

We are a fast-growing global agrochemicals organisation with a leadership position in the generic crop protection chemicals industry.

₹ 20,030

Total Revenue in FY2020 (₹ in million)

₹ 3,516

EBITDA in FY2020 (₹ in million)

₹ 1,647

Net Profit in FY2020 (₹ in million)

At Sharda Cropchem Limited, we are engaged in the marketing and distribution of a wide range of formulations and generic active ingredients, globally. We are an intellectual property (IP) driven company, with strong competencies in identifying opportunities in generic molecules and corresponding formulations, generic active ingredients, preparing dossiers, and seeking registrations in relevant jurisdictions.

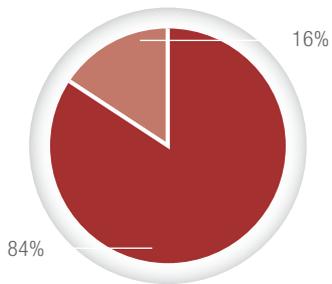
With our decades-old sectoral experience, we are continuously adapting to new challenges and opportunities in the market. In particular, we have focused on widening our presence, underpinned by our efforts on product registration, that are conducive to countering geographic risks and improving our growth impetus.

Through our unique and agile asset-light business model, we are able to spend most of our intellectual bandwidth on deepening our product portfolio and widening our geographic access along with maintaining overall cost competitiveness.

OVERVIEW

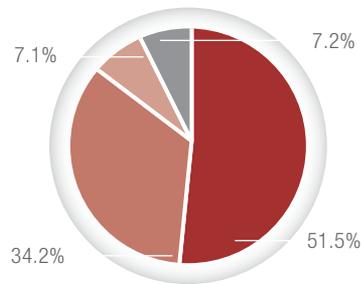
Revenue Breakup: Division wise

■ Agrochemical ■ Non Agrochemical



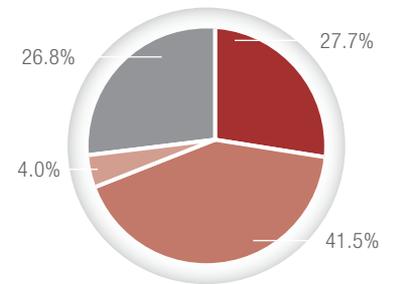
Revenue Breakup: Region wise (Agrochemical Business)

■ Europe ■ NAFTA ■ LATAM ■ RoW



Revenue Breakup: Region wise (Non-agrochemical Business)

■ Europe ■ NAFTA ■ LATAM ■ RoW



2,418

Registrations

80+

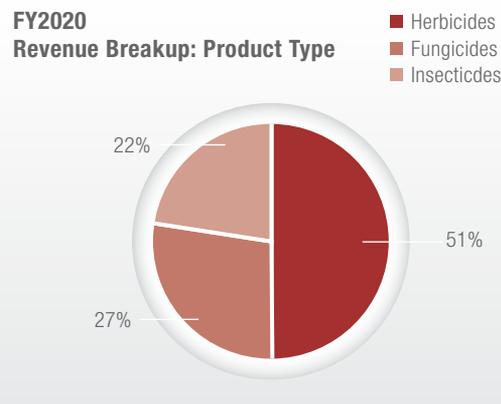
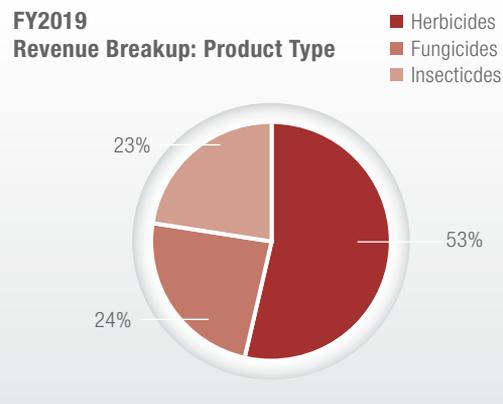
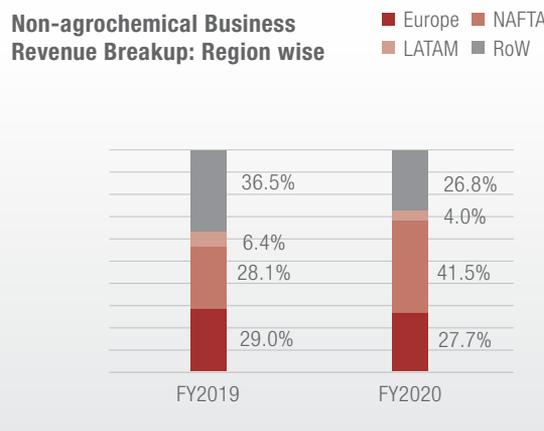
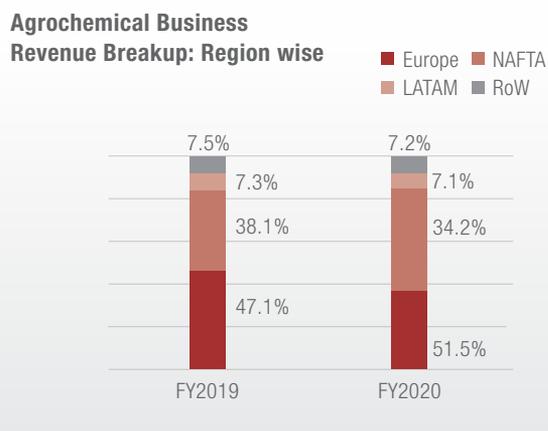
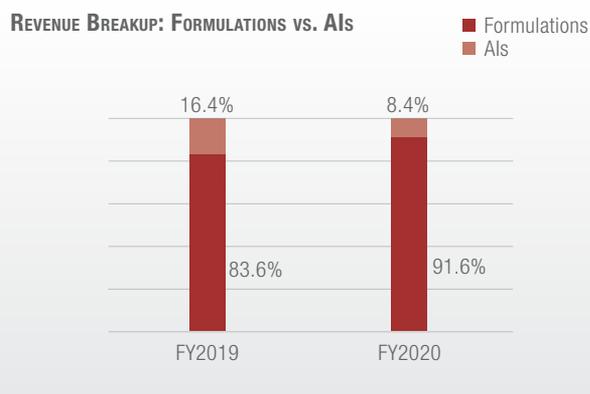
Countries of presence

400+

Number of employees

FINANCIAL & OPERATIONAL OVERVIEW

We are focused on pursuing capital efficiency and enhancing our long-term value by being asset-light. Through this unique business model, we are able to lower operating costs and risks, while creating consistent value for our stakeholders.



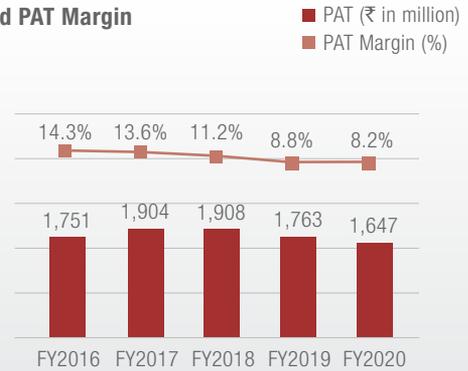
OVERVIEW



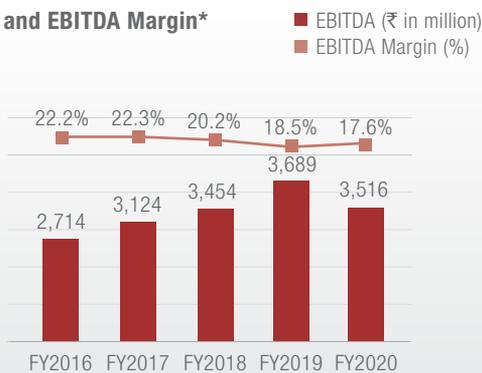
Revenue From Operations (₹ in million)



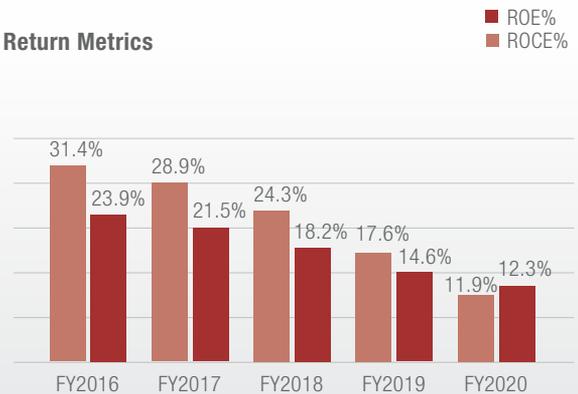
PAT and PAT Margin



EBITDA and EBITDA Margin*



Return Metrics



* EBITDA excluding IA & IAUD write off ₹ 546.5 mn in FY2020 and ₹ 422.4 mn in FY2019 (IA & IAUD Intangible Assets & Intangible Assets Under Development)

CHAIRMAN AND MD'S MESSAGE

We remain extremely focused on the needs of our clients in this environment and even more ready to expand our support as the world collectively emerges from this unprecedented situation.

Dear Shareholders,

As I write this, we are in the middle of the biggest crisis we have seen in our lifetimes, the COVID-19 pandemic. So far, it has created unprecedented socioeconomic disruption, uncertainty and the tragic loss of human life. Having said that, most of us have lived through economic crises before. Each time we have adapted and bounced back. I am hopeful that like all previous crises, this one will also pass, and in time, a fresh wave of business energy will be unleashed. The next few months will be critical for all organisations as they build their resilience to persist, resurrect their businesses and master the challenges of this new business environment.

FY2020 was a year of Resilience and Agility for Sharda Cropchem. The trust of our clients and the dedication of our employees helped us achieve consistent results. Our resilience was derived from the ability to identify opportunities, attaining product registration, investing in enduring relationships and prudent financial management – across geographies and industry cycles.

With this, I am pleased to present our annual report for FY2020.

OUR FINANCIAL PERFORMANCE

During the year, the total revenue marginally grew by 0.3%, from ₹1,998 crores in FY2019 to ₹2,003 crores in FY2020. The revenue from agrochemicals division marginally grew by 0.2% from ₹1,682 crores in FY2019 to ₹1,685 crores in FY2020, while revenue from non-agro division grew by 0.9% from ₹315 crores in FY2019 to ₹318 crores in FY2020.



R. V. BUBNA
Chairman & Managing Director



Furthermore, the revenue contribution in agro-business was driven primarily by European Union region constituting 51.5% of the agro revenues, followed by NAFTA region, LATAM and Rest of the World with 34.2%, 7.1% and 7.2%, respectively. Agro business revenue in Europe grew by 9.6% while revenue from NAFTA, LATAM and Rest of the World declined by 10.4%, 2.3% and 3.0% respectively. The agrochemicals business contributed 84%, and non-agrochemicals contributed 16% to the revenues in FY2020. EBITDA (excluding write off of intangible assets and intangible assets under development), fell by 4.7% YoY from ₹369 crores in FY2019 to ₹352 crores in FY2020. Net profit after tax fell by 6.6% YoY from ₹176 crores to ₹165 crores.

REGISTRATIONS – ENGINE OF GROWTH

We continue to bank on our strength to identify opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions. Our focused approach has yielded its fruits as the number of registrations, and library of dossiers owned by the Company has grown from strength to strength.

New Registrations continue to be an engine of growth for the Company, as we focus on adding more registrations for strengthening our product offering to multiple geographies. The total number of registrations grew by 121 from 2,297 as of March 31, 2019, to 2,418 as of March 31, 2020. Moreover, we have another 1,038 registrations in the pipeline across geographies.

We continue to bank on smart IP management for identifying the generic molecules going off-patent and focus on seeking registrations to strengthen our portfolio of formulations and generic active ingredients across Europe, NAFTA, LATAM and the Rest of the World. We seek to obtain registrations of new formulations by leveraging our existing dossiers and portfolio of formulations & generic active ingredients.

OUR COMPETITIVE STRENGTHS

By following a unique asset-light business model, we facilitate and strengthen our competitiveness in identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing formulations through third-party distributors and our own sales force. With our asset-light business model, we are strengthening our registrations portfolio of generic active ingredient by focusing and investing our scarce resources strategically.

With a healthy relationship with multiple manufacturers and formulators, we are able to source at the optimal price, thereby de-risking our sourcing capabilities while also gaining the flexibility to supply formulations or generic active ingredients at competitive market prices. This has enabled us to strengthen and widen our global distribution network and business operations across Europe, NAFTA, Latin America and Rest of the World.

OUR FUTURE OUTLOOK

Going forward, we aim to strengthen our own sales forces and network as we stand by our belief that marketing and distribution play a key role in the agrochemical value chain. We are

expanding our sales force steadily in more than 40 countries, thereby minimising our dependency on third-party distributors. Apart from this, as the global biocides market has a positive outlook, we will continue marketing and distributing our biocides portfolio in 39 countries.

We strive to adopt a factory-to-farmer approach in crop protection. We believe that this will not only help us to expand our margin and portfolio penetration, but it will also help to serve our esteemed customer base efficiently.

END NOTE

With all these strengths, we believe our relative competitiveness will only improve through the months ahead, and we will be better positioned than ever to create longer-term value for all our stakeholders. We remain extremely focused on the needs of our clients in this environment and even more ready to expand our support as the world collectively emerges from this unprecedented situation.

I want to especially thank our leadership team for demonstrating incredible ability to execute throughout the last financial year and for their stellar performance and a real test of resilience under a difficult situation in the past few weeks. Also, I want to thank our Board Members for their unwavering support and guidance during the past year, and all our employees for working together to achieve our goals.

As we navigate these uncertain times together with our customers, we look forward to the continued support of our stakeholders.

Sincerely

R. V. BUBNA
Chairman & Managing Director



AGILE

ASSET LIGHT BUSINESS MODEL

Creating value for our stakeholders.

In the fast-changing global economy, our asset-light business model has enabled us to become more agile, capitalise on the scale, and redeploy our operations quickly.

Over the years, our business strategy remains focused on pursuing capital efficiency and enhancing our long-term value by being asset-light. Through this unique business model, we are able to lower operating costs and risks while creating consistent value for all. Moreover, with lower levels of asset ownership, we can respond faster to changing demand dynamics, new market opportunities, and multiple supply chain disruptions.

Our business model allows us to channel our time and resources efficiently towards developing our core competency of identifying generic molecules and registration opportunities. This enables us to offer a diversified range of formulations and generic active ingredients in the fungicide, herbicide and insecticide segments, protecting different kinds of crops as well as serve turf and speciality markets.

Creating a competitive edge, our business model facilitates achieving scale without having to invest proportionate capital. As a highly scalable business, we aim to generate exponential returns as we are not weighed down by the sales-cost growth relationship that exists in linear models. Contrastingly, as our sales increase, our costs are expected to remain the same, allowing us to accumulate higher levels of profit over time. With high scalability growth and lower capital requirements, we have become more efficient over time, enabling us to create more long-term value for all our stakeholders.

Our asset-light approach enables us to capitalise on new market opportunities quickly, without putting too much at risk, as well as riding out times of economic duress.

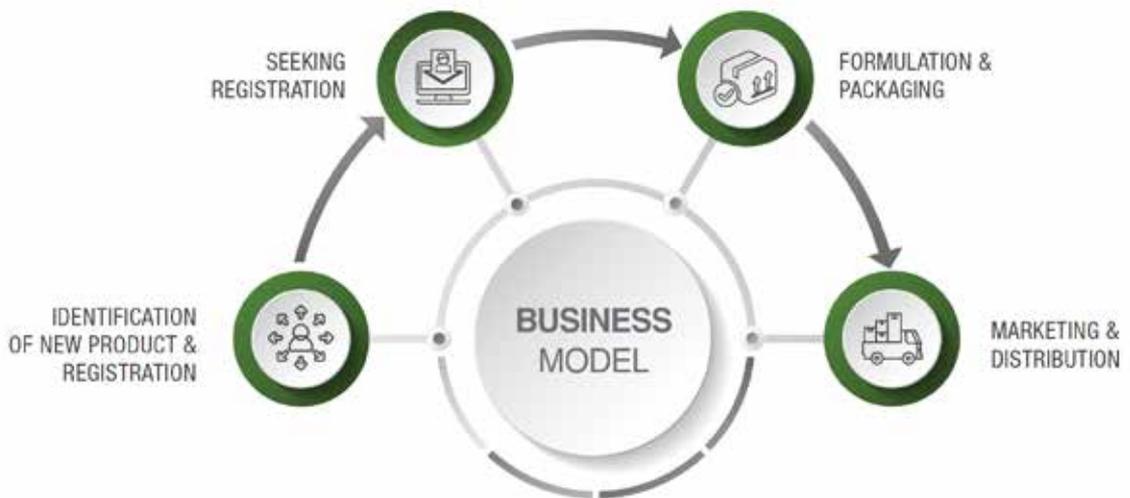


₹20,030

Total Revenue in FY2020 (₹ in million)

₹3,516

EBITDA in FY2020 (₹ in million)



RESILIENT HUMAN CAPITAL

Capitalising on opportunities, efficiently.

One of our key business differentiators can be defined as our strategically placed human capital in developed markets with entry barriers that have a high cost of registration and stringent testing standards with prolonged approval timeline.

Over the years, we have developed strong relationships with third party distributors and formulators, which has enabled us to gauge the demand for our existing formulations. In parallel, our own sales force on the ground helps us overcome critical entry barriers by providing insights on local farming needs and competitive scenarios, through which we proactively and strategically position ourselves with the plan to launch relevant and needed products.

Moreover, we are strengthening and widening our sales force in Europe, USA, Canada, Mexico, Colombia, South Africa, and other jurisdictions, in addition to third party distributors,



500+

Third-party Distributors

400+

Own Sales Force

to enhance our presence in the agrochemical value chain. Today, with the help of over 500 third-party distributors in our network, and over 400 personnel of our own sales force present, we have acquired the requisite knowledge to satisfy the local demand and to serve 80+ countries across Europe, NAFTA, Latin America, and the Rest of the World.

Despite swinging demand cycles, we have gained the flexibility to supply formulations or generic active ingredients at competitive market prices through our cordial relationships with the third-party manufacturers and third-party formulators.

With our ideally placed Human Capital across geographies, we are able to competitively identify generic molecules, prepare dossiers, seek registrations, and market & distribute formulations across 80+ countries.



DIVERSIFIED

GEOGRAPHIC PRESENCE

Managing the concentration of risk, effectively.

80+

Countries - Business Presence

Despite persistent challenges, the agrochemicals market is expected to grow, largely due to increasing demand for products that protect against crop losses and increase yields.

Both developed and developing countries are gaining significantly from economic and social benefits through the use of agrochemicals that have made crops healthier and more affordable. At Sharda Cropchem, we have targeted specific segments across the key geographies of Europe, NAFTA, Latin America and the Rest of the World.

With our diversified range of formulations and generic active ingredients in fungicide, herbicide, insecticide and biocide segments, we are expanding our business operations in over 80 countries, across Europe, NAFTA, Latin America and Rest of the World. This geographical and product diversification mitigates our exposure to adverse weather conditions,

commercial pressures in any single cropping region or for any single type of crop or chemistry.

Furthermore, we maintain a healthy relationship with multiple manufacturers and formulators across the industry, mainly from China, Europe and the US. Sourcing from multiple manufacturers helps us in obtaining the optimal price while simultaneously de-risking our sourcing capabilities.

With our smart IP management, we are strategically identifying generic molecules going off-patent and focus on seeking registrations to strengthen our portfolio of formulations and generic active ingredients across key markets.



We have gained deep insights into the local weather and soil conditions, which facilitates us to foresee and serve the ever-changing customer demands in different geographies.



BOARD OF DIRECTORS



Mr. Ramprakash V. Bubna
Chairman & Managing Director

Holds a Bachelor's Degree of Technology in Chemical Engineering from IIT, Bombay. He has over 52 years of experience in chemicals, agrochemicals and related businesses. He is responsible for the Company's overall business operations and strategy. Prior to joining the Company, he has been associated with Tata Oil Mills Limited, Zenith Limited, Piramal Rasayan Limited, Coromandel Fertilisers Limited and Zuari Argochemicals Limited. He is one of the Founders and Promoter of the Company.



Mrs. Sharda R. Bubna
Whole-time Director

Holds a Bachelor's Degree in Arts from Nagpur University. Through her sole proprietary concern, M/s. Sharda International, she has been involved in the chemicals, agrochemicals and related businesses from the year 1987 upto 2004. She is one of the Founders and Promoter of the Company.



Mr. Ashish R. Bubna
Whole-time Director

Holds a Bachelor's Degree in Commerce from the University of Mumbai. He has over 29 years of experience in marketing of chemicals, agrochemicals and related businesses. He has been instrumental in strategizing early investment in product registrations and building the library of product dossiers. He is responsible for marketing, procurement, registrations and logistics functions of the agrochemical business. He is one of the Founders and Promoter of the Company.



Mr. Manish R. Bubna
Whole-time Director

Holds a Bachelor's Degree in Chemical Engineering from the Department of Chemical Technology, Bombay University. He has over 27 years of experience in chemicals, agrochemicals and related businesses. He has spearheaded the Company's foray into the conveyor belt and general chemicals business. He also oversees the information technology, logistics and documentation functions of the Company. He is one of the Founders and Promoter of the Company.

OVERVIEW



Mr. M. S. Sundra Rajan
Independent Director

Holds a Post Graduate Degree in Economics from University of Madras with specialisation in Mathematical Economics and National Income and Social accounting. He is also a certified Associate of Indian Institute of Company Secretaries of India. He was a Chairman & Managing Director (CMD) of Indian Bank and has total experience of over 38 years in the banking industry. He has earlier worked with Union Bank of India for over 33 years. He has been ranked 45th in Economic Times India Inc's most potential CEOs list (2009) and also ranked No 2 among the CEOs of nationalised bank and No. 6 among the CEOs of Commercial Banks. He has been an Independent Director of the Company since July 2011.



Mr. Shitin Desai
Independent Director

Holds a Bachelor's Degree in Commerce from the University of Mumbai. He is a veteran with more than 41 years of experience in the banking and financial services sector. He served as a Consultant to "Bank of America Merrill Lynch." Before this he served as an Executive Vice Chairman of "DSP Merrill Lynch Ltd." and is one of its Founding Directors. He is also a Member of the Advisory Board of 'Kherwadi Social Welfare Association' (KSWA), which is one of the largest NGOs providing livelihoods to underprivileged youth by making them economically independent through vocational training. He was also a member on the Committee on Takeovers appointed by SEBI, Investor Education and Protection Fund constituted by Ministry of Corporate Affairs, the RBI Capital Market Committee, Advisory Group of Securities Market of RBI and Insider Trading Committee. He has been an Independent Director of the Company since December 2013.



Mr. Shobhan Thakore
Independent Director

Holds Bachelor's Degrees in Arts (Politics) and Law. He is a Solicitor at the Bombay High Court and Supreme Court of England and Wales and has been an advisor to leading Indian companies on matters relating to Corporate Law and Securities related legislations. He has also acted on behalf of leading investment banks and issuers for initial public offerings in India and several international equity and equity linked debt issuances by Indian corporate houses. He has been an Independent Director of the Company since December 2013.



Ms. Sonal Desai
Independent Director

She is a qualified Chartered Accountant with an Executive Diploma in Hospital Administration from Tata Institute of Social Sciences (TISS). She was superannuated from Hindustan Petroleum Corporation in August 2017 (A Fortune 500 Company with a turnover of above USD 31 billion). Currently, she is an Executive Director at Sushrut Hospital (a 100 bedded Charitable Trust Hospital). She is also an advisor to Prashanti Medical Trust (Sathya Sai Hospital) whose hospitals at Rajkot and Ahmadabad do heart surgeries totally free of cost for the economically under privileged patients. Her last assignment prior to superannuation in HPCL was Executive Director-Refinery Finance (one level below the Board) with additional responsibility of Head-Corporate Social Responsibility (CSR). The vast experience of 34 years comprised of handling not only pure finance and accounting functions but also commercial and embedded functions resulted in rare blend of leadership experience and functional competence. Her assignments provided her unique experience and expertise in business areas such as Marketing, Operations, Projects and Refineries Management. She has been an Independent Director of the Company since April 2019.

MANAGEMENT DISCUSSION & ANALYSIS

With a unique asset-light business model, Sharda Cropchem Limited is one of the fastest growing global agrochemical Company, engaged in the marketing and distribution of a wide range of formulations and generic active ingredients globally.

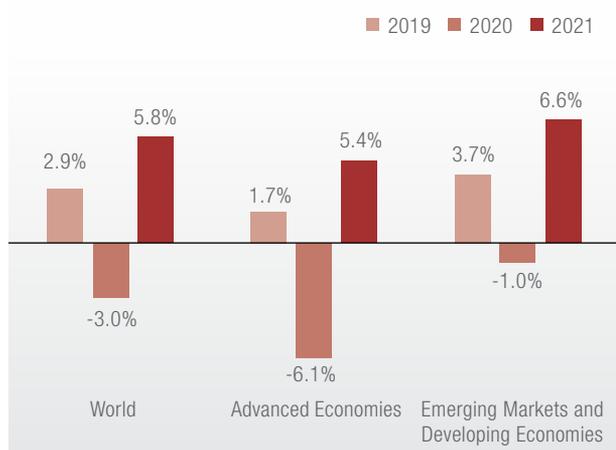
ECONOMIC OVERVIEW

After registering a growth of 3.6% and 2.9% in two consecutive calendar years 2018 and 2019, the global economy is expected to go into recession with global growth projected at -3.0% in 2020 owing to COVID-19 pandemic. The sharp contraction in the world's economic growth is much more severe than the 2008-09 global financial turmoil. The health crisis has left a severe impact on the global economic activity forcing several nations to observe isolation, lockdowns and widespread closures.

Advanced Economies growth is forecasted to contract by 6.1% in 2020 as deployment of containment measures weighs on economic prospects. The key economies of the group are likely to de-grow including the United States (-5.9%), Japan (-5.2%), the United Kingdom (-6.5%), Germany (-7.0%), France (-7.2%), Italy (-9.0%) and Spain (-8.0%). On the other hand, Emerging Markets and Developing Economies growth is projected to shrink by 1.0% owing to tightening in global financial conditions. China's key indicators — namely industrial production, retail sales and fixed asset investment — indicate a contraction in economic activity. However, with sizeable fiscal support, China's economy is expected to bounce back sharply in the second half of 2020, registering 1.2% growth.

With the pandemic's impact expected to fade in the second half of 2020 owing to restrictive measures taken by several economies, the global economy is expected to register a 5.8% growth in 2021 backed by normalised economic activity encouraged by policy support.

World Economic Outlook Projections (Percent change)



Source: IMF's World Economic Outlook (WEO), April 2020

According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) October 2019 report, India became the world's fifth-largest economy (ranked by nominal GDP) leap-frogging France and the UK. During the last decade, India's GDP growth has been among

the highest in the world consistently clocking 6-7% growth. India's growth slowed down to 4.2% in 2019 due to a decline in consumer demand, the stress in the NBFC sector and sluggish credit growth. The COVID-19 pandemic is estimated to suppress India's growth to 1.9% in 2020 as per IMF's WEO, April 2020. The report added that India is likely to experience a sharp economic recovery in 2021, registering 7.4% growth.

With severe socio-economic consequences, the COVID-19 pandemic has caused a major setback to the European Union (EU) economies affecting consumer spending, industrial output, investment, trade, capital flows and supply chains. Despite prompt policy response taken at both national and EU level, the European Commission's Spring Economic Forecast 2020 projects a deep, uneven recession in the current year. The EU economy is estimated to contract by 7.5% in 2020. The progressive easing of containment measures is expected to be the key foundation to set the EU economy on the path of recovery with 6.0% growth in 2021.

The United States-Mexico-Canada Agreement (USMCA) has replaced the North American Free Trade Agreement (NAFTA) on 1st July 2020. USMCA spurs the beginning of a new chapter for North America trade by supporting more balanced reciprocal trade, leading to freer markets, fairer trade and robust economic growth in North America. The Agreement includes substantial improvements and modernised approaches to rules of origin, agricultural market access, intellectual property, digital trade, financial services, labour and other sectors.

Latin America's economy is expected to contract by 5.2% in 2020 resulting in its worst recession in 50 years with typical demand-supply shocks, a health crisis and mounting financial costs. Brazil's economy registered a 1.1% growth in 2019. Brazil has been hit by multiple shocks, including a collapse in commodity prices aggravated by global slowdown including trade partner China's economy. Mexico was going through multi-year depression before the onset of the pandemic, and its economy is expected to shrink by 6.6% in 2020. Argentina has slipped into recession for two years with its economy contracting by 2.2% in 2019. Argentina is projected to degrow by 5.7% in 2020 weighed down by the pandemic and the government's bid for renegotiating its debt with private players.

GLOBAL AGROCHEMICAL INDUSTRY

According to Phillips McDougal, the global market for crop protection products contracted by 0.8% to US\$59.8 billion in 2019 owing to extreme global weather conditions from severe flooding in North America to dry conditions and drought across major areas of Europe and the Asia Pacific. Additionally, trade tensions between the US and China, rising regulatory pressures in Europe, (and the resulting ban of 'notable chemistries') and strengthening of the US dollar weighed on the global agrochemical industry.



Global agrochemical market (US\$ billion)

Particulars	2018	2019	Change
Crop Protection	60.3	59.8	-0.8%
Non-Crop Pesticides	7.5	7.8	4.0%
Total	67.8	67.6	-0.3%

Source: Phillips McDougall

Generic products continued to garner better prices, particularly those manufactured in China. Latin America continued to do well with normalised inventory levels. The industry witnessed an increasing adoption of alternative genetically modified traits, experimenting with new products leading demand shift from glyphosate to expensive herbicides such as glufosinate-ammonium, dicamba and 2,4-D.

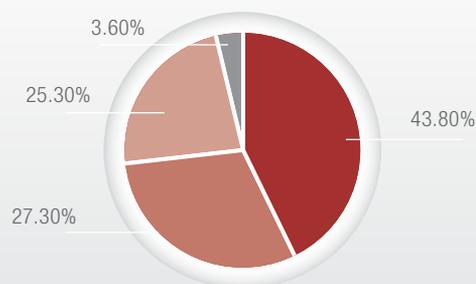
The Non-Crop Pesticides market grew by 4% in 2019, largely in line with global growth. According to Phillips McDougall, improving economies in developing nations will boost the industry in the coming years.

CATEGORY-WISE CROP PROTECTION MARKET

Despite experiencing a drop in sales by 1.5% to US\$26.2 billion, the Herbicide segment held the lion’s share of 43.8% amongst the global crop protection market in 2019. Herbicides usage was impacted by adverse weather in most regions and negative currency effects limiting the sales. However, the silver lining for the year includes high prices for Chinese manufactured generic products, favourable market conditions in Latin America and growing acceptance of alternative and expensive Genetically Modified (GM) products.

Category-wise Crop protection market - 2019
(Market size: US\$59.8 billion)

■ Herbicides ■ Fungicides ■ Insecticides ■ Others



Source - Phillips McDougall

During 2019, Fungicides sales dipped by 0.7% to US\$16.4 billion, accounting for 27.3% market share. The demand for herbicides was impacted by hot, dry conditions in key regions leading to reduced disease pressure, thereby hurting fungicides sales. However, the US-China trade war prompted an increased soybean acreage from Brazil and Argentina, leading to higher fungicides sales.

The insecticide market stood flat at US\$15.1 billion (0.2% growth), representing a 25.3% share of the crop protection industry. Despite positive sales in various national currencies, the insecticides sales were impacted by currency fluctuations hurting dollar valuations. On the other hand, Latin America Insecticide sales benefited from the

MANAGEMENT DISCUSSION & ANALYSIS

improved soybean market. At the same time, rising fall armyworm (*Spodoptera frugiperda*) infestations in the Asia Pacific contributed to the demand for insecticides.

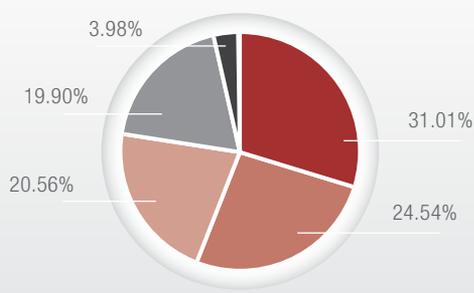
REGION-WISE CROP PROTECTION MARKET

Asia Pacific

With 31% market share in 2019, Asia Pacific continued to lead the Crop protection industry; however, sales are expected to contract by 2% to US\$18.3 billion owing to adverse currency effects and unfavourable weather hurting key national markets. Australia witnessed persistent drought prevailing throughout the year, resulting in reduced demand for agrochemicals. On the other hand, China and India witnessed rising fall armyworm infestations. In some cases, it drove the insecticide usage higher. However, it was largely offset by the impact of crop losses, causing lower farmer income. In Japan, the long-term dwindling rice market declined furthermore due to the change in cropping dynamics and was largely impacted by the revocation of minimum support payments through government subsidies.

Region Wise Crop Protection Market - 2018

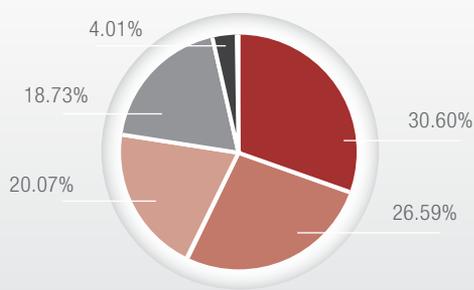
■ Asia/Pacific ■ Latin America ■ Europe
■ North America ■ Middle East/Africa



Source: Phillips McDougall

Region Wise Crop Protection Market - 2019

■ Asia/Pacific ■ Latin America ■ Europe
■ North America ■ Middle East/Africa



Source: Phillips McDougall

Region-wise Crop Protection Market (US\$ in billion)

	2018	2019	% Change
Asia/Pacific	18.7	18.3	-2.1%
Latin America	14.8	15.9	7.4%
Europe	12.4	12.0	-3.2%
North America	12.0	11.2	-6.7%
Middle East/Africa	2.4	2.4	-

Source: Phillips McDougall

Latin America

Latin America's agrochemical sales surged for a second consecutive year, reaching US\$ 15.9 billion sales, increasing by 7.4% in 2019. The region's market share is estimated to have improved by 100 bps to 26% in 2019. Brazil benefitted by reduced inventory levels in recent years, aided by improved demand and lower prices for China-made agrochemical products. Argentina too along with Brazil benefitted from the US-China trade war. The offsetting factors comprised of adverse foreign exchange coupled with weakness in the Brazilian real and Argentine peso curbing dollar growth. Some regions experienced dry weather, especially Chile, which continued to face drought.

Europe

With the declining demand for crop protection products in France, Germany and the UK owing to adverse weather, the European crop protection market is estimated to have declined by 3.2% to US\$12.0 billion in 2019. The growing agrochemical markets of Eastern Europe too were impacted by unfavourable weather conditions. Ukraine farmers witnessed liquidity problems, thus curbing their spending on crop inputs. The European region is witnessing a rise of a strict regulatory environment with key products being banned or phased out in recent years, weighing on the overall crop input demand. In addition, the region is marred with political uncertainty amid Brexit impacting the UK market coupled with the declining UK pound against the dollar.

Sharda Cropchem has made its presence felt following serves the fungicide, herbicide and insecticide segments, which protect different kinds of crops; the turf and specialty markets; as well as disinfectants in the biocide segmen.

North America

Owing to the US-China trade war, North America's agrochemical sales witnessed the steepest decline of 6.7% to US\$11.2 billion. China's imposition of tariffs on US soybeans in 2018, resulted in a decline in US acreages and agrochemical demand. Additionally, the pre-season crop protection applications and spring planting were delayed by extreme weather in the US Mid-West during the first quarter of 2019, with severely cold temperatures and snowstorms aggravated by significant flooding. The scenario was partially offset by favourable weather in the second half of 2019, better pricing of generic products and increased adoption of recently launched herbicide-tolerant GM technologies driving demand for more expensive active ingredient products.

Middle East and Africa

The Middle East and African region sales are pegged at US\$ 2.4 billion in 2019, with a global market share of 4%. Continued severe drought in South Africa dented agrochemicals demand.

Leading national markets

The ranking of the leading countries slightly changed in 2019. Brazil continued to remain the leading market in 2019, growing by 9.3% over the previous year to US\$10.9 billion. The US, the second-largest agrochemicals market, contracted by 8.4% to US\$8.1 billion owing to the US-China trade war. The major Asia Pacific nations, namely China, Japan and India, occupied the next three slots.

Key Business Differentiators



The huge impact of adverse weather conditions and strict regulations compelled a reduced use of pesticides in France. It slipped from 6th largest to 8th, overtaken by Argentina and Canada.

Romania entered the top 20 national markets, leap-frogging Thailand as the latter faced drought, curbing agrochemical demand. The Romanian market matched the eastern Europe growth boosted by the easy access of funds from the European Union.

BUSINESS OVERVIEW

With a unique asset-light business model, Sharda Cropchem Limited is one of the fastest-growing global agrochemical companies, engaged in the marketing and distribution of a wide range of formulations and generic active ingredients globally. The Company has a strong foothold in the advanced economies of European countries and US markets. Additionally, the Company has penetrated the regulated markets of LATAM and the Rest of the World. The Company's revenues are geographically segmented into four markets, namely Europe, NAFTA, LATAM and RoW.

The Company has two business verticals, namely agrochemicals and non-agrochemicals.

AGROCHEMICALS

Sharda Cropchem is primarily a crop protection chemical company engaged in the marketing and distribution of a wide range of formulations and generic Active Ingredients (AIs) across Fungicides, Herbicides and Insecticides. The Company operates across Europe, the NAFTA region, Latin America and the rest of the world.

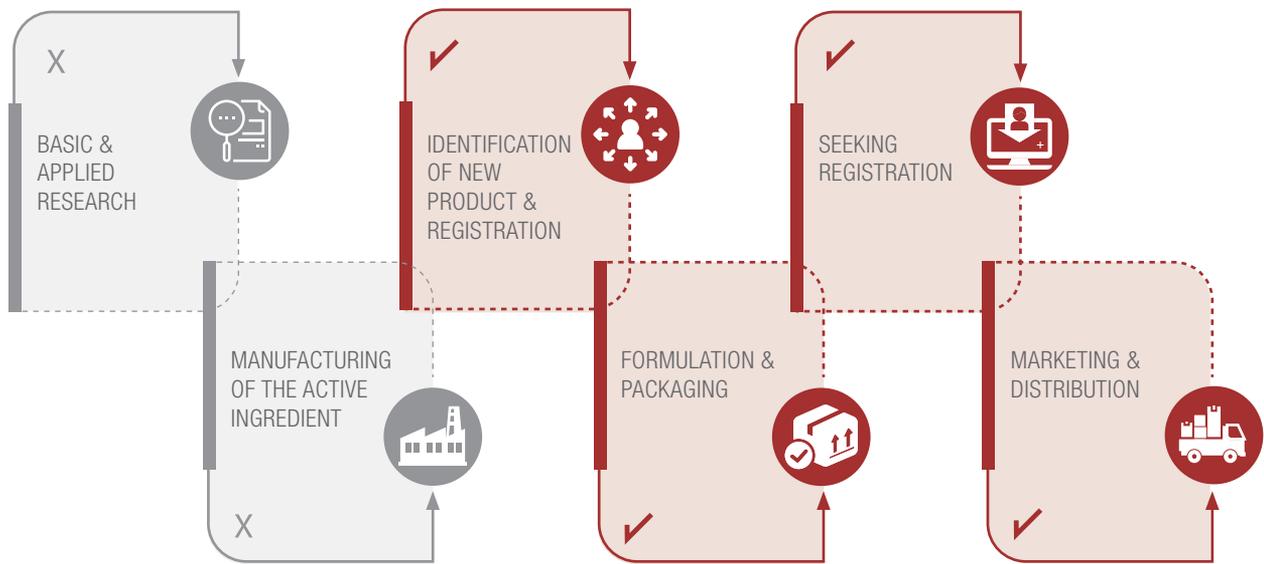
NON-AGROCHEMICALS

Under the Non-Agrochemical division, the Company is engaged in the order-based procurement and supply of belts, general chemicals, dyes and dye intermediates. Sharda Cropchem sources these non-agrochemical products, from Chinese or Indian manufacturers and supplies to over 30 countries across Europe, North America, Latin America, Australia, and Asia.

BUSINESS MODEL

Sharda Cropchem has made its presence felt following a strong framework in the agrochemical value chain. Adhering to its asset-light business model, the Company offers a diversified range of formulations, without incremental manufacturing CAPEX. It serves the fungicide, herbicide and insecticide segments, which protect different kinds of crops; the turf and specialty markets; as well as disinfectants in the biocide segment.

MANAGEMENT DISCUSSION & ANALYSIS



The highly regulated agrochemical industry across the globe presents a strong entry barrier for obtaining registrations. Sharda Cropchem's asset-light business model allows the management to focus on the identification of generic molecules and registration opportunities, preparing dossiers and securing registrations for formulations and generic active ingredients.

The Company sources formulations and generic active ingredients in their finished form from third-party manufacturers for sale and also engages with third-party formulators. This acts as a key enabler for the Company to offer a diversified range of formulations and generic active ingredients in the fungicide, herbicide and insecticide space. Sharda Cropchem caters to diversified market demand with different formulations and molecules protecting multiple crops, serving the turf and specialty markets and also providing disinfectants in the biocide segment.

COMPETITIVE STRENGTHS

UNIQUE ASSET-LIGHT BUSINESS MODEL

Unlike the innovators, Sharda Cropchem follows a unique asset-light business model facilitating its competitiveness in identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing formulations through third party distributors or through its own sales force. The asset-light business model enables the Company to focus and invest its scarce resources, i.e. capital and time for strengthening its registrations portfolio of generic active ingredients. Sharda Cropchem's asset-light business model acts as a key differentiator from an innovator company, allowing the Company to save its capital, time and resources on R&D.

₹20,030 million

Total Revenue - FY2020

BANKING ON REGISTRATION

The Company continues to bank on its strength to identify opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions. Sharda Cropchem's focused approach has yielded fruits as the number of registrations, and library of dossiers, owned by the Company, has grown from strength to strength. The Company has been assiduously devoting its time and capital for procuring registrations in different countries. Every jurisdiction has different legal and procedural requirements for seeking registrations. With its rich experience, Sharda Cropchem has successfully obtained the necessary regulatory approvals from these jurisdictions. The Company is well-equipped to respond to potential issues and efficiently comply with regulatory requirements.

The Company maintains a healthy relationship with multiple manufacturers in the agrochemical industry, mainly in China, from where it sources and with various formulators mainly from Europe and the US.



STRONG REGISTRATIONS IN PIPELINE

Sharda Cropchem currently has 2,418 registrations, comprising of formulations (90%) and active ingredients (10%). The Company has a pipeline of 1,038 registrations across Europe, NAFTA, Latin America and the Rest of World. As per the Company's trend, it procures 100-150 registrations every year, and these registrations came from a portfolio of over 150 molecules. Registration continues to be an engine of growth for the Company, and it focuses on adding more registrations for strengthening its product offering to multiple geographies.

DE-RISKING SOURCING CAPABILITIES

The Company maintains a healthy relationship with multiple manufacturers in the agrochemical industry, mainly in China, from where it sources and with various formulators mainly from Europe and the US. Sourcing from multiple manufacturers helps the Company in getting at the optimal price, thereby de-risking its sourcing capabilities.

Despite swinging demand cycles, the Company has gained the flexibility to supply formulations or generic active ingredients at competitive market prices through its cordial relationships with third-party manufacturers and third-party formulators.

WIDE-SPREAD GLOBAL DISTRIBUTION NETWORK

Sharda Cropchem is strengthening and widening its sales force in Europe, USA, Canada, Mexico, Colombia, South Africa and other jurisdictions, in addition to third party distributors with a goal to enhance its presence in the agrochemical value chain. It enables the Company to penetrate its formulations and generic active ingredients in various countries backed by third-party distributors and the presence of its own sales force.

DIVERSIFIED GEOGRAPHY AND PRODUCT PORTFOLIO

With its diversified range of formulations and generic active ingredients in fungicide, herbicide, insecticide and biocide segments, the Company has grown by expanding its business operations in over 80 countries, across Europe, NAFTA, Latin America and Rest of the World. Backed by rich experience in multiple geographies and products, Sharda Cropchem has developed knowledge about the local weather and soil conditions which aids to predict and meet the local demand. Additionally, the Company's rich library of dossiers gives it an opportunity to enter untapped markets.

PRUDENT AND PROFESSIONAL MANAGEMENT

Sharda Cropchem's Promoters and Management have rich experience in the agrochemicals business, having played a key role in developing the business. The Company's apt domain knowledge and experience gives a substantial competitive advantage for expanding its business in existing markets and entering new geographies. The Company's business and operations are led by the qualified, experienced and capable management team. Sharda Cropchem's ability to attract and retain key management personnel and the in-house team helps it to streamline the registration process, thus optimising registration costs and the time involved.

FINANCIAL OVERVIEW

The total revenue of Sharda Cropchem marginally grew by 0.3%, from ₹19,976 million in FY2019 to ₹20,030 million in FY2020. The revenue from agrochemicals division of the Company marginally grew by 0.2% from ₹16,822 million in FY2019 to ₹16,850 million in FY2020. The revenues from non-agro division marginally grew by 0.9% from ₹3,154 million in FY2019 to ₹3,180 million in FY2020.



MANAGEMENT DISCUSSION & ANALYSIS

The revenue contribution in agro-business is primarily driven by European Union region constituting 51.5% of the agro revenues, followed by NAFTA region, LATAM and Rest of the World with 34.2%, 7.1% and 7.2%, respectively. Agro business revenue in Europe grew by 9.6% while revenue from NAFTA, LATAM and Rest of the World declined by 10.4%, 2.3% and 3.0% respectively. The agrochemicals business contributed 84%, and non-agrochemicals contributed 16% to the revenues in FY2020. EBITDA excluding write off of intangible assets and intangible assets under development, decreased by 4.7% from ₹ 3,689 million in FY2019 to ₹ 3,516 million in FY2020. Net profit after tax decreased by 6.6% YoY from ₹1,763 million to ₹1,647 million. PAT margin stood at 8.2% in FY2020.

The total number of registrations grew by 121 from 2,297 as of March 31, 2019, to 2,418 as of March 31, 2020. The Company has another 1,038 registrations in the pipeline across geographies. The Company has a strong net cash position of ₹2,690 million as of March 2020.

RATIO ANALYSIS

	2019-20	2018-19	Variance
Debtors Turnover Ratio	2.23	2.34	(4.70)%
Inventory Turnover	3.72	3.10	20%
Interest Coverage Ratio	95.43	29.01	228.96% *
Current Ratio	1.97	1.88	4.79%
Debt Equity Ratio	0.00	0.00	0.00
Operating Profit Margin (%)	10.74%	12.16%	(13.22)%
Net Profit Margin (%)	8.22%	8.81%	6.70%
Return on Network	11.74%	13.73%	(14.49)%

*Due to lower debt period in FY2020 as compared to FY2019

BUSINESS STRATEGY AND OUTLOOK

SALES FORCE EXPANSION

Sharda Cropchem aims to strengthen its own sales forces network. The Company believes that marketing and distribution play a key role in the agrochemical value chain. It is expanding its sales force in more than 40 countries, thereby minimising its dependency on third-party distributors.

11.74%

Return on Network

SCALE-UP BIOCIDES PORTFOLIO

According to Maximize Market Research, the global biocides market was valued at US\$ 7.1 billion in 2017 and is expected to surpass US\$ 10.5 billion by 2026, growing at a CAGR of 5.0% in ten years. The Company plans to strengthen and scale-up its Biocides portfolio. Sharda Cropchem will continue to market and distribute it in 39 countries.

CONTINUAL INVESTMENT IN OBTAINING REGISTRATIONS

The Company continues to bank on smart IP management for identifying the generic molecules going off-patent and focus on seeking registrations to strengthen its portfolio of formulations and generic active ingredients across Europe, NAFTA, LATAM and the Rest of the World. Sharda Cropchem seeks opportunities to obtain registrations of new formulations by leveraging its existing dossiers and portfolio of formulations & generic active ingredients.

ONE STOP-SOLUTION PROVIDER APPROACH

The Company strives to adopt a factory-to-farmer approach and to become a one-stop solution provider for crop protection with its established market presence and sound execution capability. Thus, it not only helps the Company to expand its margin and portfolio penetration, but it also helps to serve its esteemed customers efficiently. The approach helps in strengthening existing customer relationships, additionally offering a wide scope to acquire and serve new ones.

KEY RISKS AND CONCERNS

Sharda Cropchem continues to mitigate key risks across all levels of operations through organisation structuring and continuously monitoring issues to identify, assess and decide on responses.

The Company continues to bank on smart IP management for identifying the generic molecules going off-patent and focus on seeking registrations to strengthen its portfolio of formulations and generic active ingredients across Europe, NAFTA, LATAM and the Rest of the World.

MANAGEMENT DISCUSSION & ANALYSIS

EXCHANGE RATE FLUCTUATIONS

Being a global player, the Company has exposure to foreign currency revenue, mainly in US Dollars and Euros. Owing to timing difference, the foreign exchange rate at which a sale is recorded in the books of account might not be equal to the foreign exchange rate at which the cash is realised by the Company which results in foreign currency gain or loss, based on the depreciation or appreciation of the US Dollar.

Mitigation: Sharda Cropchem's exports act as a natural hedge against imports. Additionally, the Company takes plain vanilla hedge contracts against the orders to reduce its exposure. However, any adverse movement in the foreign exchange rates might impact the results of operation, cash flows, liquidity, and financial condition of the Company.

EXTENSION OF PATENTS

The Company is exposed to high risks from patent laws in different countries. Any extension of patents may adversely impact the business. The introduction of formulations and generic active ingredients might get postponed on the undue extension of patent terms, or the extension of exclusivity in the marketplace by the respective regulatory authorities, which will unfavourably affect the business.

Mitigation: The Company continuously looks to add multiple registrations in different geographies to mitigate the risk of patents extension.

CHANGES IN GOVERNMENT POLICIES

The Company complies with the laws, rules and regulations of multiple countries due to its global presence, which might affect the decision-making process. Any modifications in the governmental policies related to agriculture and any adverse alterations in policies relating to the agro-sector — such as a government's reduction

The Company strives to adopt a factory-to-farmer approach and to become a one-stop solution provider for crop protection with its established market presence and sound execution capability.

in agricultural expenditure, retraction of incentives and subsidy systems, new export policy for crops, fluctuation of commodities prices — will impact the Company's business. The stated factors could lower the farmers' ability to obtain a minimum support price for the crop-output, which might reduce their ability to spend on agrochemical, thereby impacting the Company's market demand and sales.

Mitigation: The Company's strong geographic spread and diversified product portfolio reduces its reliance on any single country for selling its products.

ADVERSE CLIMATE OR WEATHER CONDITIONS AND REDUCED PEST ATTACKS CAN LOWER DEMAND FOR AGROCHEMICALS

The demand for agrochemicals gets adversely impacted by unfavourable climate or weather patterns and pest attacks, thereby building-up inventory in the system. The seasonal nature of the business makes it difficult for an agrochemical player to forecast crop output based on historical production, thereby affecting business operations.

Mitigation: Over the years, the Company has gained deep insights about the local weather and soil conditions, which allows it to foresee and serve its ever-changing customer demands in different geographies.

DEVELOPING RESISTANCE - COMPRESSING THE PRODUCT LIFECYCLE

With the passage of time, the effective life of agrochemicals diminishes as the targeted pests develop resistance. Thus, it becomes necessary to consistently introduce new agrochemicals to successfully eliminate pest attacks.

Mitigation: Sharda Cropchem continues to procure registrations for new products, thereby enhancing its portfolio in multiple geographies.

THE US-CHINA TRADE WAR

China is one of the key players in the agrochemical industry. The ongoing US-China trade war combined with environmental inspections has led the industry to search for alternative sources of supplies. The US July 2019 aid package to compensate farmers for the trade war has bought some relief to the crop protection spending. Additionally, the US 2020 elections would play a deciding factor for the agrochemical industry.

Mitigation: The Company targets to increase its registrations for biocide products.

₹ **2,690** million

Net Cash Position as on March 31, 2020



INTERNAL CONTROLS

The internal controls of the Company are being reviewed by a leading and reputed external agency. This results in an unbiased and independent examination of the adequacy and effectiveness of the internal control systems to achieve the objective of optimal functioning of the Company. The scope of activities includes safeguarding and protecting the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of the authenticity of all transactions.

The Company has an effective compliance management system, which gives preventative warnings in case of any potential violations. To ensure that it is in conformance with the overall corporate policy and in line with predetermined objectives, the independent Audit Committee and/or the Board of Directors regularly review the performance of the Company. The Company's Internal auditors are M/s. S. H. Bathiya & Co. LLP, who assist by providing guidance in the smooth functioning of risk management policies, building an organisation-wide awareness of risks across businesses and corporate functions, developing formal reporting and monitoring processes, planning for maintaining risk management functions that keep the information reports updated and refreshed, deploying an ERM framework in key business areas and corporate functions, aligning risk management with the business planning exercise and aligning the role of assurance functions.

HUMAN CAPITAL

The domain knowledge and experience of the Company's Promoters and management team provides the Company with a significant competitive advantage as it continues to expand in existing markets and enter new geographies. Sharda Cropchem continues to invest in its 'Human Capital'. The Company on-boards qualified professional management and key personnel, which empowers Sharda Cropchem to run independently. The open 'human capital engagement' has facilitated the Company to attract and retain the top talent.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes & other incidental factors.

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of M/s. Sharda Cropchem Limited will be held on Wednesday, September 30, 2020 at 12:00 Noon IST through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr. Ashish R. Bubna (DIN: 00945147), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Ashish R. Bubna (DIN: 00945147), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

NOTES

1. In view of the spread of Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conference ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for AGM shall be the registered office of the Company.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Shareholders on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more Shareholding), Promoters, Institutional Investors, Directors, Key Management Personnel, Auditors, etc, who are allowed to attend the AGM without restriction on account of first come first basis.
3. The attendance of Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

4. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules made there under, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) intending to attend the AGM through their authorised representatives are requested to send a scanned copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at co.sec@shardaintl.com and to KFin Technologies Private Limited ("RTA") at evoting@karvy.com / raghu.vedha@kfintech.com respectively.
6. All documents referred to in the accompanying Notice shall be open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the AGM of the Company.
7. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed to this Notice.
8. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI Listing Regulations that the Register of Members and the Share Transfer Books of the Company will remain closed on Wednesday, September 23, 2020.
9. Members holding shares in dematerialised form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to RTA / Company at their email addressed given above.
10. Members seeking any information with regard to the financial statements are requested to write to the Company at least ten (10) days before the AGM to enable the management to keep the information ready at the Meeting.
11. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote provided the votes are not already cast by remote e-voting by the first holder.

NOTICE

12. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the DP. Members (Physical / Demat) who have not registered their e-mail addresses with the Company can get the same registered by requesting our RTA at e-mail addresses given above.
13. Notice of AGM along with Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.shardacropchem.com, website of stock exchanges i.e BSE Ltd at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.
14. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding', 'Register of Contracts and Arrangements' and 'Register of Members' maintained as per the Companies Act, 2013 shall be accessible to the members.
15. M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the AGM of the Members held on August 30, 2018. Their appointment was subject to ratification by Members at every subsequent AGM. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been dispensed with.

In view of the above, ratification by the Members for their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.
16. During the year 2019-20, the Company declared and paid 2 Interim Dividend of Rs. 2.00 each per equity share. The same shall be considered as Final Dividend.
17. The Company has made special arrangements with RTA for registration of e-mail addresses of those Members who wish to receive Notice and cast vote electronically. Members may directly register their e-mail address and mobile number through https://iris.kfintech.com/email_registration/ for receiving soft copy of Notice and Annual Report along with e-voting user ID and password. In case of any query, Members may contact Mr. Raghunath Veedha on (040) 6716 1606 or write mail at emeetings@kfintech.com.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
- 19. Instructions for attending AGM through VC/OAVM:**
 - i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below.
 - a. Launch internet browser (chrome / firefox / safari) by typing the URL <http://emeetings.kfintech.com>.
 - b. Enter the login credentials (i.e. user id and password for e-voting).
 - c. After logging in, click on "Video Conference" option.
 - d. Then click on camera icon appearing against AGM event of the Company, to attend the meeting.
 - ii. Members who do not have the user id and password for e-Voting or have forgotten the user id and password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
 - iii. Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.
 - iv. Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - v. Shareholders who would like to express their views/ask questions during the Meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, Members questions will be answered only, the shareholder continues to hold the shares as of cut-off date benpos. Members may post their queries from 9:00 AM (IST) on Thursday, September 24, 2020 till 5:00 PM (IST) on Saturday, September 26, 2020.
 - vi. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr. Raghunath Veedha on (040) 6716 1606 or write at emeetings@kfintech.com.

- vii. In case of decision to allow the Q&A session in the Meeting, Members may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence from 9:00 AM (IST) on Thursday, September 24, 2020 till 5:00 PM (IST) on Saturday, September 26, 2020.

20. Instructions for e-voting during AGM:

- i. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.
- ii. Members need to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- iii. Only those shareholders, who are present in the AGM and have not casted their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

21. Instructions for remote e-Voting:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ["remote e-voting"] will be provided by RTA.
- ii. The Board of Directors of the Company has appointed Mr Alpesh Panchal from M/s. KJB & Co LLP Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinize e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same. The Scrutinizer, after scrutinizing the votes, will, not later than two (2) days of conclusion of the AGM, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared alongwith the consolidated scrutinizer's report shall be placed on the website of the Company www.shardacropchem.com and on the website of RTA <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- iii. **The remote e-voting period commences on Sunday, September 27, 2020 (9:00 am) and ends on Tuesday, September 29, 2020 (5:00 pm).** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date of Wednesday, September**

23, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by RTA for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

- iv. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Wednesday, September 23, 2020.**
- v. Subject to receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the AGM.
- vi. Any person who acquires shares of the Company and becomes Member of the Company after the date of dispatch of Notice and holds shares as on the cut-off date may obtain the user id and password by sending a request to RTA.
- vii. **Instructions and other information relating to remote e-voting:**

- a. Initial password is provided in the body of the email.
- b. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
- c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID: For Members holding shares in Demat Form:-

For NSDL: 8 character DP ID followed by 8 digits Client ID.

For CDSL: 16 digits beneficiary ID.

User ID: For members holding shares in Physical Form:

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

- d. After entering the details appropriately, click on LOGIN.
- e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least



NOTICE

- one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. You need to login again with the new credentials.
- g. On successful login, the system will prompt you to select the EVENT number of the Company.
- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- k. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

BY ORDER OF BOARD OF DIRECTORS

Date : June 24, 2020
Place: Mumbai

JETKIN GUDHKA
COMPANY SECRETARY

ANNEXURE A

Details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on Wednesday, September 30, 2020

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Ashish R. Bubna
Director Identification Number (DIN)	00945147
Date of Birth (Age)	9th October, 1972 (47 Years)
Date of first appointment	12th March, 2004
Category	Executive Director
Qualification	B.com
Experience & Expertise	He has over 29 years of experience in marketing of chemicals, agrochemicals and related businesses. He has been instrumental in strategizing early investment in product registrations and building the library of product dossiers. He is responsible for marketing, procurement, registrations and logistics functions of the agrochemical business. He is one of the Founders and Promoter of the Company.
Number of shares held in Company	1,51,80,000
Name of other Listed entities in which person holds directorship and membership of committees	Nil
Relationships between Directors inter-se	<ul style="list-style-type: none"> • Son of Mr. Ramprakash V. Bubna and Mrs. Sharda R. Bubna • Brother of Mr. Manish R. Bubna
Chairmanship/Membership of committees of Company	Nil

For other details such as number of meetings of the Board attended during the year, remuneration drawn etc. Please refer to the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' REPORT

To,
The Members of
M/s. SHARDA CROP CHEM LIMITED

Your Directors have pleasure in presenting their report and audited accounts for the year ended March 31, 2020.

FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Revenue from operations (net)	161,606.55	160,371.15	200,301.82	199,755.98
Other income	13,032.14	5,466.61	4,207.49	2,062.45
Total Income	174,638.69	165,837.76	204,509.31	201,818.43
Expenses excluding interest, depreciation and amortisation expenses	139,873.67	133,426.57	172,118.38	167,537.41
Earnings before interest, tax, depreciation and amortization (EBITDA)	34,765.02	32,411.19	32,390.93	34,281.02
Depreciation and amortization expenses	13,707.89	9,925.64	13,712.28	9,939.38
Finance Cost	176.69	822.39	191.72	839.14
Profit before tax (PBT)	20,880.44	21,663.16	18,486.93	23,502.50
Tax Expense	1,691.91	7,260.56	2,017.76	5,868.17
Net Profit for the year	19,188.53	14,402.60	16,469.17	17,634.33
Other Comprehensive Income	(2.76)	6.29	835.36	883.51
Total Comprehensive Income	19,185.77	14,408.89	17,304.53	18,517.84

OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:-

Your Company achieved an all time performance high in terms of operating revenues. The Company's consolidated revenue from operations marginally increased by 0.3% to ₹ 200,301.82 Lakhs in FY 2020. This was possible on account of strong growth in Europe regions due to new registrations and demand. Your Company has 2,418 registrations as at March 31, 2020.

In FY2020, Gross margins were marginally higher by 0.7% and EBITDA margins were marginally lower by 5.5%. Depreciation and amortisation expense was higher due to high capitalisation on registrations cost. PAT declined by 6.61% from last year due to Intangible Assets & Intangible Assets under Development write off & higher depreciation, the company declared a Consolidated PAT of ₹ 16,469.17 Lakhs.

Your Company shall continue to focus on investment in product registrations in developed countries and high growth agricultural driven economies. Your Company strongly believes that the future of agrochemicals business is in obtaining early product registrations due to the high entry barrier for new entrants.

CHANGE IN NATURE OF BUSINESS

There is no change in the business activity of the Company.

MATERIAL CHANGES OR COMMITMENTS

There are no material changes or commitments that took place after the closure of FY 2019-20 till date which will have any material or significant impact on the financials of the Company.

TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire amount of profits for FY 2019-20 in the profit and loss account.

DIVIDEND:

During the year, Board of Directors declared two interim dividends. 1st interim dividend of ₹ 2.00 per share was declared on January 22, 2020 and 2nd Interim dividend of ₹ 2.00 per share was declared on February 26, 2020 respectively on the paid-up equity shares of the Company. Total dividend for the Financial Year 2019-20 is ₹ 4.00 per share.

The aggregate amount of Interim Dividend Distributed is ₹ 3,608.82 Lakhs, excluding Dividend Distribution Tax (DDT).



DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") requires top 500 listed companies, based on the market capitalization, to formulate Dividend Distribution Policy. In compliance of the said requirement, the Company has formulated its Dividend Distribution Policy. The Policy is uploaded on the website of the Company viz.: <http://www.shardacropchem.com/policy.html>

SHARE CAPITAL:

The paid up equity share capital of the Company as on March 31, 2020 was ₹ 9,022.05 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor buy-back nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

Further, during the year under review, Mrs. Sharda R. Bubna acquired 8,847 shares of the Company. None of the other promoters acquired / sold any shares of the Company.

DEPOSITS:

Your Company has not accepted/invited deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

During the year, the Company had taken loan from the promoter directors and the promoter directors have given necessary declarations, as required. The same has been repaid during the year.

SUBSIDIARY COMPANIES:**SUBSIDIARY COMPANIES - DIRECT****Axis Crop Science Private Limited**

Axis Crop Science Private Limited is engaged in marketing and distribution of agrochemicals in India. For the year ended March 31, 2020, the Company's total income is ₹ 948.91 Lakhs (Previous year: ₹ 853.72 Lakhs) and Profit for the year is ₹ 33.96 Lakhs (Previous year: Loss ₹ 7.75 Lakhs).

Nihon Agro Service Kabushiki Kaisha

Nihon Agro Service Kabushiki Kaisha is engaged in the business of dealing in agrochemical products in Japan. For the year ended March 31, 2020, the Company do not have any income and loss for the year is ₹ 0.46 Lakhs (Previous Year: Rs 0.44 Lakhs).

Sharda Agrochem Dooel Skopje, Macedonia

Sharda Agrochem Dooel Skopje is engaged in the business of dealing in agrochemical products in Macedonia. For the year ended December 31, 2019, the Company's total income is Nil (Previous Year: ₹ 0.03 Lakhs) and Loss for the year is ₹ 0.09 Lakhs (Previous Year: ₹ 0.06 Lakhs).

Sharda Balkan Agrochemicals Limited, Greece

Sharda Balkan Agrochemicals Limited is engaged in the business of dealing in agrochemical products in Greece. For the year ended December 31, 2019, the Company's total income is ₹ 9.86 Lakhs (Previous Year: ₹ 6.79 Lakhs) and Loss for the year is ₹ 0.43 Lakhs. (Previous Year: ₹ 0.85 Lakhs).

Sharda Costa Rica SA, Costa Rica

Sharda Costa Rica SA is engaged in the business of dealing in agrochemical products in Costa Rica. During the year, there were no operations in the Company.

Sharda Cropchem Espana, S.L., Spain

Sharda Cropchem Espana, S.L. is engaged in the business of distribution of agrochemical products in Spain and abroad. For the year ended March 31, 2020, the Company's total income is ₹ 10,756.96 Lakhs (Previous year: ₹ 7,191.95 Lakhs) and Profit for the year is ₹ 41.92 Lakhs (Previous year: ₹ 29.26 Lakhs).

Sharda Cropchem Israel Limited, Israel

Sharda Cropchem Israel Limited is engaged in the business of dealing in agrochemical products in Israel. During the year, there were no operations in the Company.

Sharda Cropchem Tunisia SARL, Tunisia

Sharda Cropchem Tunisia SARL is engaged in the business of dealing in agrochemical products in Tunisia. For the year ended December 31, 2019, the Company's total income is Nil (Previous Year: Nil) and Loss for the year is ₹ 0.28 Lakhs (Previous Year: ₹ 0.10 Lakhs).

Sharda De Guatemala, S.A., Guatemala

Sharda De Guatemala, S.A. is engaged in the business of dealing in agrochemical products in Guatemala. During the year, there were no operations in the Company.

Sharda Del Ecuador CIA. Ltda., Ecuador

Sharda Del Ecuador CIA. Ltda. is engaged in the business of dealing in agrochemical products in Ecuador. For the year ended December 31, 2019, Company's total income is ₹ 27.15 Lakhs (Previous Year: ₹ 25.08 Lakhs) and Profit for the year is NIL (Previous year: ₹ NIL).

Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos Ltda, Brazil

Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos Ltda is engaged in the business of dealing in agrochemical products in Brazil. During the year ended December 31, 2019, the Company's total income is ₹ 16.06 Lakhs (Previous Year: ₹ 16.20 Lakhs) and Profit for the year is ₹ 2.80 Lakhs (Previous year: ₹ 14.67 Lakhs).

Sharda Dominicana S.R.L., Dominican Republic

Sharda Dominicana S.R.L is engaged in the business of dealing in agrochemical products in Dominican Republic. During the year, there were no operations in the Company.

Sharda EL Salvador S. A. DE CV, EL Salvador

Sharda EL Salvador S.A. DE CV is engaged in the business of dealing in agrochemical products in EL Salvador. During the year, there were no operations in the Company.

Sharda Hellas Agrochemicals Limited, Greece

Sharda Hellas Agrochemicals Limited is engaged in the business of dealing in agrochemical products in Greece. For the year ended December 31, 2019, the Company's total income is ₹ 4.43 Lakhs (Previous Year: ₹ 6.91 Lakhs) and Loss for the year is Nil (Previous year: Loss is ₹ 0.72).

Sharda Hungary Kft, Hungary

Sharda Hungary Kft is engaged in the business of dealing in agrochemical products in Hungary and abroad. For the year ended March 31, 2020, the Company's total income is ₹ 6,896.16 Lakhs (Previous year: ₹ 6,768.98 Lakhs) and Profit for the year is ₹ 149.32 Lakhs (Previous year: ₹ 9.80 Lakhs).

Sharda International DMCC, U.A.E.

Sharda International DMCC is engaged in trading in agrochemicals, conveyor belts and chemicals. For the year ended March 31, 2020, the Company's total income is ₹ 32,856.29 Lakhs (Previous year: ₹ 35,325.70 Lakhs) and Profit for the year is ₹ 5,378.30 Lakhs (Previous year: ₹ 5,543.77 Lakhs).

Sharda Italia SRL, Italy

Sharda Italia SRL is engaged in the business of dealing in agrochemical products in Italy. For the year ended March 31, 2020, the Company's total income is ₹ 5,098.95 Lakhs (Previous Year: ₹ 1,624.44 Lakhs) and Profit for the year is ₹ 267.41 Lakhs (Previous year: Loss ₹ 37.16 Lakhs).

Sharda Peru SAC, Peru

Sharda Peru SAC is engaged in the business of dealing in agrochemical products in Peru. For the year ended December 31, 2019, the Company's total income is ₹ 21.94 Lakhs (Previous Year: ₹ 325.66 Lakhs) and Loss for the year is ₹ 6.93 Lakhs (Previous year: Profit ₹ 268.76 Lakhs).

Sharda Poland SP. ZO.O, Poland

Sharda Poland SP. ZO.O. is engaged in the business of distribution of agrochemical products in Poland and abroad. For the year ended March 31, 2020, the Company's total income is ₹ 8,228.98 Lakhs (Previous year: ₹ 3,865.44 Lakhs) and Profit for the year is ₹ 29.05 Lakhs (Previous year: ₹ 218.16 Lakhs).

Sharda Polska SP. ZO.O., Poland

Sharda Polska SP. ZO.O. is engaged in the business of dealing in agrochemical products in Poland. For the year ended December 31, 2019, the Company's total income is Nil (Previous Year: Nil) and Loss for the year is ₹ 10.56 Lakhs (Previous year: ₹ 2.79 Lakhs).

Sharda Spain, S.L., Spain

Sharda Spain, S.L. is engaged in the business of dealing in agrochemical products in Spain. For the year ended December 31,

2019, the Company's total income is Nil (Previous Year: ₹ 4.68 Lakhs) and Loss for the year is ₹ 0.24 Lakhs (Previous year: Profit ₹ 3.68 Lakhs).

Sharda Swiss SARL, Switzerland

Sharda Swiss SARL is engaged in the business of dealing in agrochemical products in Switzerland. For the year ended December 31, 2019, the Company's total income is ₹ 3.55 Lakhs (Previous Year: ₹ 3.04 Lakhs) and Loss for the year is ₹ 0.16 Lakhs (Previous year: ₹ 0.35 Lakhs).

Sharda Taiwan Limited, Taiwan

Sharda Taiwan Limited is engaged in the business of dealing in agrochemical products in Taiwan. During the year, there were no operations in the Company.

Sharda Ukraine LLC, Ukraine

Sharda Ukraine LLC is engaged in the business of dealing in agrochemical products in Ukraine. For the year ended December 31, 2019, the Company's total income is ₹ 8.44 Lakhs (Previous Year: ₹ 6.81 Lakhs) and Profit for the year is ₹ 0.18 Lakhs (Previous year: ₹ 0.03 Lakhs).

Sharda USA LLC, USA

Sharda USA LLC is engaged in the business of dealing in agrochemical products in USA. During the year, there were no operations in the Company.

Shardacan Limited, Canada

Shardacan Limited is engaged in the business of dealing in agrochemical products in Canada. During the year, there were no operations in the Company.

Shardaserb DO.O., Serbia

Shardaserb DO.O. is engaged in the business of dealing in agrochemical products in Serbia. For the year ended December 31, 2019, the Company's total income is ₹ 3.86 Lakhs (Previous Year: ₹ 4.44 Lakhs) and Loss for the year is ₹ 0.06 Lakhs (Previous year: Profit ₹ 0.26 Lakhs).

Sharzam Limited, Zambia

Sharzam Limited is engaged in the business of dealing in agrochemical products in Zambia. During the year, there were no operations in the Company.

Sharda Private (Thailand) Limited, Thailand

Sharda Private (Thailand) Limited is engaged in the business of dealing in agrochemical products in Thailand. For the year ended March 31, 2020, the Company's total income is ₹ 368.76 Lakhs (Previous Year: ₹ 387.59 Lakhs) and Profit for the year is ₹ 4.43 Lakhs (Previous year: ₹ 5.29 Lakhs).

Sharda Morocco SARL, Morocco

Sharda Morocco SARL is engaged in the business of dealing in agrochemical products in Morocco. During the year, there were no operations in the Company.



DIRECTORS' REPORT

SUBSIDIARY COMPANIES – INDIRECT

Euroazijski Pesticidi d.o.o., Croatia

Euroazijski Pesticidi d.o.o. is engaged in the business of dealing in agrochemical products in Croatia. For the year ended March 31, 2020, the Company's total income is ₹ 51.93 Lakhs (Previous Year: ₹ 58.89 Lakhs) and Profit for the year is ₹ 2.56 Lakhs (Previous year: ₹ 19.14 Lakhs).

Sharda Benelux BVBA, Belgium

Sharda Benelux BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended December 31, 2019, the Company's total income is Nil (Previous Year: ₹ 2.02 Lakhs) and Loss for the year is ₹ 0.51 Lakhs (Previous year: Profit ₹ 1.54 Lakhs).

Sharda Bolivia SRL, Bolivia

Sharda Bolivia SRL is engaged in the business of dealing in agrochemical products in Bolivia. For the year ended March 31, 2020, the Company's total income is 0.09 Lakhs (Previous year: ₹ 0.14 Lakhs) and Loss for the year is ₹ 3.60 Lakhs (Previous year: ₹ 1.03 Lakhs).

Sharda Colombia S.A.S., Colombia

Sharda Colombia S.A.S. is engaged in the business of distribution of agrochemical products in Colombia and abroad. For the year ended March 31, 2020, the Company's total income is ₹ 362.06 Lakhs (Previous year: ₹ 885.39 Lakhs) and Profit for the year is ₹ 21.35 Lakhs (Previous year: ₹ 7.95 Lakhs).

Sharda De Mexico S. De RI De CV, Mexico

Sharda De Mexico S. De RI De CV is engaged in the business of distribution of agrochemical products in Mexico and abroad. For the year ended March 31, 2020, the Company's total income is ₹ 7,350.00 Lakhs (Previous year: ₹ 6,079.36 Lakhs) and Profit for the year of ₹ 232.56 Lakhs (Previous year: Loss ₹ 693.86 Lakhs).

Sharda Europe BVBA, Belgium

Sharda Europe BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended March 31, 2020, the Company's total income is ₹ 2.24 Lakhs (Previous Year: ₹ 6.32 Lakhs) and Profit for the year is ₹ 0.15 Lakhs (Previous year: ₹ 4.29 Lakhs).

Sharda International Africa (Pty) Limited, South Africa

Sharda International Africa (Pty) Limited is engaged in the business of dealing in agrochemical products in South Africa. For the year ended March 31, 2020, the Company's total income is ₹ 1,385.47 Lakhs (Previous year: ₹ 418.40 Lakhs) and Profit for the year is ₹ 60.57 Lakhs (Previous year: Loss ₹ 70.98 Lakhs).

Sharda Malaysia SDN BHD, Malaysia

Sharda Malaysia SDN BHD is engaged in the business of dealing in agrochemical products in Malaysia. For the year ended March 31, 2020, the Company's total income is ₹ 1.37 Lakhs (Previous Year: ₹ 2.05 Lakhs) and Profit for the year is ₹ 0.05 Lakhs (Previous year: ₹ 0.17 Lakhs).

Sharpar S.A., Paraguay

Sharpar S.A. is engaged in the business of dealing in agrochemical products in Paraguay. For the year ended December 31, 2019, the Company's total income is ₹ 9.92 Lakhs (Previous Year: ₹ 12.41 Lakhs) and Loss for the year is ₹ 0.22 Lakhs (Previous year: Profit ₹ 0.86 Lakhs).

Siddhivinayak International Limited, U.A.E.

Siddhivinayak International Limited is engaged in the business of trading and investments in U.A.E. and abroad. For the year ended March 31, 2020, the Company's total income is Nil (Previous Year: ₹ 1.50 Lakhs) and Loss for the year is ₹ 0.70 Lakhs (Previous year: ₹ 12.21 Lakhs).

MATERIAL SUBSIDIARY

The Company does not have any Material Indian Subsidiary as per the parameters laid down by the Companies Act, 2013. The Policy on Material Subsidiary is uploaded on the Company's website viz. <http://www.shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website viz. <http://www.shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.

Since all the Related Party Transactions entered into by the Company are in the ordinary course of business and on arm's length basis, Form AOC-2 is not applicable to the Company. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

DIRECTORS

As on March 31, 2020, the Company has Eight (8) Directors consisting of Four (4) Independent Directors, Three (3) Executive Directors and One (1) Chairman & Managing Director.

Appointment/Resignations from the Board of Directors

During the year, our Company had re-appointed Mr. M. S. Sundara Rajan (DIN: 00169775), Mr. Shitin Desai (DIN: 00009905) and Mr. Shobhan Thakore (DIN: 00031788) as a Non-executive, Independent Director of the Company for another term of five (5) years and Ms. Sonal Desai was appointed as a Non-executive, Independent Director with effect from April 01, 2019.

Mr. P. R. Srinivasan had completed his initial term of five (5) years as an Independent Director of the Company on August 08, 2019 and expressed his unwillingness to be re-appointed as Independent Director of the Company for 2nd term.

The Company has received declarations from the Independent Directors confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations").

Woman Director

Your Company's Board is represented by two Woman Directors, Mrs. Sharda R. Bubna and Ms. Sonal Desai.

Directors Retiring by Rotation

In accordance with the provision of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashish R. Bubna (DIN: 00945147), Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The information of Directors seeking appointment/re-appointment as required pursuant to Regulation 36(3) of the SEBI Regulations is provided in the notice covering the Annual General Meeting of the Company.

None of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Appointment/Resignation of the Key Managerial Personnel

During the year, Mr. Ashish Lodha resigned as Chief Financial Officer (CFO) of the Company w.e.f October 22, 2019. The Board, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Abhinav Agarwal as Chief Financial Officer (CFO) of the Company w.e.f February 26, 2020.

In terms of Section 2(51) and Section 203 of the Companies Act, the following are the KMPs of the Company:

Mr. Ramprakash V. Bubna, Chairman & Managing Director
Mrs. Sharda R. Bubna, Whole-time Director
Mr. Ashish R. Bubna, Whole-time Director
Mr. Manish R. Bubna, Whole-time Director
Mr. Abhinav Agarwal, Chief Financial Officer
Mr. Jetkin Gudhka, Company Secretary & Compliance Officer

Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

The Board met five times during the FY 2019-20 viz, May 14, 2019, July 24, 2019, October 22, 2019, January 22, 2020 and February 26, 2020.

Detailed information on the meetings of the Board are included in the report on Corporate Governance, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

Your Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of laws and statutes applicable to the Company.

The Company has following Committees namely:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee.
5. Risk Management Committee.

The details with respect to the composition, powers, roles, terms of reference, etc. of the aforesaid committees are given in details in the "Report on Corporate Governance" of the Company which forms part of the Annual Report.

PERFORMANCE EVALUATION OF THE BOARD

In compliance with the provisions of the Companies Act, 2013 and Regulation 25(4)(a) of the SEBI Regulation, annual performance evaluation of the Board and its Directors individually was carried out. Various parameters such as the Board's functioning, composition of its Board and Committees, execution and performance of specific duties, obligations and governance were considered for evaluation.

The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was also carried out by the Board.

There are no observations which are carried by any of the director on evaluation of Board. Further, in the view of previous year's observation company has taken various steps as suggested by the directors.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

Pursuant to the SEBI regulations, the Company has worked out a Familiarization programme for the Independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc.

Through the Familiarization programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices.

DIRECTORS' REPORT

Details of Familiarization programme of Independent Directors with the Company are available on the website of the Company <http://www.shardacropchem.com/announcement.html>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As required by Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 5,73,09,758/- towards CSR activities out of which during the year, the Company has spent ₹ 5,55,90,720/- towards CSR activities. The reason for not spending the entire amount is disclosed in **Annexure -2**.

The CSR initiatives taken up by the Company are in the areas of promoting education, medical relief, eradicating hunger, empowerment of women, animal welfare, promotion of Olympic sports and rural development projects. These projects are in accordance with the activities included in Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The Annual Report on CSR activities forms a part of this Report as Annexure - 2

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system. All these controls were operating effectively during the year.

The Company has adequate internal financial controls. During the year, such controls were tested to find out any weaknesses in them. Services of professional consultants were obtained to remove such weaknesses and ensure robust internal financial controls and to ensure that these controls are operating effectively.

The Company is complying with all the applicable Indian Accounting Standards (Ind AS). The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Risk Management framework defines the risk management approach of the Company and includes collective identification of risks impacting the Company's business and documents their process of identification, mitigation and optimization of such risks. The Policy is uploaded on the website of the Company viz.: <http://www.shardacropchem.com/policy.html>.

NOMINATION & REMUNERATION POLICY

The Company's Remuneration Policy has been disclosed in the Report on Corporate Governance which forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS AND BUSINESS RESPONSIBILITY

The Management Discussion and Analysis Report & the Business Responsibility Report for the year under review as stipulated under SEBI Regulations, forms part of the Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to report genuine concerns or grievances and to deal with instances of fraud and mismanagement. The Whistleblower Policy has been posted on the Company's website at <http://www.shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. This Policy has been uploaded on the website of the Company at <http://www.shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020. The Company has not received any complaint of sexual harassment during the Financial Year 2019-2020.

AUDITORS

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Associates, (Firm No. 116231W/W-100024) Chartered Accountants, were appointed as the Statutory Auditor of the Company to hold office from the Conclusion of the 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting of the Company.

The Statutory Auditor have submitted a certificate stating that their appointment is in accordance with Section 139 read with Section 141 of the Companies Act.

The Audit Report forms a part of the Annual Report and the report does not contain any qualification, reservation, adverse remark or disclaimer.

b) Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act and the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, M/s. Bathiya & Associates LLP, were appointed by the Board of Directors to conduct internal audit reviews for the Company.

c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. KJB & CO LLP, a firm of Company Secretaries in Practice to conduct the Secretarial

Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report is annexed to this report as **Annexure – 3**.

Reply to the qualification in Secretarial Report:

- a. The Chairperson of the Stakeholders Relationship Committee had some other commitments and hence was not present at the Annual General Meeting of the Company held on August 27, 2019. The same was mentioned in the proceedings of the Annual General Meeting and the quarterly corporate governance report filed with the Stock Exchanges.
- b. Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 came into force w.e.f. 01st April, 2019. The Company had filed the Disclosure for 31st March, 2019 but failed to file the same for half year ended 30th September, 2019 within due date. However, the same was filed with the Stock Exchange on 17th March, 2020.
- c. The Annual Report had undergone a minor change in the last moment which caused a delay of 1 day in submission to Stock Exchange.

CORPORATE GOVERNANCE

Your Company is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators. A separate section on Corporate Governance practices followed by the Company as stipulated under Regulation 43(3) and Schedule V of the SEBI Regulations, together with a certificate from M/s. KJB & CO LLP, a firm of Company Secretaries in Practice, confirming Compliance to the conditions as stated in Regulation 34(3) of the SEBI Regulations forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder are given in the notes to Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS"), applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, as amended from time to time, forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 and 134(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as **Annexure - 4**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material orders have been passed by the Regulators or Courts or Tribunals which will impact the going concern status of the Company and its future operations.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company are given in **Annexure - 5 and Annexure - 6** hereunder and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Companies Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- b. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

DIRECTORS' REPORT

- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY DISCLOSURES

- 1) Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

A. Conservation of Energy, Technology Absorption

The provisions of Section 134(1)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

B. Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo during the year together with comparable figures of the previous year are as stated below:

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Foreign Exchange Earnings	1,71,895.09	1,64,960.27
Foreign Exchange Outgo	1,18,537.88	1,21,415.98

(₹ in Lakhs)

2) Maintenance of Cost Record:

Pursuant to Section 148 of the Companies Act, the Company has maintained the Cost Accounting Records for FY 2019-20. The Company has received Cost Compliance Certificate from M/s. N. Ritesh & Associates, Cost Accountants.

3) Secretarial Standards:

The Company has complied with the applicable Secretarial Standards as amended from time to time.

4) Fraud Reporting:

During the year under review, no fraud has been reported by Auditors under sub-section 12 of Section 143 of the Companies Act, 2013.

5) MOA & AOA:

During the year under review, there is no change in the Memorandum of Association and Articles of Association of the Company.

6) Credit Rating:

During the year under review, CRISIL has given the credit rating of "CRISIL A1+" on the short-term banking facilities of the Company.

LISTING OF THE COMPANY'S EQUITY SHARES

The equity shares of your Company are listed on The BSE Ltd. and The National Stock Exchange of India Ltd. There is no default in paying annual listing fees.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express deep and sincere gratitude to all the stakeholders of the Company for their confidence and patronage.

Your Directors wish to place on record their appreciation for the support and contribution made by the employees at all levels and also wish to thank all its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in your Company.

For and on behalf of Board of Directors

Ramprakash V. Bubna

Chairman & Managing Director
(DIN: 00136568)

PLACE : MUMBAI

DATE : June 24, 2020

ANNEXURE 1

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures (Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sr. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate Closing	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Excluding investment in subsidiary)	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Axis Crop Science Private Limited	Apr-Mar	INR	-	500.00	(460.95)	835.24	796.19	-	853.86	39.27	5.31	33.96	-	100%
2	Nihon Agro Service Kabushiki Kaisha	Apr-Mar	JPY	0.70	0.59	(1.49)	5.14	6.04	-	-	(0.46)	-	(0.46)	-	100%
3	Sharda Agrochem Dooel Skopje	Jan-Dec	MKD	1.30	3.68	(0.10)	3.99	0.42	-	-	(0.09)	-	(0.09)	-	100%
4	Sharda Balkan Agrochemicals Limited	Jan-Dec	EURO	79.99	2.82	(2.56)	0.75	0.49	-	-	(0.43)	-	(0.43)	-	100%
5	Sharda Costa Rica SA*	Apr-Mar	CRC	0.13	-	-	-	-	-	-	-	-	-	-	99%
6	Sharda Cropchem Espana, S.L.	Apr-Mar	EURO	83.33	2.59	189.57	5,120.78	4,928.62	-	10,748.66	55.90	13.97	41.92	-	100%
7	Sharda Cropchem Israel Limited*	Jan-Dec	NIS	-	-	-	-	-	-	-	-	-	-	-	100%
8	Sharda Cropchem Tunisia SARL	Jan-Dec	TND	25.49	0.76	(0.54)	0.80	0.58	-	-	(0.16)	0.12	(0.28)	-	99%
9	Sharda De Guatemala S.A.	Jan-Dec	GTO	9.26	0.34	(0.32)	0.04	0.02	-	-	-	-	-	-	98%
10	Sharda Del Ecuador CIA. Ltda.	Jan-Dec	USD	71.36	0.20	0.05	1.15	0.90	-	-	(0.00)	-	(0.00)	-	99.50%
11	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	Jan-Dec	BRL	17.75	8.29	(32.44)	-	24.15	-	-	2.08	-	2.08	-	99%
12	Sharda Dominicana S.R.L.*	Jan-Dec	RD\$	1.44	-	-	-	-	-	-	-	-	-	-	99%
13	Sharda El Salvador S.A. DE CV*	Jan-Dec	USD	71.36	-	-	-	-	-	-	-	-	-	-	99%
14	Sharda Helias Agrochemicals Limited	Jan-Dec	EURO	79.99	2.82	(2.13)	0.69	-	-	-	(0.00)	-	(0.00)	-	100%
15	Sharda Hungary Kft	Apr-Mar	HUF	0.23	7.23	518.47	4,705.41	4,179.71	-	6,896.14	165.42	16.10	149.32	-	100%
16	Sharda International DMCC	Apr-Mar	USD	75.59	41.15	9,384.22	13,124.26	3,698.89	-	34,743.21	5,742.95	-	5,742.95	-	100%
17	Sharda Italia SRL	Apr-Mar	EURO	83.33	7.81	327.34	5,558.17	5,223.02	-	5,095.74	363.42	96.01	267.41	-	99%
18	Sharda Morocco SARL*	Jan-Dec	DHS	-	-	-	-	-	-	-	-	-	-	-	99.80%
19	Sharda Peru SAC	Jan-Dec	PEN	21.48	0.33	(8.91)	1.54	10.12	-	-	(6.93)	-	(6.93)	-	99.95%
20	Sharda Poland SP Z.O.	Apr-Mar	PLN	18.26	0.96	185.62	4,869.62	4,683.04	-	8,228.94	61.65	32.60	29.05	-	100%
21	Sharda Polska SP Z.O.O.	Jan-Dec	PLN	18.74	2.99	(15.88)	9.07	21.96	-	-	(10.56)	-	(10.56)	-	100%

DIRECTORS' REPORT



Sharda Cropchem Limited

Sr. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate Closing	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Excluding investment in subsidiary)	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
22	Sharda Spain S.L.	Jan-Dec	EUR	79.99	1.96	(1.60)	0.42	0.06	-	-	(0.24)	-	(0.24)	-	100%
23	Sharda Swiss SARL	Jan-Dec	CHF	73.71	8.62	(2.39)	8.83	2.59	-	-	(0.16)	-	(0.16)	-	100%
24	Sharda Taiwan Limited	Jan-Dec	TWD	2.39	2.04	0.39	2.43	-	-	-	-	-	-	-	100%
25	Sharda Ukraine LLC	Jan-Dec	UAH	3.01	4.25	(3.80)	1.57	1.12	-	-	0.22	0.04	0.18	-	100%
26	Sharda USA LLC	Jan-Dec	USD	71.36	-	(0.08)	1.85	1.93	-	-	-	-	-	-	100%
27	Shardacan Limited*	Jan-Dec	CAD	-	-	-	-	-	-	-	-	-	-	-	100%
28	Shardaserb. DO.O.	Jan-Dec	RSD	0.68	0.17	(0.52)	-	0.35	-	-	(0.06)	-	(0.06)	-	100%
29	Sharzam Limited*	Jan-Dec	ZMW	-	-	-	-	-	-	-	-	-	-	-	99.99%
30	Euroazjiski Pesticidi d.o.o. ***	Apr-Mar	HRK	10.95	2.19	3.10	5.34	0.05	-	-	2.65	-	2.65	-	100%
31	Sharda Benelux BVBA ***	Jan-Dec	EUR	79.99	4.96	(7.64)	0.06	2.74	-	-	(0.52)	-	(0.52)	-	100%
32	Sharda Bolivia SRL ***	Jan-Dec	BOB	2.57	0.26	(17.11)	1.60	18.45	-	-	(0.91)	-	(0.91)	-	99%
33	Sharda Colombia S.A.S. ***	Apr-Mar	COP	0.02	53.62	94.86	669.48	521.00	-	297.86	19.27	0.25	19.02	-	99.48%
34	Sharda De Mexico S. De RI De Cv ***	Apr-Mar	MXN	3.11	289.86	(212.07)	5,023.61	4,945.82	-	6,217.34	219.91	21.10	198.82	-	99.99%
35	Sharda Europe BVBA ***	Apr-Mar	EUR	75.59	4.69	(4.11)	2.19	1.61	-	-	0.15	-	0.15	-	100%
36	Sharda International Africa (PTY) Ltd ***	Apr-Mar	ZAR	4.21	0.00	66.00	1,272.76	1,206.76	-	1,215.60	27.59	(25.58)	53.17	-	100%
37	Sharda Malaysia SDN. BHD. ***	Apr-Mar	MYR	17.45	0.00	(0.22)	-	0.22	-	-	0.01	-	0.01	-	100%
38	Sharpar S.A. ***	Jan-Dec	PYG	0.01	3.32	18.38	32.71	11.00	-	-	(0.22)	-	(0.22)	-	90%
39	Siddhivinyak International Limited ***	Apr-Mar	USD	75.59	535.23	(33.87)	501.36	-	-	-	(0.75)	-	(0.75)	-	100%
40	Sharda Private (Thailand) Limited **	Apr-Mar	THB	2.31	41.67	(6.33)	199.25	163.91	-	368.76	4.43	-	4.43	-	100%

***Notes:**

* Sharda Costa Rica SA, Sharda Cropchem Israel Limited, Shardacan Limited, Sharzam Limited, Sharda Dominicana S.R.L., Sharda El Salvador S.A. DE CV and Sharda Morocco SARL are yet to commence business operations.

** During the year ended March 31, 2018, the Company entered into a Memorandum of Understanding ("MOU") with other shareholders of Sharda Private (Thailand) Limited. In terms of the said MOU dated November 10, 2017, the Company has gained 100% control over Sharda Private (Thailand) Limited as the other shareholders shall not be entitled to participate in the profits/losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company w. e. f November 10, 2017

*** Exchange rate taken is closing rate.

For remaining subsidiaries, exchange rates for Balance Sheet figures are taken at closing rate and for Statement of Profit & Loss Account figures at average rate. Since there is no Associate or Joint Ventures of the Company, Part B is not applicable.

ANNEXURE 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

<p>1. A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to CSR policy and projects or programmes</p>	<p>The CSR policy, approved by the Board of Directors, is available on the Company's website at www.shardacropchem.com/investor-relation.html</p> <p>In line with the CSR policy and in accordance with Schedule VII of the Companies Act, 2013, the Company has undertaken various activities towards CSR expenditure in the following activities/projects:</p> <ol style="list-style-type: none"> Eradicating hunger and providing water and sanitation facilities; Promotion of education including vocational and special education to children and women; Empowerment of women; Animal welfare; Promotion of Olympic sports; Rural development projects Medical Relief
<p>2. The Composition of the CSR Committee</p>	<ol style="list-style-type: none"> Mr. Ramprakash V. Bubna, Chairman Mrs. Sharda R. Bubna Mr. Shitin Desai
<p>3. Average Net Profit of the Company for last three Financial Years</p>	<p>₹ 2,86,54,87,916</p>
<p>4. Prescribed CSR expenditure (2% of the amount as in item 3 above)</p>	<p>₹ 5,73,09,758</p>
<p>5. Details of CSR spent during the financial year</p>	
<p>a. Total amount spent for the financial year</p>	<p>₹ 5,55,90,720</p>
<p>b. Amount unspent, if any</p>	<p>₹ 17,19,038</p>
<p>c. Manner in which amount spent during the financial year</p>	<p>The manner in which the amount is spent is as per the annexure.</p>
<p>6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the board report</p>	<p>The Company consider social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of the society. However, Company was not able to spent full 2% of average net profit of the last three financial years due to lock down situation in country due to novel pandemic covid -19.</p>
<p>7. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company</p>	<p>The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.</p>

ANNEXURE TO CSR

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Location of the Project	Amount outlay (budget)	Amount spent on the projects or programs Sub-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Local Area		(1) Direct	(2) Over heads	
			State				
1.	Helping needy and deserving people of weaker section of society with free grocery, educational help, arranging free medical camps, women empowerment programmes, providing sanitation facilities and distribution of Note books.	Education & Medical Relief	Mumbai	3,20,000	3,20,000	-	3,20,000
2.	Organising free Eye Camp in Nawalgarh City every month for needy and weaker section of society and performing cataract surgery.	Medical relief	Nawalgarh	5,97,000	5,97,000	-	5,97,000
3.	Payment of School fee to needy and deserving students.	Promoting Education	Jhunjhunu	15,18,720	15,18,720	-	15,18,720
4.	Helping disable children by providing them wheelchair.	Medical relief	Pune	25,000	25,000	-	25,000
5.	Helping poor & needy people for payment of school fees, medical help and financial help, Animal welfare, Promoting health care etc.	Promoting Education, Medical Relief & Animal Welfare	Mumbai & Nawalgarh	43,50,000	43,50,000	-	43,50,000
6.	Construction of school, play ground, dining hall etc at sitabadi (Kelwada) in Baran district of Rajasthan.	Promoting Education & providing sanitation facilities	Baran	2,00,000	2,00,000	-	2,00,000
7.	Educational Help by way of schools / colleges fees to poor and deserving students, education of handicapped students and providing sanitation facilities.	Promoting Education & providing sanitation facilities	Mumbai	12,00,000	12,00,000	-	12,00,000
8.	Installation of new borewell.	Providing sanitation facilities	Nawalgarh	1,00,000	1,00,000	-	1,00,000
9.	Providing higher education in medical field to poor and deserving students and inspiring them to help needy and poor patients at various hospitals.	Promoting Education	Mumbai	85,00,000	85,00,000	-	85,00,000
10.	For renovation of crematorium, building prayer hall, animal welfare, amadaan and medical help to poor.	Eradicating Hunger, Animal Welfare medical help	Bhayandar, Thane	7,25,000	7,25,000	-	7,25,000
11.	Establishing a hostel near Tata Memorial Cancer Hospital to provide shelter to outstation patients and their relatives who visit Mumbai for cancer treatment.	Medical help	Mumbai	25,00,000	25,00,000	-	25,00,000

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Location of the Projects	Amount outlay (budget)	Amount spent on the projects or programs Sub-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
			Local Area State		(1) Direct	(2) Over heads		
12.	Repair & Maintenance of School for disabled students.	Promoting Education	Chittrakoot Madhya Pradesh	51,000	51,000	-	51,000	"Pandey Shiksha Samiti"
13.	Providing quality education, free transportation to poor and tribal children for their overall development.	Promoting Education	Igatpuri Maharashtra	40,00,000	40,00,000	-	40,00,000	"Priyadarshani Foundation"
14.	Providing medical help, assistance for education of the poor students and assistance for medical and shelter to the animals.	Medical help & Promoting Education	Rajkot Gujarat	1,00,00,000	1,00,00,000	-	1,00,00,000	"P.M. Foundation"
15.	Providing free education, medical centre and food catering for underprivileged people.	Promoting Education & Medical Relief	Mumbai Maharashtra	5,00,000	5,00,000	-	5,00,000	"Rajashani Mahila Mandal"
16.	Providing library, gymnasium and laundry facilities in their hostel for approx 152 students.	Promoting Education & Sports	Mumbai Maharashtra	53,00,000	53,00,000	-	53,00,000	"Rajashani Sammelan Education Trust"
17.	Renovation and refurbishment of two building used for training and educational purpose for mentally retarded children.	Promoting Education	Mumbai Maharashtra	11,00,000	11,00,000	-	11,00,000	"Rotary Club of Mumbai North end"
18.	Educational help to poor, feeding birds and animals, etc	Education & Animal Welfare	Mumbai Maharashtra	5,50,000	5,50,000	-	5,50,000	"R B Gupta Charity Trust"
19.	For Setting old age home & Gau Shala.	Animal Welfare	Ratnagiri Maharashtra	5,00,000	5,00,000	-	5,00,000	"Sanskar Nirman Foundation"
20.	Medical help to poor patients at Tata memorial hospital and helping deserving and needy students to avail basic education.	Promoting Education & Medical Relief	Mumbai Maharashtra	5,00,000	5,00,000	-	5,00,000	"Smt. Bhagirthidevi Makhanlal Charity Trust"
21.	Animal welfare by installing two (2) tube well and solar system.	Animal Welfare	Jhunjhunu Rajasthan	5,00,000	5,00,000	-	5,00,000	"Shree Jamvay Jyoti Gosala Samiti"
22.	Animal welfare by way of providing fodders and medical assistance to the animals on daily basis.	Animal Welfare	Navalgarh, Bhadarpura Rajasthan	10,00,000	10,00,000	-	10,00,000	"Shree Navalgarh Goushala"

DIRECTORS' REPORT



Sharda Cropchem Limited

(Amount in ₹)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Location of the Projects	Amount outlay (budget)	Amount spent on the projects or programs Sub-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Local Area State		(1) Direct	(2) Over heads	
23.	Animal care, fodder and medical help to more than 300 non-milk yielding cows.	Animal Welfare	Sikar Rajasthan	45,10,000	45,10,000	-	"Shri Panchdev Mahamandir Gau Sevasharm Samiti"
24.	Free eye camps, distribution of glasses and education camp for poor and needy students	Education, Medical Relief & Animal Welfare	Mumbai Maharashtra	5,00,000	5,00,000	-	"Shri Ranisati Prachar Samiti"
25.	Distribution of free note books to poor and deserving students, medical examination, treatment and free medicine. Hunger & Medical help	Promoting Education, Eradicating Hunger & Medical help	Mumbai Maharashtra	1,22,000	1,22,000	-	"Shri Rani Sati Sarvajanik Aushadhalya"
26.	Providing educational, medical help and distribution of free food.	Promoting Education	Mumbai Maharashtra	1,71,000	1,71,000	-	"Shree Shyam Satsang Mandal"
27.	Distribution of note books to needy and deserving students.	Promoting Education	Mumbai Maharashtra	51,000	51,000	-	"Shree Tungarashwar Mahadev Seva Samiti"
28.	Distribution of Books to needy students	Promoting Education	Mumbai Maharashtra	1,00,000	1,00,000	-	"Social Organisation Upon Life"
29.	Providing medical facilities and medicines to deprived tribal population and providing their health care needs including food and accommodation free of cost.	Medical Relief	Igatpuri Maharashtra	60,00,000	60,00,000	-	"S.M.B.T. Sevabhavi Trust"
30.	Helping disable and mentally challenged persons	Human Welfare	Mumbai Maharashtra	1,00,000	1,00,000	-	"Voice Vision"

ANNEXURE 3

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020.**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Sharda Cropchem Limited,
Mumbai

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practices by **Sharda Cropchem Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

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

- | | |
|---|--|
| <ul style="list-style-type: none"> i. The Companies Act, 2013 (the Act) and the rules made thereunder; ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings); v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992: | <ul style="list-style-type: none"> a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereto from time to time ("LODR Regulations"); b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment made thereto; c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable to the Company for the year under review; d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company for the year under review; e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company for the year under review; f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company for the year under review; g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company for the year under review; h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company for the year under review; i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable to the Company for the year under review; |
|---|--|



DIRECTORS' REPORT

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations / remarks:

1. The Chairperson of Stakeholders Relationship Committee was not present at the Annual General Meeting of the Company held on August 27, 2019 due to his other commitments and the same was disclosed by the Company in proceedings of Annual General Meeting and quarterly corporate governance report filed for quarter ended September 30, 2019;
2. There was a delay of 117 days in filing of disclosure of related party transactions for the half year ended September 30, 2019, required to be filed in accordance with regulation 23(9) of LODR Regulations;
3. There was a delay of 1 day in submission of copy of the Annual report to the stock exchanges in accordance with regulation 34(1)(a) of LODR Regulations;

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. On verification of minutes, we have not found any dissent/ disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has identified and complied with the following laws applicable to the Company:

- Insecticides Act, 1968;
- Insecticides Rules, 1971.

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the Central and State government on the travel, movement and transportation considering public health and safety measures, which had impact on the audit assessment due to limited access to information / documents / data as required for audit assessment.

For **KJB & Co LLP**,
Practicing Company Secretaries

Alpeshkumar Panchal

Partner

Mem No. - 49008

C. P. No. - 20120

UDIN: A049008B000374883

Date: 24th June 2020.

Place: Mumbai.

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

ANNEXURE 1

To,
The Members,
Sharda Cropchem Limited,
Mumbai

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KJB & Co LLP**,
Practicing Company Secretaries

Alpeshkumar Panchal
Partner
Mem No. - 49008
C. P. No. - 20120
UDIN: A049008B000374883

Date: 24th June 2020.
Place: Mumbai.



ANNEXURE 4

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN as on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of
The Companies (Management and Administration) Rules, 2014]

1. Registration and Other Details:

Particulars	Details
CIN	L51909MH2004PLC145007
Registration Date	March 12, 2004
Name of the Company	Sharda Cropchem Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West) Mumbai – 400 056 Tel. No.: 91 22 6678 2800 Fax No.: 91 22 6678 2828 Email id: co.sec@shardaintl.com Website: www.shardacropchem.com
Whether listed company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Karvy Selenium Tower B, 6th Floor, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel. No.: 91 40 6716 1606 Fax No.: 91 40 2311 4087 Email: mohammed.shanoor@kfintech.com Website: www.kfintech.com

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of total turnover of the Company shall be stated:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Agrochemicals	46692	99.75%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Axis Crop Science Private Limited Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056	U01100MH2009PTC189472	Subsidiary	100	Section 2 (87)
Nihon Agro Service Kabushiki Kaisha Samon Building, 3F, 2-17-2 Higashi-azabu, Minato-ku, Tokyo 106-0044	0200-01-113792	Subsidiary	100	Section 2(87)
Sharda Agrochem Dooel Skopje Gjuro Gjakovik 20/1-10, 1000 Skopje, Macedonia	7074476	Subsidiary	100	Section 2(87)
Sharda Balkan Agrochemicals Limited Athens, Greece, Pavlou Mela 1, Chalandri, Postal code 15233, Greece	17627	Subsidiary	100	Section 2(87)
Sharda Costa Rica SA San Jose, Santa Ana, Wells, Forum Business Center, Building C, Costa Rica	3828447-2012	Subsidiary	99	Section 2(87)
Sharda Cropchem Espana, S.L. Carril Condomina Street, 6 Atalayas Business Center, 30006 Murcia, Spain	2014/73	Subsidiary	100	Section 2(87)
Sharda Cropchem Israel Limited No. 5 Hovevei Zion Street, Tel Aviv 6314805, Israel	515327674	Subsidiary	100	Section 2(87)
Sharda Cropchem Tunisia SARL 27, Rue Hasdrubal – 1002, Tunisia	D013717204	Subsidiary	99	Section 2(87)
Sharda De Guatemala S.A. 12 Avenida 16-66 Zona 10, Guatemala	35192	Subsidiary	98	Section 2(87)
Sharda Del Ecuador CIA. LTDA. Inglaterra E3-54 and Av. Republica, Ecuador	1792147336001	Subsidiary	99.50	Section 2(87)
Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA Rua da Consolacao No. 222- Conj. 1001-Sala 2, Consolacao-Sao Paulo – SP-CEP 608, Consolacao- Sao Paulo- SP-CEP (Zip Code) 01302-000,	11.426.444/0001-00	Subsidiary	99	Section 2(87)
Sharda Dominicana, S.R.L. Av. Abraham Lincoln no. 403, La Julia, Santo Domingo, DN	118728SD	Subsidiary	99	Section 2(87)
Sharda EL Salvador S. A. DE CV Pasaje. Sagrado Corazón, No. 2-28. Entre 83 y 85 Av. Norte, Col. Escalón, San Salvador, El Salvador, Centro América	656241	Subsidiary	99	Section 2(87)
Sharda Hellas Agrochemicals Limited Athens, Greece, Pavlou Mela 1, Chalandri, Postal code 15233, Greece	17628	Subsidiary	100	Section 2(87)
Sharda Hungary Kft 1147, Budapest, Ov utca 182/b, Hungary.	01-09-981090	Subsidiary	100	Section 2(87)
Sharda International DMCC Unit No. 304, Mazaya Business Avenue, BB1, Plot No. JLTE-PH2-BB1, Jumeirah Lake Towers, Dubai, UAE	3123	Subsidiary	100	Section 2(87)
Sharda Italia SRL Cattolica (Rn) Via Cabral 40 Cap 47841	RN-320778	Subsidiary	99	Section 2(87)
Sharda Morocco SARLW 427, Angle Avenue And Med Med Diouri V Bureau N ° 13, Kenitra.	46741	Subsidiary	99.8	Section 2(87)
Sharda Peru SAC Calle Las Castanitas No 138, Oficina 5 – D, El Palomar, San Isidro, Peru	12168449	Subsidiary	99.95	Section 2(87)



DIRECTORS' REPORT

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Sharda Poland SP. ZO.0 ul. Bonifraterska 17, 00-203 Warszawa, Poland	511705	Subsidiary	100	Section 2(87)
Sharda Polska SP. ZO.0 ul. Bonifraterska 17, 00-203 Warszawa, Poland	322630	Subsidiary	100	Section 2(87)
Sharda Spain, S.L. Avda. Jose Ortiz, 1st floor, 59 Bajo 1, 12550 Almazora, Castellon, Espana	2259	Subsidiary	100	Section 2(87)
Sharda Swiss SARL Bollwerk 21, CH-3011 Bern, Switzerland.	CHE-115.463.668	Subsidiary	100	Section 2(87)
Sharda Taiwan Limited 3 Fl., No. 170, Dun Hua N Road, Taipei, Taiwan.	10389381900	Subsidiary	100	Section 2(87)
Sharda Private (Thailand) Limited No. 324/7, Bangna Residence Tower, 1st Floor, Sanphawut Road, Bangna Subdistrict, Bangna District, Bangkok - 10260, Thailand	0105553057832	Subsidiary	100	Section 2(87)
Sharda Ukraine LLC 17 Sofiyivska Street, suite 4, Kyiv, 01001, Ukraine	36468626	Subsidiary	100	Section 2(87)
Sharda USA LLC 7212, Lancaster Pike, Suite A, P.O. Box 640, Hockessin, De 19707	SRV 060480705-4162187	Subsidiary	100	Section 2(87)
Shardacan Limited 644, Main Street, Suite 500, Moncton NB, E1C 1E2	656241	Subsidiary	100	Section 2(87)
Shardaserb DO.0 Vasilija Ivanovica 12, Belgrade, Serbia	20797827	Subsidiary	100	Section 2(87)
Sharzam Limited Box 35954 Lusaka, Zambia	101813	Subsidiary	99.99	Section 2(87)
Euroazijski Pesticidi D.O.O. Savska Cesta 106/3, Zagreb, Croatia	80815071	Indirect Subsidiary	100	Section 2(87)
Sharda Benelux BVBA Heedstraat 58, 1730 ASSE	BE 0818 126 308	Indirect Subsidiary	100	Section 2(87)
Sharda Bolivia SRL Office 303, del 3 piso del "Edificio Oriente", Ballivan esquina Chuquisaca de nuestra ciudad de Santa Cruz de la Sierra, Bolivia	133443025	Indirect Subsidiary	99	Section 2(87)
Sharda Colombia S.A. Carera 46 No 22 B 20 Oficina 211, Edificio Salitre Office Empresarial, Bogota- Colombia	1615833	Indirect Subsidiary	99.48	Section 2(87)
Sharda De Mexico S De RL DE CV 115 Aguascalientes Tlacotalpan Chanpoton Romasur, Mexico.	SME0707187AA	Indirect Subsidiary	99	Section 2(87)
Sharda Europe BVBA Heedstraat 58, 1730 ASSE	BE 0461 948 840	Indirect Subsidiary	100	Section 2(87)
Sharda International Africa (Pty) Ltd 31, Alamein Road, Southdale, 2091.	2010/002268/07	Indirect Subsidiary	100	Section 2(87)
Sharda Malaysia SDN. BHD. B1- 1, Jalan Selaman 1, dataran palma, 6800 Ampang, Selangor Darul Ehsan, Malaysia.	727796-A	Indirect Subsidiary	100	Section 2(87)
Sharpar S.A. Benjamin Constant No. 973 c/ Av. C. Colón. - Edificio Arasa 2 - Oficina 415 -1er. Piso	80029540	Indirect Subsidiary	90	Section 2(87)
Siddhivinayak International Limited 1205, Westburry Commercial Tower, Al Abraj Street Business Bay, P. O. Box 71241, Dubai – UAE	098	Indirect Subsidiary	100	Section 2(87)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TOTAL EQUITY)

i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year (As on April 01, 2019)			No. of Shares held at the end of the year (As on March 31, 2020)			% Change during the year		
	Demat	Physical	Total	% of Total shares	Demat	Physical		Total	% of Total shares
A. Promoters									
(1) Indian									
a) Individual/HUF	6,74,65,371	0	6,74,65,371	74.78	6,74,74,218	0	6,74,74,218	74.79	0.01
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	6,74,65,371	0	6,74,65,371	74.78	6,74,74,218	0	6,74,74,218	74.79	0.01
(2) Foreign									
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
#Total shareholding of Promoter (A) = (A) (1) + (A) (2)	6,74,65,371	0	6,74,65,371	74.78	6,74,74,218	0	6,74,74,218	74.79	0.01
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	1,49,72,687	0	1,49,72,687	16.60	1,53,30,970	0	1,53,30,970	16.99	0.39
b) Banks/ FI	25,171	0	25,171	0.03	11,375	0	11,375	0.01	(0.02)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0

Category of Share holders	No. of Shares held at the beginning of the year (As on April 01, 2019)			No. of Shares held at the end of the year (As on March 31, 2020)			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
			% of Total shares			% of Total shares	
e) Venture Capital Funds	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0
g) Foreign Institutional Investors	49,68,346	0	49,68,346	44,61,664	0	44,61,664	4.95 (0.56)
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0
Sub-total (B)(1)	1,99,66,204	0	1,99,66,204	1,98,04,009	0	1,98,04,009	21.95 (0.18)
2. Non-Institutions							
a) Bodies Corporate							
i) Indian	0	0	0	0	0	0	0
ii) Overseas	2,27,389	0	2,27,389	2,19,108	0	2,19,108	0.24 (0.01)
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹2 lakh	21,82,051	52	21,82,103	23,18,854	52	23,18,802	2.57 0.15
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh.	54,001	0	54,001	89,070	0	89,070	0.10 0.04
c) Others (Alternative Investment Fund))	28,597	0	28,597	40,904	0	40,904	0.05 0.02
Clearing Members	4,235	0	4,235	15,872	0	15,872	0.02 0.02
Non Resident Individuals	1,78,301	0	1,78,301	1,82,580	0	1,82,580	0.20 0.00
NBFC	1,13,994	0	1,13,994	75,880	0	75,880	0.08 (0.05)
Trust	300	0	300	-	-	-	-
Sub-Total (B) (2):-	27,88,868	52	27,88,920	29,42,268	52	29,42,216	3.26 0.17
Total Public Shareholding (B) = (B)(1) + B(2)	2,27,55,072	52	2,27,55,124	2,27,46,277	52	2,27,46,225	25.21 (0.01)
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0.00 0
GRAND TOTAL (A)+(B)+(C)	9,02,20,443	52	9,02,20,495	9,02,20,443	52	9,02,20,495	100.00 100.00

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
Promoters - Individual								
1.	Ramprakash V. Bubna	1,40,52,686	15.5759	0	1,40,52,686	15.5759	0	0
2.	Sharda R. Bubna	1,40,52,685	15.5759	0	1,40,61,532	15.5857	0	0
3.	Ashish R. Bubna	1,51,80,000	16.8254	0	1,51,80,000	16.8254	0	0
4.	Manish R. Bubna	1,51,80,000	16.8254	0	1,51,80,000	16.8254	0	0
5.	Seema A. Bubna	45,00,000	4.9878	0	45,00,000	4.9878	0	0
6.	Anisha M. Bubna	45,00,000	4.9878	0	45,00,000	4.9878	0	0

iii. Changes in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Reason for Increase / Decrease	Cumulative Shareholding during the year	
		Date	No. of Shares	% of total shares of the Company		No. Shares	% of total shares of the company
1	Ramprakash V. Bubna						
	At the beginning of the year	01.04.2019	1,40,52,686	15.5759			
	Date wise Increase / Decrease in Promoters Share holding during the Year				No Change		
	At the end of the year	31.03.2020	1,40,52,686	15.5759			
2	Sharda R. Bubna						
	At the beginning of the year	01.04.2019	1,40,52,685	15.5759			
	Date wise Increase / Decrease in Promoters Share holding during the Year	27.03.2020	8,847	0.0098	Purchase	1,40,61,532	15.5857
	At the end of the year	31.03.2020	1,40,61,532	15.5857			
3	Ashish R. Bubna						
	At the beginning of the year	01.04.2019	1,51,80,000	16.8254			
	Date wise Increase / Decrease in Promoters Share holding during the Year				No Change		
	At the end of the year	31.03.2020	1,51,80,000	16.8254			
4	Manish R. Bubna						
	At the beginning of the year	01.04.2019	1,51,80,000	16.8254			
	Date wise Increase / Decrease in Promoters Share holding during the Year				No Change		
	At the end of the year	31.03.2020	1,51,80,000	16.8254			
5	Seema A. Bubna						
	At the beginning of the year	01.04.2019	45,00,000	4.9878			
	Date wise Increase / Decrease in Promoters Share holding during the Year				No Change		
	At the end of the year	31.03.2020	45,00,000	4.9878			
6.	Anisha M. Bubna						
	At the beginning of the year	01.04.2019	45,00,000	4.9878			
	Date wise Increase / Decrease in Promoters Share holding during the Year				No Change		
	At the end of the year	31.03.2020	45,00,000	4.9878			



DIRECTORS' REPORT

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of year		Dates	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LTD. A/C HDFC MULTI-ASSET FUND	80,31,425	8.90	17/05/2019	Purchase of Shares	6,000	0.01	80,37,425	8.91
				24/05/2019	Purchase of Shares	7,200	0.01	80,44,625	8.92
				26/07/2019	Purchase of Shares	6,800	0.01	80,51,425	8.92
				16/08/2019	Purchase of Shares	607	0.00	80,52,032	8.92
				20/09/2019	Purchase of Shares	8,100	0.01	80,60,132	8.93
				27/09/2019	Purchase of Shares	1,00,000	0.11	81,60,132	9.04
				06/12/2019	Purchase of Shares	2,900	0.00	81,63,032	9.05
				20/03/2020	Purchase of Shares	95,775	0.11	82,58,807	9.15
				27/03/2020	Purchase of Shares	75,000	0.08	83,33,807	9.24
						83,33,807	9.24	31/03/2020	At the end of the year
2	L AND T MUTUAL FUND TRUSTEE LTD-L AND T EQUITY FUND	42,32,121	4.69	05/04/2019	Purchase of Shares	9,924	0.01	42,42,045	4.70
				10/05/2019	Purchase of Shares	9,708	0.01	42,51,753	4.71
				31/05/2019	Purchase of Shares	3,376	0.00	42,55,129	4.72
				05/07/2019	Purchase of Shares	2,000	0.00	42,57,129	4.72
				16/08/2019	Purchase of Shares	5,000	0.01	42,62,129	4.72
				30/08/2019	Purchase of Shares	6,175	0.01	42,68,304	4.73
				06/09/2019	Purchase of Shares	8,825	0.01	42,77,129	4.74
				15/11/2019	Purchase of Shares	87,633	0.10	43,64,762	4.84
				22/11/2019	Purchase of Shares	34,964	0.04	43,99,726	4.88
				29/11/2019	Purchase of Shares	14,613	0.02	44,14,339	4.89
				06/12/2019	Purchase of Shares	3,790	0.00	44,18,129	4.90
				13/12/2019	Purchase of Shares	44,956	0.05	44,63,085	4.95
				20/03/2020	Sale of Shares	75,000	0.08	43,88,085	4.86
		43,88,085	4.86	31/03/2020	At the end of the year				
3	DSP SMALL CAP FUND	26,09,128	2.89	11/10/2019	Sale of Shares	50	0.00	26,09,078	2.89
						26,09,078	2.89	31/03/2020	At the end of the year
4	PINEBRIDGE INVESTMENTS GF MAURITIUS LIMITED	22,38,355	2.48	29/06/2019	Sale of Shares	22,38,355	2.48	0	0.00
						0	0.00	31/03/2020	At the end of the year

DIRECTORS' REPORT

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of year		Dates	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY	14,96,675	1.66	29/06/2019	Purchase of Shares	14,96,675	1.66	29,93,350	3.32
				29/06/2019	Sale of Shares	14,96,675	1.66	14,96,675	1.66
				15/11/2019	Sale of Shares	1,05,000	0.12	13,91,675	1.54
				06/03/2020	Purchase of Shares	8,90,000	0.99	22,81,675	2.53
				13/03/2020	Purchase of Shares	13,48,355	1.49	36,30,030	4.02
				20/03/2020	Sale of Shares	90,000	0.10	35,40,030	3.92
				31/03/2020	At the end of the year	35,40,030	3.92		
6	GOVERNMENT OF SINGAPORE - E	4,70,392	0.52	28/02/2020	Sale of Shares	4,956	0.01	4,65,436	0.52
				06/03/2020	Sale of Shares	4,490	0.00	4,60,946	0.51
				20/03/2020	Sale of Shares	554	0.00	4,60,392	0.51
		31/03/2020	At the end of the year	4,60,392	0.51				
7	EMERGING MARKETS CORE EQUITY PORTFOLIO	1,32,225	0.15	-	-	-	-	-	-
		31/03/2020	At the end of the year	1,32,225	0.15				
8	INFINA FINANCE PRIVATE LTD	1,07,799	0.12	01/11/2019	Sale of Shares	1,100	0.00	1,06,699	0.12
				10/01/2020	Sale of Shares	10,000	0.01	96,699	0.11
				17/01/2020	Purchase of Shares	5,832	0.01	1,02,531	0.11
				14/02/2020	Sale of Shares	8,850	0.01	93,681	0.10
				28/02/2020	Sale of Shares	2,000	0.00	91,681	0.10
				20/03/2020	Sale of Shares	2,705	0.00	88,976	0.10
				27/03/2020	Sale of Shares	8,897	0.01	80,079	0.09
				31/03/2020	Sale of Shares	8,021	0.01	72,058	0.08
		31/03/2020	At the end of the year	72,058	0.08				
9	MAHINDRA MUTUAL FUND KAR BACHAT YOJANA	1,00,000	0.11	26/07/2019	Sale of Shares	1,306	0.00	98,694	0.11
				27/09/2019	Sale of Shares	98,694	0.11	0	0.00
		31/03/2020	At the end of the year	0	0.00				
10	THE EMERGING MARKETS SMALL CAP SERIES	95,456	0.11	26/04/2019	Purchase of Shares	1,820	0.00	97,276	0.11
		31/03/2020	At the end of the year	97,276	0.11				

DIRECTORS' REPORT

v. Shareholding of Directors and Key Managerial Personnel

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Ramprakash V. Bubna				
At the beginning of the year	1,40,52,686	15.5759		
Increase/Decrease		No transactions during the year		
At the end of the year	1,40,52,686	15.5759		
Mrs. Sharda R. Bubna				
At the beginning of the year	1,40,52,685	15.5759		
Increase	8,847	0.01	1,40,61,532	15.5857
At the end of the year	1,40,61,532	15.5857		
Mr. Ashish R. Bubna				
At the beginning of the year	1,51,80,000	16.8254		
Increase/Decrease		No transactions during the year		
At the end of the year	1,51,80,000	16.8254		
Mr. Manish R. Bubna				
At the beginning of the year	1,51,80,000	16.8254		
Increase/Decrease		No transactions during the year		
At the end of the year	1,51,80,000	16.8254		

None of the other Directors hold any shares of the company at the beginning of the year and at the end of the year and none of the other directors had any transaction in the shares of the Company during the year.

For Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Ashish Lodha , Chief Financial Officer (Resigned w.e.f. October 22, 2019)				
At the beginning of the year	-	-	-	-
Increase / Decrease	-	-	-	-
Till October 22, 2019	-	-	-	-
Mr. Abhinav Agarwal , Chief Financial Officer (Appointed w.e.f. February 26, 2020)				
From February 26, 2020	-	-	-	-
Increase / Decrease	-	-	-	-
At the end of the year	-	-	-	-
Mr. Jetkin Gudhka , Company Secretary & Compliance Officer				
At the beginning of the year	90	-	90	-
Increase / Decrease	-	-	-	-
At the end of the year	90	-	90	-

5. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to the Managing Director, Whole-time Director and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Ramprakash Bubna (Managing Director)	Sharda Bubna (Whole time Director)	Ashish Bubna (Whole time Director)	Manish Bubna (Whole time Director)	
1	Gross Salary	1,80,00,000	30,00,000	1,50,00,000	1,50,00,000	5,10,00,000
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit (Refer note)	2,61,26,796	-	1,75,04,953	1,75,04,953	6,11,36,702
	- others, (please specify)	-	-	-	-	-
5.	Others, (please specify)	-	-	-	-	-
	Total	4,41,26,796	30,00,000	3,25,04,953	3,25,04,953	11,21,36,702
	Ceiling as per the Act	13,35,45,838	13,35,45,838	13,35,45,838	13,35,45,838	26,70,91,676

Note - Commission is for the Financial Year 18-19, paid in the Financial Year 2019-20.

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. M. S. Sundara Rajan	Mr. Shitin Desai	Mr. Shobhan Thakore	Mr. P R Srinivasan	Ms. Sonal Desai	
1	Fee for attending Board / Committee Meetings	3,90,000	3,60,000	1,50,000	90,000	3,30,000	13,20,000
2	Commission	-	-	-	-	-	-
3	Others, (please specify)	-	-	-	-	-	-

DIRECTORS' REPORT
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Ashish Lodha (Chief Financial Officer) (resigned w.e.f October 22, 2019)	Mr. Abhinav Agarwal (Chief Financial Officer) (appointed w.e.f February 26, 2020)	Mr. Jetkin Gudhka (Company Secretary & Compliance Officer)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24,13,442	4,29,074	17,85,156	46,27,672
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit (Refer Note)	-	-	-	-
	- others, specify	-	-	-	-
5	Others, (please specify)	-	-	-	-
	Total	24,13,442	4,29,074	17,85,156	46,27,672

6. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made if any (give details)
A.	COMPANY				
		Penalty		None	
		Punishment			
		Compounding			
B.	DIRECTORS				
		Penalty		None	
		Punishment			
		Compounding			
C.	OTHER OFFICERS IN DEFAULT				
		Penalty		None	
		Punishment			
		Compounding			

ANNEXURE 5

Disclosures required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director to the median remuneration of employees for the Financial Year:

Name of the Directors	Ratio to median remuneration
Executive Directors	
Mr. Ramprakash V. Bubna	94.91
Mrs. Sharda R. Bubna	6.45
Mr. Ashish R. Bubna	69.91
Mr. Manish R. Bubna	69.91
Non-Executive Directors	
Mr. M. S. Sundara Rajan	0.84
Mr. Shitin Desai	0.77
Mr. Shobhan Thakore	0.32
Mr. P R Srinivasan (resigned w.e.f. August 08, 2019)	0.19
Ms. Sonal Desai (appointed w.e.f. April 01, 2019)	0.71

Note: Directors' Remuneration is including sitting fees.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the Financial Year:

Name of the Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Mr. Ramprakash V. Bubna	(7.00)
Mrs. Sharda R. Bubna	-
Mr. Ashish R. Bubna	(5.00)
Mr. Manish R. Bubna	(5.00)
Mr. M. S. Sundara Rajan	225
Mr. Shitin Desai	-
Mr. Shobhan Thakore	-
Mr. P R Srinivasan (resigned w.e.f. August 08, 2019)	(63.00)
Ms. Sonal Desai (appointed w.e.f. April 01, 2019)	N.A
Mr. Ashish Lodha, Chief Financial Officer (resigned w.e.f. October 22, 2019)	N.A.
Mr. Abhinav Agarwal, Chief Financial Officer (appointed w.e.f. February 26, 2020)	N.A.
Mr. Jetkin Gudhka, Company Secretary	14.00

3. The percentage increase in the median remuneration of employees during the Financial Year: 9.42%

4. The number of permanent employees on rolls of the Company: 175

5. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 15.53% as against decrease of 7% in the salary of the Managing Director (Managerial Personnel). The increment given to each individual employee is based on the employee's potential, experience and also their performance and contribution to the Company's progress during the year and is benchmarked against similar companies in India.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company.



DIRECTORS' REPORT

ANNEXURE 6

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name	Designation	Remuneration received (in ₹)	Nature of Employment	Qualification	Experience	Date of joining	Age	Last Employment	% of Shares held in the Company
1	Mr. Ramprakash V. Bubna	Chairman & Managing Director	4,41,26,796	Contractual	B. Tech., Chemical Engineering	51	12-Mar-04	73	NIL	15.5759
2	Mr. Ashish R. Bubna	Executive Director	3,25,04,953	Contractual	B.Com	29	12-Mar-04	47	NIL	16.8254
3	Mr. Manish R. Bubna	Executive Director	3,25,04,953	Contractual	B. Chemical Engineering	27	12-Mar-04	45	NIL	16.8254

Notes:

1. Mr. Ramprakash V. Bubna, Mrs. Sharda R. Bubna, Mr. Ashish R. Bubna & Mr. Manish R. Bubna are promoters of the Company and are related to each other.
2. Remuneration received includes the amount of commission paid, if any, during the year. Amount of commission for the year 2018-19 is paid in the year 2019-20.

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is prepared for the financial year ended 31st March, 2020 pursuant to Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Sharda Cropchem Limited's ("The Company") philosophy on Corporate Governance is based on holistic approach not only towards its own growth but also towards maximization of benefits to the shareholders, employees, customers, government and also the general public at large. Transparency and accountability are the fundamental principles of sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing stakeholder's value.

The Corporate Governance framework ensures timely disclosure and share accurate information regarding the Company's financials and performance as well as its leadership and governance.

The Company is committed to good Corporate Governance and its adherence best practice at all times and its philosophy is based on five basic elements namely, Board's accountability, value creation, strategic-guidance, transparency and equitable treatment to all stakeholders.

2. BOARD OF DIRECTORS:

As on March 31, 2020, the Company had 8 Directors comprising 4 Non-Executive Directors & 4 Executive Directors. The Chairman of the Company is an Executive Director and Promoter of the Company. The Composition of the Board is in conformity with Regulation 17 of the SEBI Regulations read with Section 149 of the Companies Act, 2013.

None of the Directors on the Board hold directorships in more than 20 Companies and in more than 10 Public Limited Companies. Further, none of them is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Public Limited Companies in which he/she is a Director. Further, none of the Independent Directors ("ID") served as ID in more than 7 listed companies. The Managing Director did not serve as an Independent Director in any listed company. Committees include Audit Committee & Stakeholders Relationship Committee as per Regulation 26(1)(b) of the SEBI Regulations. The necessary disclosures regarding committee positions have been made by the Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they met the criteria as mentioned under Regulation 16(1)(b) and Regulation 25 of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013.

The names and categories of the Directors on the Board, their number of Directorships and Committee Chairmanships/Memberships held by them in other Public Limited Companies as on March 31, 2020 are given below. Other Directorships does not include Directorships, Committee Chairmanships/Memberships of Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Chairmanships/Memberships of Board Committees shall include Audit Committee and Stakeholder's Relationship Committee in Other Public Limited Companies.



CORPORATE GOVERNANCE REPORT

Sr. No.	Name	No. of Directorships in Other Public Limited Entities	No. of Committee Positions in Other Public Limited Entities		No. of Directorships in Other Listed Entities	
			Chairman	Member	Name of listed entities	Category of directorship
Executive Directors (Chairman & Managing Director, Whole-Time Director)						
1	Mr. Ramprakash V. Bubna	-	-	-	-	-
2	Mrs. Sharda R. Bubna	-	-	-	-	-
3	Mr. Ashish R. Bubna	-	-	-	-	-
4	Mr. Manish R. Bubna	-	-	-	-	-
Non- Executive, Independent Directors						
5	Mr. M. S. Sundara Rajan	5	1	2	-	-
6	Mr. Shitin Desai	2	-	-	-	-
7	Mr. Shobhan Thakore	7	1	6	Alkyl Amines Chemicals Limited Bharat Forge Limited Prism Johnson limited	Non-Executive, Independent Director Non-Executive - Independent Director- Chairperson
8	Ms. Sonal Desai	1	-	1	Care Ratings Limited	Non-Executive, Independent Director

Note: Upon expiry of first term of 5 years, Mr. P. R. Srinivasan has ceased to be director from August 08, 2019.

Disclosure on Inter-se Relationship of Directors:

Mr. Ramprakash V. Bubna is husband of Mrs. Sharda R. Bubna and father of Mr. Ashish R. Bubna and Mr. Manish R. Bubna.

Mrs. Sharda R. Bubna is wife of Mr. Ramprakash V. Bubna and mother of Mr. Ashish R. Bubna and Mr. Manish R. Bubna.

Mr. Ashish R. Bubna is son of Mr. Ramprakash V. Bubna and Mrs. Sharda R. Bubna and brother of Mr. Manish R. Bubna.

Mr. Manish R. Bubna is son of Mr. Ramprakash V. Bubna and Mrs. Sharda R. Bubna and brother of Mr. Ashish R. Bubna.

None of the other directors have any inter –se relationship.

Appointment / Re-appointment of Director:

As required under Regulations 26(4) and 36(3) of the SEBI Regulations and Secretarial Standard - 2, particulars of the Directors seeking appointment / re-appointment are given in the Explanatory Statement to the Notice of the AGM.

During the year, the Company had re-appointed Mr. M. S. Sundara Rajan (DIN: 00169775), Mr. Shitin Desai (DIN: 00009905) and Mr. Shobhan Thakore (DIN: 00031788) as a Non-executive, Independent Director of the Company for 2nd term of 5 years and Ms. Sonal Desai was appointed as a Non-executive, Independent Director with effect from April 01, 2019.

Mr. P. R. Srinivasan had completed his initial term of five (5) years as an Independent Director of the Company on August 08, 2019 and expressed his unwillingness to be re-appointed as Independent Director of the Company for 2nd term.

Independent Director:

Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website <http://shardacropchem.com/policy.html>.

The details of the familiarisation programme of the Independent Directors are available on the Company's website <http://shardacropchem.com/policy.html>.

During the year, one meeting of the Independent Directors was held on January 22, 2020. All the Independent Directors attended the meeting.

Non-Executive Directors do not hold any equity shares of the Company.

The Board of Directors confirm that the Independent Directors fulfill the conditions specified in the Act and SEBI Regulations and are independent of management.

CORPORATE GOVERNANCE REPORT

Board Skill Matrix:

Board Skills Matrix strengthens an organization's overall governance practices by identifying the current skills, knowledge, experience and capabilities of Board of Directors in the context with business and industry sector.

The following Skill Matrix for Board:

Sr. No.	Skill Area	Name of Directors							
		Mr. Ramprakash Bubna	Mrs. Sharda bubna	Mr. Ashish Bubna	Mr. Manish Bubna	Mr. M. S. Sundara Rajan	Mr. Shitin Desai	Mr. Shobhan Thakore	Ms. Sonal Desai
1	Strategy and planning	Y	Y	Y	Y	Y	Y	Y	Y
2	Governance, Risk and Compliance	Y	Y	Y	Y	Y	Y	Y	Y
3	Financial Performance	Y	Y	Y	Y	Y	Y	Y	Y
4	Business & Marketing	Y	Y	Y	Y	Y	Y	Y	Y
5	Commercial Experience	Y	Y	Y	Y	Y	Y	Y	Y
6	Legal	Y	Y	Y	Y	Y	Y	Y	Y
7	Information Technology / Digital Skills	Y	Y	Y	Y	Y	Y	Y	Y

Board Meetings & Attendance of Directors:

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company and its Subsidiaries. The meetings are usually held at the Company's registered office at Mumbai.

The attendance of the Directors at the Board Meetings and at the last Annual General Meeting is given below:

Name of the Director	No. of Board Meetings attended during 2019-20	Attendance at the AGM held on August 27, 2019
Mr. Ramprakash V. Bubna	5	Yes
Mrs. Sharda R. Bubna	5	Yes
Mr. Ashish R. Bubna	5	No
Mr. Manish R. Bubna	4	Yes
Mr. M. S. Sundara Rajan	5	Yes
Mr. Shitin Desai	4	Yes
Mr. Shobhan Thakore	3	No
Mr. P. R. Srinivasan*	1	NA
Ms. Sonal Desai	5	Yes

*Note: Mr. P. R. Srinivasan has ceased as a director w.e.f. August 08, 2019.

The Board of Directors met 5 times during the Financial Year 2019-20 and the gap between two meetings did not exceed 120 days. The necessary quorum was present for all

the Board meetings. Board Meetings were held on May 14, 2019, July 24, 2019, October 22, 2019, January 22, 2020 and February 26, 2020.

During the year, information as mentioned in Part A of Schedule II of the SEBI Regulations, has been placed before the Board for its consideration.

Mr. Ashish R. Bubna, Whole – Time Director and Mr. Shobhan Thakore, Independent Director were unable to attend the Annual General Meeting (AGM) as they had other commitments.

Governance Codes:

Code of Business Conduct & Ethics:

The Company's Code of Business Conduct & Ethics requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in a professional, courteous and respectful manner. The Code is displayed on the Company's website <http://shardacropchem.com/code-conduct.html>. The Policy was last updated on January 22, 2020.

Conflict of Interest:

On an annual basis, each Director informs the Company about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. Members of the Board while discharging their duties avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any decision and voting in transaction that they have concern or interest.

CORPORATE GOVERNANCE REPORT

Code of Conduct for Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading, 2015 in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website <http://shardacropchem.com/code-conduct.html>. The Policy was last updated on January 22, 2020.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Regulations read with Section 177 of the Companies Act, 2013.

Terms of Reference:

The terms of reference of the Audit Committee, inter alia, includes the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommending to the Board of Directors, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of Statutory Auditor and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing with the management the Annual Financial Statements before submission to the Board of Directors for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Director's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the Financial Statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to Financial Statements;
 - Disclosure of any Related Party Transactions;
 - Qualifications in the draft Audit Report;
- Reviewing with the management the quarterly/half yearly Financial Statements before submission to the Board of Directors for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing with the management the performance of Statutory Auditor and Internal Auditor and the adequacy of internal control systems;
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- Discussion with Internal Auditor on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussing with Statutory Auditor before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in payments to Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blowing mechanism;
- Approval of appointment of the Chief Financial Officer (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing, amongst others, the qualifications, experience and background of the candidate;
- Review & monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with Related Parties;
- Scrutiny of Inter-corporate Loans & Investments;
- Valuation of undertakings or assets of the Company;
- Evaluation of Internal Financial Controls and risk management systems;

- Examination of the Financial Statement and the Auditor's Report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- To investigate any activity within its terms of reference;
- To have full access to information contained in the records of the Company;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition and Attendance of the members of the Audit Committee:

The Composition of the Audit Committee and details of meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meetings attended
Mr. Shitin Desai	Chairman	Independent Director	4
Mr. M. S. Sundara Rajan	Member	Independent Director	5
Mr. P. R. Srinivasan	Member	Independent Director	1*
Mr. Ramprakash V. Bubna	Member	Managing Director	5
Ms. Sonal Desai	Member	Independent Director	3*

The Audit Committee met 5 times during the Financial Year 2019-2020 and the gap between the two Meetings did not exceed 120 days. The necessary quorum was present for all the Meetings. Audit Committee Meetings were held May 14, 2019, July 24, 2019, October 22, 2019, January 22, 2020 and February 26, 2020.

The Meetings of the Audit Committee are usually attended by the Chief Financial Officer, the Company Secretary and a representative of Internal Auditor and Statutory Auditor.

The Business Operation Heads are invited to the Meetings, as and when required. The Company Secretary acts as the secretary to the Committee.

*During the year, Mr. P. R. Srinivasan has ceased as a member of the Audit Committee w.e.f August 8, 2019 and Ms. Sonal Desai was appointed as member of the Audit Committee w.e.f July 24, 2019.

The Chairman of the Audit Committee, Mr. Shitin Desai was present at the 16th Annual General Meeting of the Company held on August 27, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- To fix and finalise remuneration including salary, perquisites, benefits, bonuses and allowances;
- To frame suitable policies and systems to ensure that:
 - a) There is no violation, by an employee of any applicable laws in India or overseas, including:
 - i. The Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 or;
 - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
 - b) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
 - c) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - d) Remuneration payable to Directors, Key Managerial Personnel and other Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To fix performance linked incentives along with the performance criteria;
- To fix Increments and promotions;
- To enter into service contracts, notice period, severance fees;
- To make Ex-gratia payments;

CORPORATE GOVERNANCE REPORT

- To formulate detailed terms and conditions of Employee Stock Option Schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise and perform such other functions as are required to be performed by the Nomination and Remuneration Committee under The Securities and Exchange Board of India (SEBI) has notified the SEBI (Share Based Employee Benefits) Regulations, 2014 (New ESOP Regulations).
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report; and
- To carry out such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

Composition and Attendance of the members of the Nomination and Remuneration Committee:

The Composition of the Nomination and Remuneration Committee and details of meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meetings attended
Mr. M. S. Sundara Rajan	Chairman	Independent Director	2
Mr. P. R. Srinivasan	Member	Independent Director	1*
Mr. Shitin Desai	Member	Independent Director	2
Mr. Ramprakash V. Bubna	Member	Chairman & Managing Director	2
Ms. Sonal Desai	Member	Independent Director	1*

The Nomination and Remuneration Committee met twice during the Financial Year 2019-2020. The necessary quorum was present for the meeting held on May 14, 2019 and February 26, 2020.

* During the year, Mr. P. R. Srinivasan has ceased as a member of the Nomination and Remuneration Committee w.e.f August 8, 2019 and Ms. Sonal Desai was appointed as member of the Nomination and Remuneration Committee w.e.f July 24, 2019.

The Chairman of the Nomination & Remuneration Committee, Mr. M. S. Sundara Rajan was present at the 16th Annual General Meeting of the Company held on August 27, 2019.

Performance Evaluation:

The criteria for performance evaluation are determined by the Nomination and Remuneration Committee. The performance evaluations cover the areas relevant to the functioning for Independent Directors such as preparation, participation, conduct and effectiveness.

The performance evaluation of the Chairman, Independent Directors, Executive Directors and Board as a whole was done by the entire Board of Directors and in the evaluation, the respective Directors who was subject to evaluation, did not participated.

Nomination and Remuneration Policy:

The Company has a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy was last updated on January 22, 2020.

The objective of the Nomination and Remuneration Policy is as follows:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To devise a policy on Board diversity.

CORPORATE GOVERNANCE REPORT

Remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- The Executive Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Remuneration to Non-Executive/Independent Director:

- The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- The Non-Executive/Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- The Company paid sitting fees of ₹ 30,000/- per meeting to the Non-Executive Directors for attending meetings of the Board and its Committees.
- Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- An Independent Director shall not be entitled to any stock option of the Company.

The Company does not have any Employee Stock Option Scheme.

Details of Remuneration paid to Directors for the year ended March 31, 2020

Salary paid to the Executive Directors including Commission is as follows:

Particulars	Name of the Executive Director			
	Ramprakash V. Bubna	Sharda R. Bubna	Ashish R. Bubna	Manish R. Bubna
Gross Salary (₹)	1,80,00,000	30,00,000	1,50,00,000	1,50,00,000
Commission for the FY 2018-19, paid in FY 2019-20 (₹)	2,61,26,796	-	1,75,04,953	1,75,04,953
Date of Agreement	01-Jan-19	01-Jan-19	01-Jan-19	01-Jan-19
No. of Years	5	5	5	5
Period of Agreement	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
Notice Period	3 months	3 months	3 months	3 months
Stock Options	-	-	-	-

CORPORATE GOVERNANCE REPORT

Details of Sitting Fees paid to the Independent Directors for 2019-20:

Name of the Director	Sitting fees (₹)
Mr. M. S. Sundara Rajan	3,90,000
Mr. Shitin Desai	3,60,000
Mr. Shobhan Thakore	1,50,000
Mr. P. R. Srinivasan*	90,000
Mr. Sonal Desai	3,30,000

Note: Mr. P. R. Srinivasan has ceased as a director w.e.f. August 08, 2019

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference:

The terms of reference of Stakeholders' Relationship Committee, inter alia, includes the following:

- Redressal of Shareholders', Debenture holders' and other security holders' investors complaints including complaints related to transfer of shares;
- Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition and Attendance of the members of the Stakeholders' Relationship Committee:

The Composition of the Stakeholders' Relationship Committee and details of Meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meeting attended
Mr. Shobhan Thakore	Chairman	Independent Director	1
Ms. Sonal Desai	Member	Independent Director	1*
Mr. Manish R. Bubna	Member	Executive Director	1

The Stakeholders' Relationship Committee met once during the Financial Year 2019-20. The necessary quorum was present for the meeting held on January 22, 2020.

* During the year, Mr. P. R. Srinivasan has ceased as a member of the Stakeholders' Relationship Committee w.e.f August 8, 2019. Upon his cessation, Mr. Shobhan Thakore was appointed as Chairman and Ms. Sonal Desai was appointed as member of Stakeholders' Relationship Committee w.e.f July 24, 2019.

Mr. Shobhan Thakore, Chairman of the committee was not present at the Annual General Meeting held on August 27, 2019 due to his pre-occupation.

Name, Designation and address of Compliance Officer:

Mr. Jetkin Gudhka
Company Secretary & Compliance Officer
Prime Business Park, Dashrathlal Joshi Road,
Vile Parle (West), Mumbai – 400 056
Tel. No.: 91 22 6678 2800
Fax No.: 91 22 6678 2828
Email: co.sec@shardaintl.com

A total of 5 complaints were received from the Shareholders during the Financial Year 2019-2020 and all the complaints were resolved successfully. Most of the complaints pertained to non-receipt of Refund Orders pursuant to the Initial Public Offer and non-receipt of dividend warrant.

No request for transfer or dematerialization of shares was pending as on March 31, 2020.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013.

Terms of Reference:

The terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy (Policy) indicating activities to be undertaken by the company in Compliance with the provisions of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the implementation of the framework of CSR Policy;
- To collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

CORPORATE GOVERNANCE REPORT

Composition and Attendance of the members of the CSR Committee:

The Composition of the CSR Committee and details of meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meeting attended
Mr. Ramprakash V. Bubna	Chairman	Chairman & Managing Director	1
Mrs. Sharda R. Bubna	Member	Executive Director	1
Mr. Shitin Desai	Member	Independent Director	1

The Corporate Social Responsibility Committee met once during the Financial Year 2019-2020. The necessary quorum was present for the meeting held on January 22, 2020.

7. RISK MANAGEMENT COMMITTEE:

In compliance with the requirements of regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as amended from time to time.

Terms of Reference:

The terms of reference of the Risk Management Committee, inter alia, includes the following functions:

- To identify, assess, mitigate and monitor the existing as well as potential risks to the Company (including risks associated with cyber security and financial risk), to recommend the strategies to the Board to overcome them and review key leading indicators in this regard.
- To periodically review and approve the Risk Management framework including the risk management processes and practices of the Company.
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- To develop and implement action plans to mitigate the risks.
- To coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its risk management responsibilities and achieve its objectives.
- To review and periodically assess the Company's performance against the identified risks of the Company.

- To perform such other activities related to Risk Management Plan as requested by the Board of Directors or to address issues related to any significant, subject within its term of reference.

Composition and Attendance of the members of the Risk Management Committee:

The Composition of the Risk Management Committee and details of meetings attended by its members during the year is as under:

Name of the Director	Position	Category	No. of Meeting attended
Mr. Ramprakash V. Bubna	Chairman	Chairman & Managing Director	1
Mr. Manish R. Bubna	Member	Executive Director	1
Mr. Dinesh Nahar	Member	General Manager, Finance	1

The Risk Management Committee met once during the Financial Year 2019-2020. The necessary quorum was present for the meeting held on January 22, 2020.

8. GENERAL BODY MEETINGS:

Details of Last Three Annual General Meetings (AGM):

Financial Year	Date	Time	Venue
2016-17	September 21, 2017	3.00 p.m.	Hotel Parle International, B. N. Agarwal Commercial Complex, Vile Parle (East), Mumbai – 400 057.
2017-18	August 30, 2018	2.30 p.m.	Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.
2018-19	August 27, 2019	3.00 p.m.	Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.

CORPORATE GOVERNANCE REPORT

Further, following special resolution were passed by the Company in previous three Annual General Meetings (AGM):

Financial Year	Date of AGM	No. of Special Resolution	Purpose of Resolution
2016-17	September 21, 2017	-	-
2017-18	August 30, 2018	1	To re-appoint Mr. Ramprakash V. Bubna (DIN: 00136568) as Chairman & Managing Director of the Company.
2018-19	August 27, 2019	4	To re-appoint Mr. M. S. Sundara Rajan (DIN: 00169775) as an Independent Director of the Company.
			To re-appoint Mr. Shitin Desai (DIN: 00009905) as an Independent Director of the Company.
			To re-appoint Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company.
			To appoint Ms. Sonal Desai (DIN: 08095343) as an Independent Director of the Company.

Extra Ordinary General Meeting:

During the year, the Company did not held any Extra Ordinary General Meeting.

Postal Ballot:

During the year, no resolution was passed by postal ballot.

Further, no special resolution is being proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

9. SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian Subsidiary as defined under Regulation 24 of the SEBI Regulations.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries, if any.

The Company has formulated a policy for determining Material Subsidiaries and the policy is disclosed on the website of the company viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.

10. DISCLOSURES:

- During the year, all Related Party Transactions as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Regulations were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- Details of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2017-18, 2018-19 and 2019-20 respectively: Nil.
- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Regulations to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The said policy has been put up on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- The Company has followed the Indian Accounting Standards (Ind AS) laid down by the Companies (Indian Accounting Standards) Rules, 2015 in the preparation of its Financial Statements.
- The Company has adhered to all the mandatory and non mandatory requirements of Regulation 27 of the SEBI Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under
 - The financial statements of the Company are with unmodified audit opinion
 - The Internal Auditor reports to the Audit Committee
- The Company has adopted a Policy for Determining Materiality of Events / Information as defined under Regulation 30 of the SEBI Regulations. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents as defined under Regulation 9 of the SEBI Regulations. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>.

CORPORATE GOVERNANCE REPORT

- The Company has adopted Dividend Distribution Policy for distributing the profits of the Company to the shareholders as defined under Regulation 43A of the SEBI Regulations. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>.
- The Company has not raised any funds through preferential allotment or qualified institutions placement.
- The Board of Directors confirm that they have accepted all the recommendations received from all its Committees.
- No securities of the Company have been suspended during the year.
- A total fee of ₹ 54,25,162/- was paid by the Company and its subsidiaries, on a consolidated basis, for all the services to B S R & Associates LLP, our Statutory Auditors and all entities in the network firm / network entity of which they are part.
- The Company has adopted Policy on Prevention of Sexual Harassment at Work Place as required by The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has not received any complaints during the FY 2019-20. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- M/s. KJB & CO LLP, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report forms part of the Director's Report.
- A certificate has been received from M. D. Parmar & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

11. MEANS OF COMMUNICATION:

- The quarterly and half yearly financial results of the Company are announced within 45 days of the closure of the relevant quarter and the audited annual results are announced within 60 days from the closure of the Financial Year as required under Regulation 33 of the SEBI Regulations.
- The quarterly, half yearly and annual results of the Company are published in English Edition of The Economic Times and in Marathi Edition of The Maharashtra Times. The results are displayed on the website of the company (<http://shardacropchem.com/financials.html>).
- The Company does not publish any official news releases. However, the presentations made to the Institutional Investors and analysts after the declaration

of the quarterly, half-yearly and annual results are displayed on the Company's website (<http://www.shardacropchem.com/investor-presentation.html>).

- The Company also files its results with The National Stock Exchange of India Ltd. through NSE Electronic Application Processing System (NEAPS) and with BSE Ltd. through BSE Online Portal.
- The quarterly shareholding pattern and the Corporate Governance Report of the Company are filed with The National Stock Exchange of India Ltd. through NEAPS and with BSE Ltd. through BSE Online Portal. They are also displayed on the Company's website under the tab "Investor Relations".

The Company has complied with the requirements specified in Regulation 17 to 27 and clause (b) to (i) of the Regulation 46(2) of the SEBI Regulations.

GENERAL SHAREHOLDER INFORMATION:

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51909MH2004PLC145007.

Annual General Meeting for FY 2019-2020:

Date	: September 30, 2020.
Time	: 12:00 Noon
Venue	: N.A.
Financial Year	: 1st April to 31st March
Interim Dividend (2019-20)	
Payment Date	: February 05, 2020
2nd Interim Dividend (2019-20)	
Payment Date	: March 11, 2020
Listing on Stock Exchanges	: The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051 BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

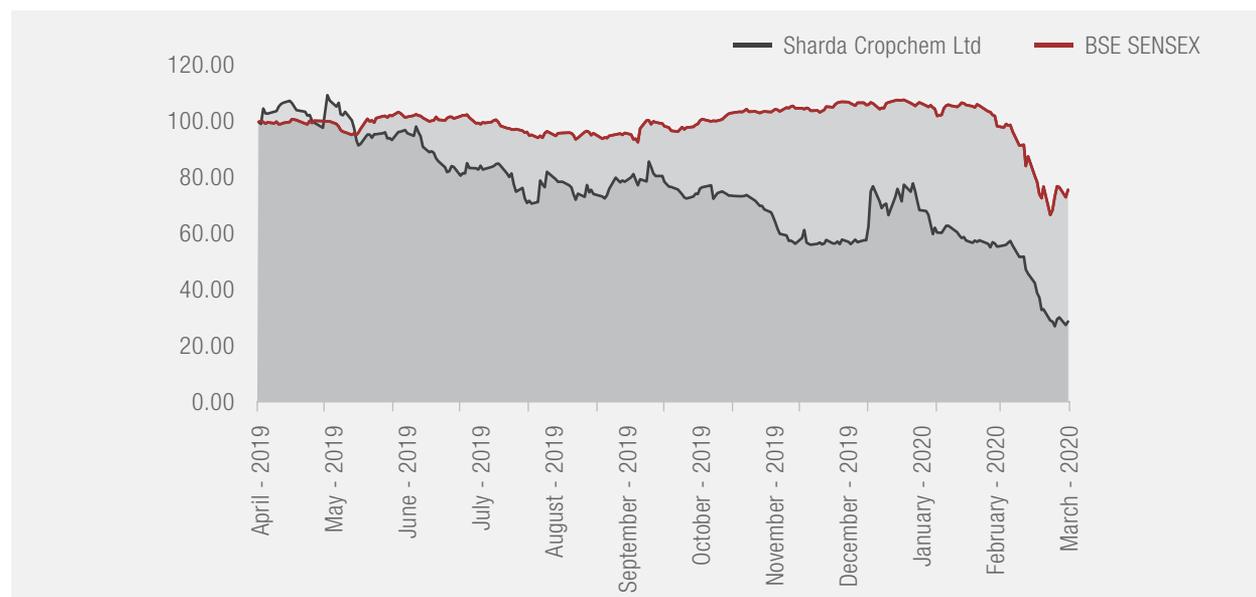
Stock Code	
NSE	: SHARDACROP EQ
BSE	: 538666
Demat International Security Identification Number (ISIN)	
In NSDL and CDSL for equity shares	: INE221J01015

The Company has paid Annual Listing Fees for the Financial Year 2019-2020.

CORPORATE GOVERNANCE REPORT
Market Information:

Market price data: High/Low, number and value of shares traded during each month in the last Financial Year.

Month	NSE			BSE		
	High (₹)	Low (₹)	Total No. of equity shares traded	High (₹)	Low (₹)	Total No. of equity shares traded
Apr-19	404.20	355.00	167,428	408.45	359.50	19,520
May-19	419.20	336.00	280,492	420.00	335.85	31,147
Jun-19	375.05	305.00	107,788	387.00	304.80	18,291
Jul-19	326.65	262.00	124,837	325.00	261.15	19,357
Aug-19	313.85	259.55	108,484	312.80	259.80	28,084
Sep-19	346.30	270.00	221,234	341.50	270.70	17,264
Oct-19	302.75	270.00	86,434	301.00	266.00	12,666
Nov-19	284.85	208.60	521,409	295.00	209.25	40,705
Dec-19	254.10	206.00	357,685	244.00	208.00	23,115
Jan-20	319.95	214.40	1,383,380	319.90	218.35	135,127
Feb-20	239.50	201.35	240,671	243.70	202.75	31,571
Mar-20	220.10	99.40	1,788,860	224.85	99.00	1,109,440

PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX:

Share Registrar and Transfer Agent:
KFin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)
 Karvy Selenium Tower B,
 6th Floor, Plot No. 31 & 32,
 Financial District,
 Nanakramguda, Serilingampally Mandal,
 Hyderabad – 500 032
 Tel.: + 91-40-67161606
 Fax: + 91-40-23114087
 Email: mohammed.shanoor@kfintech.com
 Website: www.kfintech.com

Share Transfer System:

The transfer of shares in physical form are processed and completed by KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) and the shares which are in demat mode are effectively processed by NSDL/CDSL through respective Depository Participant.

The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Regulations for half year ended September 30, 2019 and March 31, 2020 and files a copy of the same with the Stock Exchanges.

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Distribution of shareholding as on March 31, 2020:

Range	Holders	% to Total Holders	Holding	Amount (₹)	% to Capital
1-5000	15,983	95.27	13,45,565	1,34,55,650	1.49
5001- 10000	402	2.40	3,10,717	31,07,170	0.34
10001- 20000	203	1.21	2,88,815	28,88,150	0.32
20001- 30000	56	0.33	1,39,911	13,99,110	0.16
30001- 40000	31	0.18	1,09,149	10,91,490	0.12
40001- 50000	17	0.10	76,955	7,69,550	0.09
50001- 100000	38	0.23	2,92,978	29,29,780	0.32
100001& Above	47	0.28	8,76,56,405	87,65,64,050	97.16
Total	16,777	100.00	9,02,20,495	90,22,04,950	100.00

Shareholding pattern as on March 31, 2020:

Sr. No	Category of Shareholders	Total Holding	% to Total Holding
1	Promoter Individuals	6,74,74,218	74.79
2	Mutual Funds	1,53,30,970	16.99
3	Resident Individuals	22,56,939	2.50
4	Bodies Corporates	2,19,108	0.24
5	HUF	1,50,985	0.17
6	Non Resident Indians	1,82,580	0.20
7	Indian Financial Institutions	11,375	0.01
8	Clearing Members	15,872	0.02
9	Foreign Portfolio Investors	44,61,664	4.95
10	Non Banking Financial Institutions (NBFC)	75,880	0.08
11	Alternative Investment Fund	40,904	0.05
Total		9,02,20,495	100.00

Top ten equity shareholders of the Company as on March 31, 2020:

Sr. No.	Name of the Shareholder	Number of equity shares held	Percentage of holding
1	Manish Ramprakash Bubna	1,51,80,000	16.83
2	Ashish Ramprakash Bubna	1,51,80,000	16.83
3	Sharda Ramprakash Bubna	1,40,61,532	15.59
4	Ramprakash Vilasrai Bubna	1,40,52,686	15.58
5	HDFC Small Cap Fund	56,23,636	6.23
6	Anisha Manish Bubna	45,00,000	4.99
7	Seema Ashish Bubna	45,00,000	4.99
8	Pinebridge Global Funds - Pinebridge India Equity	35,40,030	3.92
9	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	43,88,085	4.86
10	DSP Small Cap Fund	26,09,078	2.89



CORPORATE GOVERNANCE REPORT

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

As on March 31, 2020, only 52 shares were held in physical form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

Equity Shares in the suspense account:

The Company does not have any equity shares in the suspense account.

Transfer of unclaimed/unpaid amount to the Investor Education and Provident Fund:

The Company does not have any instances of transferring any amount to the Investor Education and Provident Fund.

Credit Rating:

CRISIL has given the credit rating of "CRISIL A1+" on the short-term banking facilities of the Company.

Plant Location:

The Company does not have any plant locations.

Address for correspondence:

Sharda Cropchem Limited
Secretarial Department
Prime Business Park,
Dashrathlal Joshi Road,
Vile Parle (West)
Mumbai – 400 056
Tel.: +91 6678 2800
Fax: + 91 6678 2828
Email Id: co.sec@shardaintl.com
Website: www.shardacropchem.com

DECLARATION PURSUANT TO REGULATION 26(3) OF THE SEBI REGULATIONS

In accordance with Regulation 26(3) of the SEBI Regulations, I, Ramprakash Bubna, Chairman and Managing Director of M/s. Sharda Cropchem Limited ("Company") hereby declare that, to the best of my information, all members of the Board and Senior Management Personnel of the Company have affirmed with the Code of Conduct laid down by the Board of Directors of the Company for Board members and senior management for the year ended March 31, 2020.

Date : June 24, 2020
Place : Mumbai

Ramprakash V. Bubna
Chairman & Managing Director
(DIN: 00136568)

CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI REGULATIONS

We, Ramprakash V. Bubna, Chairman & Managing Director and Abhinav Agarwal, Chief Financial Officer do hereby certify to the Board that in respect to the Financial Year ended on March 31, 2020.

1. We have reviewed the Financial Statements, read with the Cash Flow Statement of the Company and to the best of our knowledge and belief, we state that:
 - a. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Statutory Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Statutory Auditor and the Audit Committee –
 - a. significant changes in internal control over financial reporting during the year, if any;
 - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Abhinav Agarwal
Chief Financial Officer

Date : June 24, 2020
Place : MUMBAI



CORPORATE GOVERNANCE REPORT

CERTIFICATE

To the members of Sharda Cropchem Limited

We have examined the compliance of the conditions of Corporate Governance by **SHARDA CROPCHEM LIMITED** ("the Company") for the year ended on 31st March, 2020, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

The compliance of the regulations of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the regulations 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, in all material respects, with the regulations of Corporate Governance as stipulated in the Listing Regulations.

We further 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 KJB & CO LLP,
Practicing Company Secretaries

Alpeshkumar J. Panchal
Partner
Mem No. - 20120
C. P. No. – 49008
UDIN: A049008B000374949

Date: June 24, 2020
Place: Mumbai

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: General Information about the Company

Sr. No.	Particulars	Information
1	Corporate Identity Number (CIN) of the Company	L51909MH2004PLC145007
2	Name of the Company	Sharda Cropchem Limited
3	Registered Office	2nd Floor, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056
4	Website	www.shardacropchem.com
5	Email-id	co.sec@shardaintl.com
6	Financial Year Reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	46692 – Agrochemicals
8	List three key products/services that the Company manufactures/provides (as in balance sheet):	Agrochemicals, Conveyor Belts & Rubber products
9	Total number of locations where business activity is undertaken by the Company	One (1). Its registered office
10	Markets served by the Company - Local/State/National/International	International Market

SECTION B: Financial details of the Company

Sr. No.	Particulars	Information
1	Paid up Capital (₹ In Lacs)	9,022.05
2	Total Turnover (Revenue from operations) (₹ In Lacs)	161,606.55
3	Total profit after taxes (₹ In Lacs)	19,188.53
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.90%
5	List of activities in which expenditure in 4 above has been incurred.	Education Healthcare Medical Relief Skill Development Woman Welfare

**BUSINESS RESPONSIBILITY REPORT****SECTION C: Other Details**

1. Does the Company have any Subsidiary Company/Companies? Yes.
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]. No

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR**

- a. Details of the Director/Director responsible for implementation of the BR policy/policies:-
 - i. DIN : 00136568
 - ii. Name : Mr. Ramprakash V. Bubna
 - iii. Designation : Chairman & Managing Director
- b. Details of the BR head

Sr. No.	Particulars	Details
1	DIN	00136568
2	Name	Mr. Ramprakash V. Bubna
3	Designation	Chairman & Managing Director
4	Telephone Number	+91 22 66782800
5	e-mail id	co.sec@shardaintl.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Business should promote the well-being of all employees.
P4	Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Business should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Business should support inclusive growth and equitable development.
P9	Business should engage with and provide value to their customers and consumers in a responsible manner.

BUSINESS RESPONSIBILITY REPORT

a. Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.shardacropchem.com/policy.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: * The policies are adopted by the Board and signed by respective departmental heads.

b. If answer to the question at serial number 2 against any principle, is 'No', please explain why:

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

Annually

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The company publishes Business Responsibility Reports. The report is part of Annual Report of FY 2019-20. The link of Annual Report - <http://shardacropchem.com/annual-report.html>

SECTION E: PRINCIPLE – WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. - Yes

Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? - No



BUSINESS RESPONSIBILITY REPORT

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
None

Principle 2 - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company does not conduct any manufacturing activity and is a trading company, hence not applicable.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

a. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
Not Applicable

b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**
Not Applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**
Not applicable

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company does not procure goods and services from local & small producers.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company does not conduct any manufacturing activity and is a trading company. Hence mechanism to recycle products and waste does not apply to the Company.

Principle 3 - Business should promote the well-being of all employees.

1. **Please indicate the total number of employees.**
The Company has 175 employees as on March 31, 2020

2. **Please indicate the total number of employees hired on temporary / contractual / casual basis.**
None

3. **Please indicate the number of permanent women employees.**
The Company has 105 permanent women employees as on March 31, 2020.

4. **Please indicate the number of permanent employees with disabilities.**
None

5. **Do you have an employee association that is recognized by management?**
No

6. **What percentage of your permanent employees is member of this recognized employee association?**
Not Applicable

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the Financial Year 2019-20	No of complaints pending as on March 31, 2020
1	Child labour / forced labour / involuntary labour	Nil	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (only safety training)**

a. Permanent Employees	:	100%
b. Permanent Women Employees	:	100%
c. Casual/Temporary/Contractual Employees	:	Not Applicable
d. Employees with Disabilities	:	Not Applicable

BUSINESS RESPONSIBILITY REPORT

Principle 4 - Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- 1. Has the company mapped its internal and external stakeholders? Yes/No**
Yes
- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
Yes
- 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
Yes. The Company has taken initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders by providing sustainable livelihood & education to unemployed youths, women and scheduled castes and tribes through its Corporate Social Responsibility projects.

Principle 5 - Business should respect and promote human rights.

- 1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**
The policy covers only the Company.
- 2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?**
None

Principle 6 - Business should respect, protect and make efforts to restore the environment.

- 1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**
The policy covers the Company and its employees.
- 2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
No
- 3. Does the Company identify and assess potential environmental risks? Y/N**
Yes.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
No
- 5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**
Yes. Use of energy efficient LED lighting system in office premises.
- 6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the Financial Year being reported?**
Not Applicable
- 7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.**
None

Principle 7 - Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

- 1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
 - Federation of Indian Export Organisations (FIEO)
 - Indian Merchant Chambers
 - Chemexcil
- 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**
Yes, we do from time to time take up issues through the Associations on matters of public interest.

Principle 8 - Business should support inclusive growth and equitable development.

- 1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**
The Company, through its CSR activities supports social and economic development of the under-privileged. The Company contributes to work focusing mainly on child education, women empowerment, skill development, health and other social and economic development programs.
- 2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**
The CSR activities are implemented through external NGO / agencies.



BUSINESS RESPONSIBILITY REPORT

3. Have you done any impact assessment of your initiative?

The agencies that the Company supports through its CSR activities report back to the Company with a progress / evaluation report stating details of how the funds were utilized and the benefits derived therein. These qualitative feedback reports collected from the beneficiaries of projects undertaken provide a monitoring mechanism and impact assessment system and also help plan future CSR efforts.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year ended March 31, 2020, the Company has spent an amount of ₹ 5,55,90,720/- towards CSR activities in the following projects:

- Promotion of Education
- Eradication of hunger and providing water sanitation facilities
- Empowerment of Women
- Animal Welfare
- Promotion of Sports
- Rural Development projects
- Medical help and healthcare

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The several initiatives that the Company supports through its CSR initiatives aim at productivity enhancement, income generation and livelihood development through basic skill development thus enabling them integrate with the mainstream in a constructive manner.

Principle 9 - Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentages of customer complaints / consumer cases are pending as on the end of financial year?

Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company displays what is required as per regulatory requirements.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Consumer surveys are routinely carried out by the Company at the distributor / farmer level.

INDEPENDENT AUDITORS' REPORT

To the Members of
Sharda Cropchem Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sharda Cropchem Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

STANDALONE FINANCIAL STATEMENTS

Revenue recognition (adjustment for sales return, rebates, discounts and incentives) (Refer note 2.7)

The Key Audit Matter	How the matter was addressed in our audit
<p>As disclosed in Note 2.7 to the standalone financial statements, revenue is measured based on transaction price, which is the consideration, after deduction of estimated sales returns, rebates, discounts and incentives.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> — Understanding the process followed by the Company to determine the amount of accrual of sales returns, rebates, discounts and incentives;
<p>Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Company.</p>	<ul style="list-style-type: none"> — Assessing the accounting policies of the Company regarding accounting for sales returns, rebates, discounts and incentives as against the criteria given in the accounting standards;
<p>The recognition and measurement of rebates, discounts and incentives involves significant judgement and estimates, particularly the expected level of claims of each of the customers. Assumption of level of customer wise claims for rebates, discounts and incentives relates to estimating which of the Company's customers will ultimately be subject to a related rebate, discount and / or incentive.</p>	<ul style="list-style-type: none"> — Testing the Company's key internal controls related to the development of assumption of expected returns based on experience, of level of customer wise claims for rebates, discounts, incentives and related accruals; — Testing the Company's process and key internal controls over the accrual of sales returns, rebates, discounts and incentives;
<p>Evaluating the assumption of expected returns based on experience and level of customer wise claims for rebates, discounts and incentives underlying the estimate of accrual involves challenging auditor judgment. We identified the evaluation of accrual for sales returns, rebates, discounts and incentives as a key audit matter.</p>	<ul style="list-style-type: none"> — Selecting samples of revenue transactions and discount scheme. Rechecking accrual for rebates, discounts and incentives calculated in accordance with the eligibility criteria mentioned in the discount scheme; — Checking completeness and accuracy of the data used by the Company for accrual of sales returns, rebates, discounts and incentives and also checking the accrual for a selected sample of sales; — Examining historical trend of claims to assess the assumptions and judgements used by the Company in accrual of sales returns, rebates, discounts and incentives; and — Evaluating the Company's ability to accurately estimate the accrual for sales returns, rebates, discounts and incentives. Comparing historically recorded accruals to the actual amount of sales returns, rebates, discounts and incentives.

Impairment testing of other intangible assets and intangible assets under development (Refer note 2.10)

The Key Audit Matter	How the matter was addressed in our audit
<p>As disclosed in Note 2.10, the Company's intangible assets comprised product registrations and licenses.</p>	<p>Our audit procedures included following:</p>
<p>The carrying amount of the intangible assets and intangible assets under development represents 25.07% of the Company's total assets.</p>	<ul style="list-style-type: none"> — Obtaining an understanding of the Company's process of determining likelihood of product registration, future benefits expected from each product registration using discounted future cash flows;
<p>The Company applies for product registrations in different countries to sell its products. As disclosed in Note 4 and 4A, to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations.</p>	<ul style="list-style-type: none"> — Involving valuation expert who assisted us to evaluate the model and assumptions used around the key drivers of the valuations. Assessing the cash generating unit's current year actual results in comparison with prior year forecasts to assess forecast accuracy;
<p>The impairment assessment is based on each product registrations value in use.</p>	<ul style="list-style-type: none"> — Comparing the Company's assessment with the past trend of product registrations awarded;
<p>The measurement of value of intangible assets involves significant judgments and estimates in the Company's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets as a key audit matter.</p>	<ul style="list-style-type: none"> — Assessing the Company's assumptions in the model, including growth rate, rate of discounting, in comparison to economic and industry forecast; and — Focusing on the adequacy of the Company's disclosures on key assumptions used for impairment testing of intangible assets and intangible assets under development.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other

comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

STANDALONE FINANCIAL STATEMENTS

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;

STANDALONE FINANCIAL STATEMENTS

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 35 to the standalone financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No: 100060

UDIN : 20100060AAAABX4746

Mumbai
24 June 2020

Annexure A to the Independent Auditors' Report 31st March, 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

- | | |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.</p> <p>(c) According to the information and explanations given to us, there are no immovable properties included in fixed assets of the Company. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.</p> <p>(ii) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. However, due to Covid-19 pandemic and the consequent global lockdown, the management was not able to conduct physical verification at all locations. In our opinion, the frequency of such verification is reasonable except for the management's inability to perform physical verification for reasons stated above. For stocks lying with third parties at the year-end, written confirmations have been obtained by management and in respect of goods-in transit, subsequent goods receipts have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material.</p> <p>(iii) (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of unsecured loan granted by the Company to a company covered in the register maintained under Section 189 of the Act, were not prejudicial to the interest of the Company.</p> <p>(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the principal and interest are payable on demand and these have been paid during the year as and when demanded by the Company, and thus there is no default on part of the party to whom the money has been lent.</p> <p>(c) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that there are no overdue amounts in respect of the loan granted to a company listed in the register maintained under Section 189 of the Act.</p> | <p>(iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with provisions of Section 185 and 186 of the Act, with respect to loan granted and investments made. Further, the Company has not given any guarantee or provided any security under Section 185 and 186 of the Act.</p> <p>(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Services Tax, Duty of Customs, Profession tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, Duty of customs, Profession tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no dues of Income tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, <i>except as stated below:</i></p> |
|---|---|

STANDALONE FINANCIAL STATEMENTS

Name of Act	Nature of Dues	Amount Demanded (Rs. in lakhs)	Amount not Deposited Under Dispute (Rs. in lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	785.14	785.14	2007-08 to 2012-13	Commissioner CESTAT
Income Tax Act, 1961	Income Tax	565.92	565.92	AY 2015-16	Commissioner of Income Tax (Appeal)
		2,563.96	2,065.29	AY 2016-17	Assistant Commissioner of Income Tax
		5,057.29	4,257.29	AY 2017-18	Assistant Commissioner of Income Tax

(viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) 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 fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable Ind AS.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala

Partner

Mumbai
24 June 2020

Membership No: 100060
UDIN : 20100060AAAABX4746



Annexure B to the Independent Auditors' Report

31st March, 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Sharda Cropchem Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to

standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala

Partner

Mumbai

24 June 2020

Membership No: 100060

UDIN : 20100060AAAABX4746

STANDALONE BALANCE SHEET

as at March 31, 2020

	Note	As at March 31, 2020	(INR Lakhs) As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	2,769.32	1,335.11
Other intangible assets	4	38,806.56	35,784.27
Intangible assets under development	4A	16,140.25	21,975.83
Financial assets			
Investments	5	106.39	106.39
Loans	6	318.88	340.29
Other financial assets	7	958.02	737.70
Income tax assets (net)	8A	7,154.61	4,796.45
Total non-current assets		66,254.03	65,076.04
Current assets			
Inventories	9	35,487.34	32,833.94
Financial assets			
Investments	5	11,553.49	21,194.80
Trade receivables	10	92,133.82	73,936.33
Cash and cash equivalents	11	3,020.64	1,261.14
Bank balance other than cash and cash equivalents	11	7,362.42	6,885.56
Loans	6	0.03	0.09
Other financial assets	7	1,059.87	1,051.43
Other current assets	12	2,284.37	1,782.78
Total current assets		152,901.98	138,946.07
Total Assets		219,156.01	204,022.11
Equity and Liabilities			
Equity			
Equity share capital	13	9,022.05	9,022.05
Other equity	14	122,064.83	108,292.29
Total equity		131,086.88	117,314.34
Liabilities			
Non-current liabilities			
Financial liabilities			
Trade payables	15	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		238.10	286.06
Other financial liabilities	16	1,305.61	138.65
Provisions	17	249.68	206.91
Deferred tax liabilities (net)	8C	6,930.42	9,099.27
Total non-current liabilities		8,723.81	9,730.89
Current liabilities			
Financial liabilities			
Trade payables	15	-	26.25
total outstanding dues of micro enterprises and small enterprises		-	26.25
total outstanding dues of creditors other than micro enterprises and small enterprises		64,353.56	59,428.53
Other financial liabilities	16	8,848.92	10,283.38
Other current liabilities	18	3,800.61	5,239.47
Provisions	17	2,342.23	1,999.25
Total current liabilities		79,345.32	76,976.88
Total Equity and Liabilities		219,156.01	204,022.11
Summary of significant accounting policies	2		

The notes referred to above and other notes form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : June 24, 2020

For and on behalf of the Board of Directors of Sharda Cropchem Limited

Ramprakash V. Bubna

Chairman & Managing Director

DIN 00136568

Abhinav Agarwal

Chief Financial Officer

Membership No.: 103986

Place : Mumbai

Date : June 24, 2020

Ashish R. Bubna

Whole-time Director

DIN 00945147

Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : June 24, 2020



STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

	Note	Year ended March 31, 2020	(INR Lakhs) Year ended March 31, 2019
Income			
Revenue from operations	19	161,606.55	160,371.15
Other income	20	13,032.14	5,466.61
Total Income		174,638.69	165,837.76
Expenses			
Cost of materials consumed	21	77,716.09	70,777.40
Purchase of stock in trade		33,728.26	32,947.58
Changes in Inventories of finished goods and stock in trade	22	(151.06)	5,039.23
Employee benefits expense	23	2,804.18	2,587.50
Finance costs	24	176.69	822.39
Foreign exchange loss / (gain) (net)		983.86	(174.67)
Depreciation and amortisation expense	25	13,707.89	9,925.64
Other expenses	26	24,792.34	22,249.53
Total expenses		153,758.25	144,174.60
Profit before tax		20,880.44	21,663.16
Tax expense			
Current tax	8B	3,978.62	4,688.65
Adjustment of tax relating to earlier years	8B	(119.35)	180.25
Deferred tax (credit) / charge	8B & 8C	(2,167.36)	2,391.66
Total tax expense		1,691.91	7,260.56
Profit for the year		19,188.53	14,402.60
Other Comprehensive Income			
Items that will not be reclassified to the statement of profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(4.25)	9.66
Income tax relating to items that will not be reclassified to profit or loss	8B & 8C	1.49	(3.37)
Total Comprehensive Income for the year		19,185.77	14,408.89
Earnings per share (INR per share)			
Basic and diluted (Face value per share of INR 10 each)	27	21.27	15.96

The notes referred to above and other notes form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : June 24, 2020

**For and on behalf of the Board of Directors of
Sharda Cropchem Limited****Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

Abhinav Agarwal

Chief Financial Officer

Membership No.: 103986

Place : Mumbai

Date : June 24, 2020

Ashish R. Bubna

Whole-time Director

DIN 00945147

Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : June 24, 2020

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	20,880.44	21,663.16
Adjustment to reconcile profit before tax to cash generated by operating activities:		
Depreciation and amortisation expense	13,707.89	9,925.64
Provision made for investments in subsidiary	-	69.00
Profit on disposal of property, plant and equipment	(1.32)	(0.07)
Unrealized exchange loss (net)	1,015.31	371.97
Discard / Write-off of intangible assets and intangible assets under development	5,465.46	4,221.53
Gain on redemption of current investments	(758.62)	(128.79)
Fair valuation gain on current investments	(229.50)	(283.09)
Provision for gratuity	42.29	31.47
Allowances for doubtful debts	1,361.97	487.33
Liabilities/ provisions no longer required written back	(865.82)	(335.37)
Liabilities of capital creditors no longer required written back	(504.77)	-
Finance costs	176.69	822.39
Interest income	(827.39)	(440.94)
Dividend income	(9,456.17)	(4,278.34)
Bad debts	83.52	9.50
Write-off of loan to subsidiary	-	140.00
Operating profit before working capital changes	30,089.98	32,275.39
Movements in working capital:		
(Increase)/decrease in trade receivables	(15,449.64)	5,772.65
(Increase)/decrease in inventories	(2,653.40)	16,097.27
Decrease/(increase) in loans	0.09	(0.09)
(Increase) in other assets	(343.70)	(1.66)
(Increase) in other financial assets	(228.76)	(159.28)
Increase in trade payables	1,330.90	3,790.43
Increase in provisions	339.21	1,248.55
(Decrease)/increase in other financial liabilities and other liabilities	(1,600.28)	226.09
Cash generated from operations	11,484.40	59,249.35
Income taxes paid (net of refunds)	(6,188.26)	(7,970.44)
Net cash flows from operating activities (A)	5,296.14	51,278.91
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital working progress)	(39.99)	(518.54)
Purchase of intangible assets (including intangible assets under development and capital advances)	(17,556.42)	(13,808.33)
Proceeds from sale of property, plant and equipment	3.46	0.08
Investment in subsidiaries	-	(5.98)
Purchase of current Investments	(22,693.16)	(39,977.07)
Proceeds from sale of current investments	33,322.59	21,401.09



STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Investment of bank deposit	(2,836.18)	(7,028.05)
Redemption of bank deposits	2,357.65	3,954.53
Interest from fixed deposit	355.75	176.74
Loans to Subsidiaries - Principal received	20.37	138.13
Loans to Subsidiaries - Interest received	26.69	38.81
Dividends received from subsidiary	9,365.50	4,242.47
Dividends received from current investements	90.67	35.87
Net cash flows from / (used in) investing activities (B)	2,416.93	(31,350.25)
Cash flows from financing activities		
Proceeds from borrowings	-	2,750.00
Repayment of borrowings	-	(19,633.15)
Repayment of principal towards lease liability	(386.31)	-
Interest paid on lease liability	(153.69)	-
Finance costs paid	(4.85)	(1,040.63)
Dividend paid on equity shares	(5,411.56)	(3,612.43)
Bank balances in dividend accounts	1.67	0.44
Net cash flows (used in) financing activities (C)	(5,954.74)	(21,535.77)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,758.33	(1,607.11)
Cash and cash equivalents at the beginning of the year	1,261.14	2,878.36
Exchange differences on translation of foreign currency cash and cash equivalents	1.17	(10.11)
Cash and cash equivalents at the end of the year	3,020.64	1,261.14
Components of cash and cash equivalents		
Cash on hand	0.44	0.77
With banks	3,020.20	1,260.37
Total cash and cash equivalents as per the cash flows statement (refer note 11)	3,020.64	1,261.14

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows, specified under section 133 of the Companies Act, 2013.

The notes referred to above and other notes form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : June 24, 2020

For and on behalf of the Board of Directors of**Sharda Cropchem Limited****Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

Abhinav Agarwal

Chief Financial Officer

Membership No.: 103986

Place : Mumbai

Date : June 24, 2020

Ashish R. Bubna

Whole-time Director

DIN 00945147

Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : June 24, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A. Equity share capital (Note 13)

	(INR Lakhs)
As at April 01, 2018	9,022.05
Changes in equity share capital	-
As at March 31, 2019	9,022.05
Changes in equity share capital	-
As at March 31, 2020	9,022.05

B. Other equity

	Reserves and surplus				Other comprehensive income	Total
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserves (Note 14)	General reserves (Note 14)	Re-measurement of the net defined benefit plan	
As on April 01, 2018	2,148.55	93,212.02	1,491.29	664.93	(24.57)	97,492.22
Profit for the year	-	14,402.60	-	-	-	14,402.60
Other comprehensive Income	-	-	-	-	6.29	6.29
Total comprehensive Income	-	14,402.60	-	-	6.29	14,408.89
Payments of dividends	-	(3,608.82)	-	-	-	(3,608.82)
As on March 31, 2019	2,148.55	104,005.80	1,491.29	664.93	(18.28)	108,292.29

	Reserves and surplus				Other comprehensive income	Total
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserves (Note 14)	General reserves (Note 14)	Re-measurement of the net defined benefit plan	
As on April 01, 2019	2,148.55	104,005.80	1,491.29	664.93	(18.28)	108,292.29
Profit for the year	-	19,188.53	-	-	-	19,188.53
Other comprehensive Income	-	-	-	-	(2.76)	(2.76)
Total comprehensive Income	-	19,188.53	-	-	(2.76)	19,185.77
Payments of dividends	-	(5,413.23)	-	-	-	(5,413.23)
As on March 31, 2020	2,148.55	117,781.10	1,491.29	664.93	(21.04)	122,064.83

The notes referred to above and other notes form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

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NOTES

to Standalone Financial Statements for the year ended March 31, 2020

1. Corporate information

Sharda Cropchem Limited (the "Company") is a public limited company incorporated in India under the provisions of the Companies Act applicable in India. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is principally engaged in export of agro-chemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world.

The registered office of the Company is located at 2nd Floor, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.

2. Significant accounting policies

2.1 Statement of Compliance

These standalone financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

The standalone financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on June 24, 2020.

2.2 Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities

- (i) Derivative Financial Instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would

use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.3 Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All the figures have been rounded off to the nearest INR in lakhs, unless otherwise indicated.

2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the balance sheet date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liabilities.

2.5 Foreign currency translation

Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates prevailing on the

Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or expenses in the year in which they arise.

2.6 Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Fair value changes are recognized in the statement of profit and loss and are included in Foreign exchange (gain) / loss.

2.7 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Sale of goods

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on shipment / dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discount, cash discount, volume discounts, rebates, scheme allowances, incentives and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1,

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2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company had adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April 2018). Impact on adoption of Ind AS 115 was not material.

Interest income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividends

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Export incentives

An export incentive (i.e. Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Export Import Policy) is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty to its receipt.

2.8 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in the Standalone Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax

are also recognized in other comprehensive income or directly in equity, respectively.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after 1 April 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting

period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative tax

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability and hence is grouped with Deferred Tax Asset. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.9 Property, Plant and Equipment ("PPE") and Depreciation

Recognition and measurement

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes taxes, duties, freight, interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets and other incidental expenses which are required to bring the asset in the condition for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised

when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Upto 31 March 2019, assets held under operating leases were depreciated over their expected useful lives on the same basis as owned assets. However, when there was no reasonable certainty that ownership will be obtained by the end of the lease term, assets were depreciated over the shorter of the lease term and useful lives. With effect from 1 April 2019, leases are accounted as per IND AS 116 Leases as set out in para 2.12.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset

and is recognised in profit or loss. Fully depreciated assets still in use are retained in the Standalone financial statements.

(a) Depreciation and amortization

Depreciation is provided after impairment, if any, using the straight-line method as per the useful lives of the assets estimated by the management, or at rates prescribed under Schedule II of the Companies Act 2013. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Asset class	Estimated useful life
Computers	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Motor cars	8 years
Leasehold improvements	6 years
Electrical installations	6 years

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.10 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life are considered to modify the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and Development costs, Product Registration and Licences

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Company and the Company has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees

paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management and revised to actual amounts on conclusion of agreements.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Years
Computer software	4 Years
Product Registration and Licences	5 Years

2.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal, and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

2.12 Leases

Policy applicable before 1st April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Lease rentals in respect of assets acquired on operating lease are charged off to the Statement of profit and loss on a straight-line basis over the lease term. Lease term is the non-cancellable period of the lease, together with any further periods for which the Company has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the Company will exercise.

Policy applicable after 1st April 2019

The Company has adopted Ind AS 116 effective from 1st April 2019 using modified retrospective approach. For the purpose of preparation of Standalone

Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31st March 2020.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

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The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases mainly comprise office buildings. The Company leases buildings for office purpose.

2.13 Inventories

Inventories include raw materials, traded goods and finished goods. Inventory is valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item to item basis.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis as per individual location which is done on specific identification of batches.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective and unserviceable inventories are duly provided for in the financial statements.

2.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.16 Employee benefit expenses

Employee benefits consist of contribution to provident fund, gratuity fund and compensated absences.

Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates defined benefit plans - gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined

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benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Standalone Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits which is determined at each balance sheet date based on arithmetical calculation.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Investments in subsidiaries and associates are carried at cost. All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has

assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these standalone financial statements)

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The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an

allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.19 Dividend to Equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized.

2.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of

equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

2.21 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Unallocable items include general corporate income and expense items which are not allocated to any business segment.

2A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the standalone financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the standalone financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are considered as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.



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Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Changes in significant accounting policies

The Company has applied Ind AS 116 Leases using the modified retrospective approach (for all leases other than short-term leases and leases of low-value assets). Due to transition method chosen by the Company in applying this standard, comparative information throughout these standalone financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

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3. Property, plant and equipment

3A. Owned assets

(INR Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold Improvements	Electrical Installation	Total
Cost							
At April 01, 2018	187.16	476.11	45.50	37.41	347.08	131.88	1,225.14
Additions	74.74	221.81	-	4.55	150.08	67.39	518.57
Disposals	(0.58)	-	-	-	-	-	(0.58)
At March 31, 2019	261.32	697.92	45.50	41.96	497.16	199.27	1,743.13
Accumulated depreciation							
At April 01, 2018	37.80	65.79	4.40	26.71	38.51	14.63	187.84
Depreciation charge during the year	46.78	59.11	7.38	6.60	72.38	28.50	220.75
Disposals	(0.57)	-	-	-	-	-	(0.57)
At March 31, 2019	84.01	124.90	11.78	33.31	110.89	43.13	408.02
Net carrying value							
At April 01, 2018	149.36	410.32	41.10	10.70	308.57	117.25	1,037.30
At March 31, 2019	177.31	573.02	33.72	8.65	386.27	156.14	1,335.11

(INR Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold Improvements	Electrical Installation	Total
Cost							
At April 01, 2019	261.32	697.92	45.50	41.96	497.16	199.27	1,743.13
Additions	0.21	-	28.15	11.63	-	-	39.99
Disposals	-	-	(15.73)	(1.70)	-	-	(17.43)
At March 31, 2020	261.53	697.92	57.92	51.89	497.16	199.27	1,765.69
Accumulated depreciation							
At April 01, 2019	84.01	124.90	11.78	33.31	110.89	43.13	408.02
Depreciation charge during the year	49.45	68.10	8.28	7.93	82.86	33.20	249.82
Disposals	-	-	(13.59)	(1.70)	-	-	(15.29)
At March 31, 2020	133.46	193.00	6.47	39.54	193.75	76.33	642.55
Net carrying value							
At April 01, 2019	177.31	573.02	33.72	8.65	386.27	156.14	1,335.11
At March 31, 2020	128.07	504.92	51.45	12.35	303.41	122.94	1,123.14



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3B. Leased assets

(INR Lakhs)

	Leasehold Premises
Cost	
At April 01, 2019	-
Additions on account of transition to Ind AS 116 - April 01, 2019	2,095.65
Additions	-
Disposals	-
At March 31, 2020	2,095.65
Accumulated depreciation	
At April 01, 2019	-
Depreciation charge during the year	449.47
Disposals	-
At March 31, 2020	449.47
Net carrying value	
At April 01, 2019	-
At March 31, 2020	1,646.18

Notes:

- The Company has adopted Ind AS 116 effective April 01, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 01, 2019), if any. Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of INR 2,095.65 lakhs and a corresponding lease liability of INR 2,095.65 lakhs.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 8.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

- The Company's leases mainly comprise of leasehold premises and does not have any other assets, either on short-term leases having a lease term of 12 months or less, or leases of low-value assets.

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4. Intangible assets

	Computer Software	Product Registration and Licences	(INR Lakhs) Total
Cost			
At April 01, 2018	58.94	36,547.25	36,606.19
Additions *	-	24,690.48	24,690.48
Disposals *	-	(998.17)	(998.17)
Adjustments *	-	-	-
At March 31, 2019	58.94	60,239.56	60,298.50
Accumulated amortisation			
At April 01, 2018	40.72	15,043.82	15,084.54
Amortisation during the year	8.78	9,696.11	9,704.89
Disposals *	-	(275.20)	(275.20)
Adjustments *	-	-	-
At March 31, 2019	49.50	24,464.73	24,514.23
Net carrying value			
At April 01, 2018	18.22	21,503.43	21,521.65
At March 31, 2019	9.44	35,774.83	35,784.27

	Computer Software	Product Registration and Licences	(INR Lakhs) Total
Cost			
At April 01, 2019	58.94	60,239.56	60,298.50
Additions*	45.89	16,546.30	16,592.19
Disposals *	-	(687.75)	(687.75)
Adjustments *	-	(460.07)	(460.07)
At March 31, 2020	104.83	75,638.04	75,742.87
Accumulated amortisation			
At April 01, 2019	49.50	24,464.73	24,514.23
Amortisation during the year	8.89	12,999.71	13,008.60
Disposals *	-	(527.31)	(527.31)
Adjustments *	-	(59.21)	(59.21)
At March 31, 2020	58.39	36,877.92	36,936.31
Net carrying value			
At April 01, 2019	9.44	35,774.83	35,784.27
At March 31, 2020	46.44	38,760.12	38,806.56

* The data compensation elements of product registration was initially capitalised based on management estimates. The gross block of product registration and licenses have been reduced as an outcome of negotiations / arbitration with contracting parties by INR 460.07 lakhs (March 31, 2019: INR 203.10 Lakhs)

The Company has written off certain assets during the current year having net written down value of INR 160.44 lakhs (March 31, 2019: INR 224.55 lakhs) based on internal assessment.

4A. Intangible assets under development

Intangible assets under development comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.



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5. Investments

Non-current investments

	As at March 31, 2020	(INR Lakhs) As at March 31, 2019
Investment carried at cost		
Investment in subsidiaries (Unquoted)		
Investment in equity instruments		
-Axis Crop Science Private Limited 50,00,000 (March 31, 2019: 50,00,000) equity shares of INR 10 each fully paid-up	544.00	544.00
-Provision for investment in Axis Crop Science Private Limited	(544.00)	(544.00)
	-	-
-Nihon Agro Service Kabushiki Kaisha 10 (March 31, 2019: 10) equity shares of JPY 10,000 each fully paid	0.59	0.59
-Sharda Polska SP. ZO.O. 20 (March 31, 2019: 20) equity shares of PLN 1,000 each fully paid-up	2.99	2.99
-Sharda Ukraine LLC 62,500 (March 31, 2019: 62,500) equity shares of UAH 1 each fully paid-up	4.25	4.25
-Sharda Del Ecuador CIA. LTDA. 398 (March 31, 2019: 398) equity shares of US\$ 1 each fully paid-up	0.20	0.20
-Sharda Peru SAC 1,999 (March 31, 2019: 1,999) equity share of PEN 1 each fully paid-up	0.33	0.33
-Sharda Swiss SARL 20 (March 31, 2019: 20) equity shares of CHF 1,000 each fully paid-up	8.62	8.62
-Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA. 30,690 (March 31, 2019: 30,690) equity shares of BRL 1 each fully paid-up	8.20	8.20
-Sharda Hellas Agrochemicals Limited 150 (March 31, 2019: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Sharda Balkan Agrochemicals Limited 150 (March 31, 2019: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Shardaserb DO.O. 1 (March 31, 2019: 1,) Partly paid-up equity share of EURO 500 each (50% of face value has been paid)	0.17	0.17
-Sharda Agrochem Dooel Skopje. 1 (March 31, 2019: 1) equity share of Euro 5,000 each fully paid-up	3.67	3.67
-Sharda Spain, S.L. 3,050 (March 31, 2019: 3,050) equity shares of EURO 1 each fully paid-up	1.96	1.96
-Sharda Costa Rica S.A.* 99 (March 31, 2019: 99) equity shares of COLON 20 each fully paid-up	0.00	0.00
-Sharda De Guatemala S.A. 49 (March 31, 2019: 49) equity shares of GTQ 100 each fully paid-up	0.34	0.34
-Sharda International DMCC 2 (March 31, 2019: 2) equity shares of AED 1,00,000 each fully paid-up	27.68	27.68
-Sharda Italia SRL 9,900 (March 31, 2019: 2,475) equity shares of EURO 1 each fully paid-up	7.74	7.74

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(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
-Sharda Hungary Kft 1 (March 31, 2019: 1) equity share of HUF 30,00,000 each fully paid-up	7.23	7.23
-Sharda Cropchem Espana, S.L. 61 (March 31, 2019: 61) equity shares of EURO 50 each fully paid	2.59	2.59
-Sharda Poland SP. ZO.O. 100 (March 31, 2019: 100.) equity shares of PLN 50 each fully paid	0.98	0.98
-Sharda Taiwan Limited 10,000 (March 31, 2019: 10,000) equity shares of Taiwan \$ 10 each fully paid	2.04	2.04
Sharda Private (Thailand) Limited 8,300 (March 31, 2019: 8,300) equity shares of THB 100 each fully paid	17.29	17.29
Sharda Private (Thailand) Limited 1,500 (March 31, 2019: 1,500) Preferential shares of THB 100 each fully paid	3.13	3.13
-Sharda Cropchem Tunisia SARL 99 (March 31, 2019: 99) equity shares of EURO 10 each fully paid	0.75	0.75
Total	106.39	106.39

* Amount rounded off in Lakhs hence not appearing. The actual amount of investment is INR 206 (March 31, 2019: INR 206).

(INR Lakhs)

Current investments	As at March 31, 2020	As at March 31, 2019
Investments carried at fair value through statement of profit or loss (FVTPL)		
Investments in mutual funds (Unquoted)		
-Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan Nil (March 31, 2019: 3,60,147) units of INR 100 each	-	1,076.86
-Aditya Birla Sun Life Arbitrage Fund - Dividend - Regular Fund 30,54,567 (March 31, 2019: 47,28,607) units of INR 10 each	328.56	506.77
-Axis Banking & PSU Debt Fund 50,067 (March 31, 2019: 64,363) units of INR 1,000 each	956.96	1,124.86
Axis Treasury Advantage Fund- Growth 31,172 (March 31, 2019: Nil) units of INR 1,000 each	703.15	-
DSP Liquidity Fund - Regular Plan- Growth Nil (March 31, 2019: 47,065) units of INR 1,000 each	-	1,251.26
DSP Corporate Bond Fund Growth 70,48,697 (March 31, 2019: 66,69,070) units of INR 10 each	830.84	716.69
DSP Banking and PSU Debt Fund- Reg-Growth 41,95,404 (March 31, 2019: 32,20,446) units of INR 10 each	727.52	508.16
-DSP Saving Fund - Regular Plan - Growth Nil (March 31, 2019: 6,84,436) units of INR 100 each	-	250.89
-DSP Low Duration Fund - Regular Plan - Growth 27,65,491 (March 31, 2019: Nil) units of INR 10 each	405.48	-
-HDFC Liquid Fund - Regular Plan - Growth Nil (March 31, 2019: 34,744) units of INR 1000 each	-	1,271.73



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	As at March 31, 2020	(INR Lakhs) As at March 31, 2019
-HDFC Ultra Short Term Fund-Regular Growth 22,59,918 (March 31, 2019: Nil) units of INR 10 each	253.24	-
-HDFC Corporate Bond Fund - Regular Growth 38,67,605 (March 31, 2019: 49,13,680) units of INR 10 each	886.22	1,022.56
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 35,39,859 (March 31, 2019: 79,93,005) units of INR 10 each	737.21	1,526.69
-ICICI Prudential Liquid - Regular - Growth Nil (March 31, 2019: 2,94,347) units of INR 100 each	-	810.69
-ICICI Prudential Equity Arbitrage Fund - Dividend 24,05,582 (March 31, 2019: 37,26,675) units of INR 10 each	328.93	507.60
-IDFC Cash Fund - Growth - (Regular Plan) Nil (March 31, 2019: 36,624) units of INR 1,000 each	-	826.77
-IDFC Banking & PSU Debt Fund - Regular 34,87,045 (March 31, 2019: 70,39,878) units of INR 10 each	618.71	1,131.92
-IDFC Corporate Bond Fund Regular Plan - Growth 57,27,541 (March 31, 2019: 1,43,81,465) units of INR 10 each	789.33	1,831.09
-IDFC Ultra Short Term Fund Regular Plan - Growth 35,58,645 (March 31, 2019: 77,00,441) units of INR 10 each	404.77	815.55
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) 40,66,201 (March 31, 2019: 47,44,265) units of INR 10 each	434.76	508.03
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 12,00,788 (March 31, 2019: 24,11,114) units of INR 10 each	560.97	1,018.84
Kotak Corporate Bond Fund Standard Growth (Regular Plan) 15,397 (March 31, 2019: Nil) units of INR 1000 each	414.33	-
-Kotak Liquid Regular Plan Growth Nil (March 31, 2019: 32,898) units of INR 1,000 each	-	1,241.14
-Reliance Arbitrage Fund - Dividend Plan Reinvestment 43,49,154 (March 31, 2019: 41,65,849) units of INR 10 each	536.66	508.04
-Reliance Liquid Fund - Growth Plan - Growth Option Nil (March 31, 2019: 16,766) units of INR 1,000 each	-	761.04
-SBI Liquid Fund - Regular Growth Nil (March 31, 2019: 48,980) units of INR 1,000 each	-	1,428.44
-SBI Banking & PSU Fund - Regular Growth 28,984 (March 31, 2019: Nil) units of INR 1,000 each	661.01	-
-SBI Corporate Bond Fund - Regular Plan Growth 35,84,808 (March 31, 2019: Nil) units of INR 10 each	402.18	-
-Union Focused Regular Plan- Growth Option 29,99,990 (March 31, 2019: Nil) units of INR 10 each	254.40	-
-Union Large and Midcap Fund 14,99,990 (March 31, 2019: Nil) units of INR 10 each	113.40	-
-Union KBC Dynamic Bond Fund - Growth Nil (March 31, 2019: 50,995) units of INR 10 each	-	8.08

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(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
-Union Corporate Bond Fund - Regular Plan Growth 18,38,742 (March 31, 2019: Nil) units of INR 10 each	204.86	-
-Union Value Discovery Fund - Regular Growth Nil (March 31, 2019: 10,00,000) units of INR 10 each	-	106.60
-Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth Nil (March 31, 2019: 2,50,000) units of INR 10 each	-	28.70
-Union Arbitrage Fund Regular Plan Growth Nil (March 31, 2019: 30,01,141) units of INR 10 each	-	301.90
-Union Equity Savings Fund Growth - Regular Plan Nil (March 31, 2019: 9,99,990) units of INR 10 each	-	103.90
Total	11,553.49	21,194.80

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Aggregate amount of unquoted investments	11,659.88	21,301.19
Investments carried at cost	106.39	106.39
Investments carried at fair value through statement of profit or loss (FVTPL)	11,553.49	21,194.80
Investments impaired	544.00	544.00

6. Loans

Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loans to related party	318.88	340.29
Unsecured, doubtful		
Loans to related party	-	140.00
Less: Write-off of asset*	-	(140.00)
	-	-
Total	318.88	340.29

* Write-off due to the subsidiaries inability to repay the loan on account of accumulated losses and liquidity issues till March 31, 2019. During the year ended March 31, 2020, the subsidiary company has partly repaid principal and interest amount and has positive net worth.

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good (carried at cost)		
Others loans		
Loans to employees	0.03	0.09
Total	0.03	0.09

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7. Other Financial Assets
Non-current

	As at March 31, 2020	As at March 31, 2019
		(INR Lakhs)
Unsecured, considered good		
Goods and service tax receivable	165.72	168.72
Statutory dues receivable from government authorities	495.10	329.86
Export incentive receivable	293.99	235.91
Security deposit	3.21	3.21
Total	958.02	737.70

Current

	As at March 31, 2020	As at March 31, 2019
		(INR Lakhs)
Unsecured, considered good		
Derivative instruments - foreign currency forward contracts (refer note 35)	0.60	159.28
Goods and service tax receivable	992.61	823.68
Export incentive and other receivables	66.66	68.47
Total	1,059.87	1,051.43

8A. Income tax assets (net)

	As at March 31, 2020	As at March 31, 2019
		(INR Lakhs)
Advance tax [Net of provision for income tax of INR 35,137.74 Lakhs (March 31, 2019: INR 31,158.92 Lakhs)]	7,154.61	4,796.45
Total	7,154.61	4,796.45

8B. Tax expense

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Income tax expenses in the statement of profit and loss comprises of

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Current income tax:		
Current income tax charge	3,978.62	4,688.65
Adjustments in respect of current income tax of previous year	(119.35)	180.25
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,690.20)	2,391.66
On account of new tax rate	3,522.84	-
Income tax expense reported in the statement of Profit & Loss	1,691.91	7,260.56

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Income tax (expense) / benefit recognized in OCI

Deferred tax relating to items recognised in OCI during the year

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Net (gain)/loss on remeasurement of defined employee benefit plans	1.49	(3.37)
Total	1.49	(3.37)

Reconciliation of effective tax rate (ETR)

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit from operations before income taxes	20,880.44	21,663.16
Tax @34.944% (March 31, 2019: 34.944%) (Indian statutory income tax rate)	7,296.46	7,569.97
Tax effect on income not taxable for tax purposes:		
Dividend received from subsidiary	1,636.34	741.24
On account of new tax rate	3,522.84	-
Others	439.44	20.56
	5,598.62	761.80
Tax effect on non-deductible expenses for tax purposes:		
Interest on Income Tax	0.61	16.91
Corporate social responsibility (CSR) expenditure	100.02	128.26
Others	11.30	130.34
	111.93	275.51
Income tax expense	1,809.77	7,083.68

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

8C. Deferred tax liabilities (net)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Provision for gratuity	66.44	78.03
Provision for investment in subsidiary	124.47	190.10
Others	8.53	18.77
Lease liability	430.21	-
Provision for doubtful debts	465.43	170.29
Gain / loss on derivatives (Foreign currency forward contracts)	50.44	-
Unrealised gain / loss on investment carried at fair value through statement of profit and loss	87.95	-
Minimum Alternate Tax (MAT) credit	1,853.88	2,929.06
Gross deferred tax assets	3,087.35	3,386.25
Deferred tax liabilities		
Tangible and intangible assets	9,603.46	12,485.52
Lease assets	414.31	-
Gross deferred tax liabilities	10,017.77	12,485.52
Net deferred tax (liabilities)	(6,930.42)	(9,099.27)

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The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions / conditions defined in the said section. The Company is continuing to provide for income tax at the old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed net deferred tax liability of INR 3,522.84 lakhs.

In respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences. Deferred tax benefits are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realised.

The net movement in the deferred tax for the year ended March 31, 2020 and March 31, 2019

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Net deferred tax asset/ (liability) at the beginning of the year	(9,099.27)	(6,704.24)
Credit / (charge) relating to temporary differences	(1,355.48)	(2,391.66)
On account of new tax rate	3,522.84	-
Temporary differences on other comprehensive expenses	1.49	(3.37)
Net deferred tax asset/ (liability) at the end of the year	(6,930.42)	(9,099.27)

9. Inventories (valued at lower of cost and net realisable value)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Raw materials including packing materials [Stock in transit INR 3,658.40 Lakhs (March 31, 2019: INR 2,953.55 Lakhs)]	15,967.65	13,465.31
Finished Goods [Stock in transit INR 2,169.30 Lakhs (March 31, 2019: INR 1,667.21 Lakhs)]	18,942.85	18,606.34
Traded goods [Stock in transit INR 94.27 Lakhs (March 31, 2019: Nil)]	576.84	762.29
Total	35,487.34	32,833.94

Note:

- i) Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is INR 156.09 lakhs (March 31, 2019: INR 428.08 lakhs)
- ii) The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company does not foresee any diminution in the net realizable value of inventories carried as at March 31, 2020 due to COVID-19.

10. Trade receivables

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Related parties (refer note 33)	23,700.07	14,603.75
Others	68,433.75	59,332.58
Significant increase in credit risk		
Others	1,849.29	487.33
	93,983.11	74,423.66
Less: Allowances for credit losses	(1,849.29)	(487.33)
Total	92,133.82	73,936.33

For the Company's credit risk management process, refer note 36.

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11. Cash and bank balances

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with banks		
- in current accounts	3,020.20	1,260.37
Cash on hand	0.44	0.77
	3,020.64	1,261.14
Other bank balances		
In fixed deposit accounts		
- with original maturity of more than three months but less than twelve months *	7,357.14	6,881.95
In earmarked accounts		
- Unpaid dividend accounts	5.28	3.61
	7,362.42	6,885.56
Total	10,383.06	8,146.70

* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 7,357.14 lakhs (March 31, 2019: INR 6,881.95 lakhs) for availment of working capital facilities in the form of Letters of Credit and Bank Guarantees for the Company.

12. Other assets

Current (Unsecured, considered good)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance to vendors for supply of goods and services	291.52	156.10
Right of recoveries against expected sales return	1,524.28	1,253.92
Prepaid expenses	269.00	296.50
Interest accrued on fixed deposits with bank *	199.57	76.26
Total	2,284.37	1,782.78

* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 199.57 lakhs (March 31, 2019: INR 76.26 lakhs) for availment of working capital facilities in the form of Letters of Credit and Bank Guarantees for the Company.

13. Equity share capital

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
10,50,00,000 (March 31, 2019: 10,50,00,000) equity shares of INR 10/- each	10,500.00	10,500.00
Issued, subscribed and fully paid-up		
9,02,20,495 (March 31, 2019: 9,02,20,495) equity shares of INR 10/- each	9,022.05	9,022.05



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(a) Reconciliation of the no. of shares outstanding at the beginning and at the end of the reporting year**Equity shares**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	INR Lakhs	No. of Shares	INR Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
Outstanding at the end of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05

(b) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr. Ramprakash V. Bubna	14,052,686	15.58%	14,052,686	15.58%
Mrs. Sharda R. Bubna	14,061,532	15.59%	14,052,685	15.58%
Mr. Ashish R. Bubna*	15,180,000	16.83%	15,180,000	16.83%
Mr. Manish R. Bubna**	15,180,000	16.83%	15,180,000	16.83%
HDFC Small Cap Fund	8,333,807	9.24%	8,031,425	8.90%
Total	66,808,025	74.07%	66,496,796	73.72%

* Shareholding includes 10 Equity shares held jointly by Mr. Ashish R. Bubna and Mrs. Seema A. Bubna, with Mr. Ashish R. Bubna as the first holder.

** Shareholding includes 10 Equity shares held jointly by Mr. Manish R. Bubna and Mrs. Anisha M. Bubna, with Mr. Manish R. Bubna as the first holder.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) In the period of five years, immediately preceding March 31, 2020

The Company has not allotted any equity shares as fully paid up without payment being received in cash or bonus shares or bought back any equity shares.

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(e) Distribution made and proposed

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash dividends on equity shares declared:		
Interim dividend on equity shares for the year ended March 31, 2020: INR 4.00 (March 31, 2019: INR 2.00) per share	3,608.82	1,804.41
Proposed dividends on equity shares:		
Final cash dividend for the year ended March 31, 2020 INR Nil (March 31, 2019: INR 2.00) per share	-	1,804.41
Cash dividends on equity shares distributed and paid:		
Interim dividend on equity shares for the year ended March 31, 2020 INR Nil (March 31, 2019: INR Nil) per share	3,608.82	1,804.41
Final Dividend on equity shares for the year ended March 31, 2019 INR 2.00 (March 31, 2018: INR 2.00) per share	1,804.41	1,804.41

14. Other equity

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital reserve		
Balance at the beginning of the year	1,491.29	1,491.29
Balance at the end of the year	1,491.29	1,491.29
Securities premium		
Balance at the beginning of the year	2,148.55	2,148.55
Balance at the end of the year	2,148.55	2,148.55
General Reserve		
Balance at the beginning of the year	664.93	664.93
Balance at the end of the year	664.93	664.93
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	103,987.52	93,187.45
Add: Profit for the year	19,188.53	14,402.60
Add: Other comprehensive income	(2.76)	6.29
Less: Payment of dividends	5,413.23	3,608.82
Balance at the end of the year	117,760.06	103,987.52
Total	122,064.83	108,292.29

Capital Reserve -

The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

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Securities Premium -

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this for buy-back of shares.

General Reserve -

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

15. Trade payables
Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 40)*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 33)	-	-
Others	238.10	286.06
Total	238.10	286.06

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 40)*	-	26.25
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 33)	131.26	68.42
Others	64,222.30	59,360.11
Total	64,353.56	59,454.78

* The Company has received intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006" based on which disclosure as required under the Act has been made.

16. Other financial liabilities (carried at cost)
Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Security deposits	14.63	14.63
Lease liabilities	1,290.98	-
Creditors for capital purchases	-	124.02
Total	1,305.61	138.65

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Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unclaimed dividend*	5.28	3.61
Lease liabilities	418.37	-
Creditors for capital purchases	7,772.39	9,625.59
Directors' commission	357.85	392.01
Salaries and bonus	295.03	262.17
Total	8,848.92	10,283.38

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2020 (March 31, 2019: Nil).

17. Provisions

Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer Note 28)	249.68	206.91
Total	249.68	206.91

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer Note 28)	29.00	25.22
Provision for compensated absences	40.70	36.74
Expected return from customers	2,272.53	1,937.29
Total	2,342.23	1,999.25

18. Other current liabilities

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance from customers (refer note 32)	232.18	558.56
Provision for reward scheme	558.62	377.97
Book overdraft	-	747.78
Provision for discount on sales	236.53	157.92
Incentive payable on sales	487.95	340.21
Sales promotion payable	48.21	231.57
Statutory liabilities (including provident fund, tax deducted at source and others)	2,237.12	2,825.46
Total	3,800.61	5,239.47



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19. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Sale of goods (refer note 32)	161,242.57	160,196.42
Other operating revenue		
Export incentives	360.88	148.70
Miscellaneous receipts	3.10	26.03
Total	161,606.55	160,371.15

20. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Interest income on		
Bank deposits carried at amortised cost	479.06	261.47
Income tax refund received	30.90	134.50
Loan to employees	0.03	0.01
Loan to subsidiary	25.65	42.06
Delayed payment from customer	291.75	-
Others	-	2.91
Insurance claim received	388.55	-
Dividend received on investments		
On mutual fund units	90.67	35.87
On investment in subsidiary	9,365.50	4,242.47
Profit on disposal of property, plant and equipment	1.32	0.07
Liabilities / provisions no longer required written back	865.82	335.37
Liabilities no longer required written back relating to creditors for capital purchases	504.77	-
Profit on sale of mutual fund units	758.62	128.79
Gain on financial instruments at fair value (Mutual fund units)	229.50	283.09
Total	13,032.14	5,466.61

21. Cost of materials consumed

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Inventory at the beginning of the year	13,465.31	24,523.35
Add: Purchases	80,218.43	59,719.36
	93,683.74	84,242.71
Less: Inventory at the end of the year	(15,967.65)	(13,465.31)
Total	77,716.09	70,777.40

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22. Changes in inventories of finished goods and stock in trade

	Year ended March 31, 2020	Year ended March 31, 2019
(INR Lakhs)		
Inventories at the end of the year		
- Stock in trade	576.84	762.29
- Finished goods	18,942.85	18,606.34
Total	19,519.69	19,368.63
Inventories at the beginning of the year		
- Stock in trade	762.29	871.92
- Finished goods	18,606.34	23,535.94
Total	19,368.63	24,407.86
Changes in inventories of finished goods and stock in trade	(151.06)	5,039.23

23. Employee benefit expense

	Year ended March 31, 2020	Year ended March 31, 2019
(INR Lakhs)		
Salaries, wages and bonus	2,748.14	2,538.37
Contribution to provident and other funds (refer note 28)	6.15	10.71
Gratuity expenses (refer note 28)	42.29	31.47
Staff welfare expenses	7.60	6.95
Total	2,804.18	2,587.50

24. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
(INR Lakhs)		
Interest expenses on		
Loan from director (refer note 33)	-	732.40
Income tax	1.73	48.39
Lease liabilities	153.69	-
Delayed payment of statutory dues	4.85	24.12
Others	16.42	17.48
Total	176.69	822.39

25. Depreciation and amortisation expense

	Year ended March 31, 2020	Year ended March 31, 2019
(INR Lakhs)		
Depreciation of property, plant and equipment (refer note 3A)	249.82	220.75
Depreciation of right-of-use asset (refer note 3B)	449.47	-
Amortisation of intangible assets (refer note 4)	13,008.60	9,704.89
Total	13,707.89	9,925.64

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26. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Freight and forwarding expenses	2,459.28	2,312.96
Rent	-	540.00
Rates and taxes	60.38	68.09
Insurance charges	339.61	279.24
Repairs and maintenance		
Buildings	35.17	1.78
Others	24.89	21.70
Advertising and sales promotion	259.94	336.89
Sales commission	586.22	449.40
Travelling and conveyance	1,153.21	997.12
Communication expenses	185.09	221.06
Office expenses	611.28	610.83
Legal and professional fees	10,226.15	9,636.92
Directors sitting fees	13.20	10.50
Corporate social responsibility expense (refer note 41)	555.91	695.97
Donation	0.30	18.06
Payment to auditor (refer note 'a' below)	54.25	45.26
Provision made for investment in subsidiary (refer note 5)	-	69.00
Bad debts	83.52	9.50
Allowance for doubtful debts	1,361.97	487.33
Write-off of loan to subsidiary (refer note 6)	-	140.00
Bank charges	1,290.56	1,048.91
Discard / write-off of intangible assets and intangible assets under development	5,465.46	4,221.53
Miscellaneous expenses	25.95	27.48
Total	24,792.34	22,249.53

Note a:
Details of payment to auditor :

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
As auditors		
Audit fees	45.00	39.25
Reimbursement of expense	5.85	3.11
In other capacities		
Other services - certification	3.40	2.90
Total	54.25	45.26

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27. Earnings per share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Profit after tax attributable to equity shareholders	19,188.53	14,402.60
Weighted average number of equity shares outstanding during the year	90,220,495	90,220,495
Earnings per Share		
Face value per equity share (INR)	10.00	10.00
Basic and diluted earnings per share (INR)	21.27	15.96

28. Employee benefits - Employment benefit plans

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the Note 23 under "Contribution to provident and other funds":

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Contribution to employees provident fund	4.47	8.27
Contribution to ESI	1.68	2.44
Total	6.15	10.71

b) Defined benefit plans

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Changes in benefit obligations		
Benefit obligations at the beginning of the year	244.47	231.47
Current service cost	25.23	24.92
Interest cost	17.98	16.96
Actuarial (gains)/ losses	4.33	(10.25)
Past service cost	-	(8.59)
Benefits paid	(3.55)	(10.04)
Benefit obligations at the end of the year	288.46	244.47



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	As at March 31, 2020	As at March 31, 2019
(INR Lakhs)		
Change in plan assets		
Fair value of plan assets at the beginning of the year	12.34	21.14
Interest income	0.91	1.82
Return on plan assets excluding amounts included in interest income	0.08	(0.59)
Benefits paid	(3.55)	(10.03)
Fair value of plan assets at the end of the year	9.78	12.34
Net benefit obligation at the end of the year	278.68	232.13

	Year ended March 31, 2020	Year ended March 31, 2019
(INR Lakhs)		
Amounts recognised in the Statement of Profit and Loss under employee benefit expenses		
Current service cost	25.23	24.92
Net interest cost	17.06	15.14
Past service cost and loss / (gain) on curtailment and settlement	-	(8.59)
Net gratuity cost charged to statement of profit and loss	42.29	31.47

	As at March 31, 2020	As at March 31, 2019
(INR Lakhs)		
Amounts recognised in Statement of Other Comprehensive Income		
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	4.33	(10.25)
(Return)/ loss on plan assets excluding amounts included in the net interest	(0.08)	0.59
	4.25	(9.66)

	As at March 31, 2020	As at March 31, 2019
(INR Lakhs)		
Plan assets comprise of the following		
Policy of Insurance	100%	100%

	Year ended March 31, 2020	Year ended March 31, 2019
(INR Lakhs)		
Actuarial assumptions as at the Balance Sheet date:		
Discount rate	6.80%	7.35%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Attrition rate		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Ultimate	Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

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The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been change in expected rate of return on assets due to change in the market scenario.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	(INR Lakhs)			
	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	277.14	300.72	235.56	254.14
Future salary growth rate varied by 0.5%	293.66	283.16	248.35	239.46
Withdrawal rate varied by 10%	291.48	285.23	247.57	241.23

29. Capital and other commitments

	(INR Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account not provided for	37,525.15	33,605.88

30. Contingent liabilities

	(INR Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Income tax matters (refer note (i) below)	6,569.38	4,401.57
Service tax matter (refer note (ii) below)	785.14	785.14
Total	7,354.52	5,186.71

Note:

- i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim by the Company (common for all years) which has been settled and allowed in favour of the Company by the Hon'ble ITAT, Mumbai for the earlier four years (F.Y. 2010-11, F.Y. 2011-12, F.Y. 2012-13 and F.Y. 2013-14), and therefore the management is of the opinion that the contingent liabilities would not have an adverse impact on the Company in view of the favourable decisions given by the higher authorities in the Company's own case as mentioned above. Further, for F.Y. 2014-15 (A.Y. 2015-16), the Company has considered INR 90.61 lakhs as contingent liability as in view of the management the Company has a refund of INR 1,340.48 lakhs as per the return of income filed and once the issue is decided in favour of the Company for the respective year, the Company will be entitled to a refund of INR 1,340.48 lakhs along with the applicable interest.
- ii) Future cash flows, if any, in respect of Service tax matter is determinable only on receipt of the judgement/decision pending with relevant authorities. The Company does not expect the outcome of the matter stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.

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31. Segment information

Business segment of the Company primarily identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems are as follows:

Agrochemicals : Insecticides, Herbicides, Fungicides and Biocides

Belts : Conveyor Belts, V Belts and Timing Belts

Information about operating segments

(INR Lakhs)

	Agrochemicals		Belts		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue						
External sales	161,209.03	159,719.99	397.52	651.16	161,606.55	160,371.15
Other income	1,660.45	335.29	1.89	0.08	1,662.34	335.37
Revenue from operations	162,869.48	160,055.28	399.41	651.24	163,268.89	160,706.52
Results						
Segment results	11,031.09	18,648.89	33.13	(1.42)	11,064.22	18,647.47
Other income (Unallocated)					11,369.80	5,131.24
Unallocated expenses					(1,381.74)	(1,317.28)
Operating profit					21,052.28	22,461.43
Finance costs					(171.84)	(798.27)
Profit before tax					20,880.44	21,663.16
Income taxes					(1,691.91)	(7,260.56)
Profit after tax					19,188.53	14,402.60
Other segment information						
Segment assets	186,571.27	167,914.49	9.16	80.43	186,580.43	167,994.92
Unallocated assets					32,575.58	36,027.19
Total assets	186,571.27	167,914.49	9.16	80.43	219,156.01	204,022.11
Segment liabilities	81,028.12	76,700.29	47.53	67.66	81,075.65	76,767.95
Unallocated liabilities					6,993.48	9,939.82
Total liabilities	81,028.12	76,700.29	47.53	67.66	88,069.13	86,707.77
Capital expenditure:						
Tangible assets (Unallocated)					2,135.64	518.55
Intangible assets (Including IAUD*) (Allocated)	16,381.71	15,732.34	-	-	16,381.71	15,732.34
Intangible assets (Unallocated)					47.77	14.25
Depreciation (Tangible) (Unallocated)					699.29	220.75
Amortisation (Allocated)	13,008.58	6,844.45	0.02	0.03	13,008.60	6,844.48
Capital employed	105,543.15	91,214.20	(38.37)	12.77	105,504.78	91,226.97
Capital employed (Unallocated)	-	-	-	-	25,582.10	26,087.37

* IAUD - Intangible Asset Under Development

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Notes

- (i) The business of the Company is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
- Agrochemicals – This is the main area of the Company's operation and includes the trading of agrochemical products.
 - Belts – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India.
 - Revenue outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).
- (v) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (vi) The Company does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Company's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue are based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated between within India and Outside India.

	March 31, 2020		March 31, 2019	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
India	-	10,777.65	-	7,019.70
Europe	83,043.48	37,709.49	76,295.54	38,646.71
LATAM	12,150.92	2,544.95	11,837.53	2,759.52
NAFTA	55,312.05	8,377.09	60,601.40	8,574.68
ROW	11,100.10	6,419.58	11,636.68	7,628.75
Total	161,606.55	65,828.76	160,371.15	64,629.36

* Non-current assets exclude financial instruments.

No customer individually accounted for more than 10% of the revenues in the years ended March 31, 2020 and March 31, 2019

32. Revenue from contracts with customer (Ind AS 115)

The Company is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world. The revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The Company, however, has a policy for replacement of the damaged goods.



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A) Reconciliation of revenue recognised from contract liability (Advance from customers)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Opening contract liability	558.56	305.71
Add: Addition to contract liability during the year	3,255.47	813.53
Less: Recognised as revenue during the year	(3,294.94)	(517.80)
Less: Other adjustments	(286.91)	(42.88)
Total	232.18	558.56

B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customer as per contract price	171,615.86	168,123.05
Less: Discounts and incentives	(3,532.85)	(1,693.35)
Less: Sales returns / credits / reversals	(6,822.31)	(6,253.48)
Less: Other adjustments	(18.13)	20.20
Total	161,242.57	160,196.42

C) Disaggregation of revenue from contract with customers

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Agrochemical		
Europe	82,844.22	76,202.55
Latin America	11,776.32	11,205.87
North America	55,179.55	60,534.62
Rest of the world	11,044.63	11,603.09
Total (A)	160,844.72	159,546.13
Belt		
Europe	-	8.94
Latin America	346.42	620.51
North America	20.96	-
Rest of the world	30.47	20.84
Total (B)	397.85	650.29
Total (A)+(B)	161,242.57	160,196.42

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D) Sales by performance obligations

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Agrochemical		
Upon shipment	160,844.72	159,546.13
Upon delivery	-	-
Total (A)	160,844.72	159,546.13
Belt		
Upon shipment	397.85	650.29
Upon delivery	-	-
Total (B)	397.85	650.29
Total (A)+(B)	161,242.57	160,196.42

33. Related party transactions

(A) Names of related parties and their relationship

(a) Name of subsidiaries

	Place of business/ country of incorporation	Ownership interest held by the Company	
		Year ended March 31, 2020 %	Year ended March 31, 2019 %
Axis Crop Science Private Limited	India	100.00	100.00
Nihon Agro Service Kabushiki Kaisha	Japan	100.00	100.00
Sharda Balkan Agrochemicals Limited	Greece	100.00	100.00
Sharda Costa Rica SA	Costa Rica	99.00	99.00
Sharda Poland SP. ZO.O.	Poland	100.00	100.00
Sharda Cropchem Espana, S.L.	Spain	100.00	100.00
Sharda De Guatemala, S.A.	Guatemala	98.00	98.00
Sharda Del Ecuador CIA. Ltda.	Ecuador	99.50	99.50
Sharda Do Brasil Comercio De Productos Quimicos E Agroquimicos LTDA	Brazil	99.00	99.00
Sharda Hellas Agrochemicals Limited	Greece	100.00	100.00
Sharda Hungary Kft	Hungary	100.00	100.00
Sharda International DMCC	Dubai	100.00	100.00
Sharda Cropchem Israel Limited	Israel	100.00	100.00
Sharda Italia SRL	Italy	99.00	99.00
Sharda Peru SAC	Peru	99.95	99.95
Sharda Polska SP. ZO.O.	Poland	100.00	100.00
Shardaserb DO.O.	Serbia	100.00	100.00
Sharda Spain, S.L.	Spain	100.00	100.00
Sharda Swiss SARL	Switzerland	100.00	100.00
Sharda Taiwan Limited	China	100.00	100.00



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	Place of business/ country of incorporation	Ownership interest held by the Company	
		Year ended March 31, 2020 %	Year ended March 31, 2019 %
Sharda Ukraine LLC	Ukraine	100.00	100.00
Sharda Cropchem Tunisia SARL	Tunisia	99.00	99.00
Shardacan Limited	Canada	100.00	100.00
Sharda USA LLC	USA	100.00	100.00
Sharzam Limited	Zambia	99.99	99.99
Sharda Morocco SARL	Morocco	99.80	99.80
Sharda Agrochem Dooel Skopje	Macedonia	100.00	100.00
Sharda Dominicana, S.R.L.	Dominican Republic	99.00	99.00
Sharda EL Salvador S.A. DE CV	El Salvador	99.00	99.00
Siddhivinayak International Limited	Dubai	100.00	100.00
Sharda Bolivia SRL	Bolivia	99.00	99.00
Sharda Colombia S.A.S.	Colombia	99.48	99.48
Sharda De Mexico S. De RL DE CV	Mexico	99.99	99.99
Sharda Europe BVBA	Dilbeek	100.00	100.00
Sharda International Africa (Pty) Ltd	Africa	100.00	100.00
Sharda Malaysia SDN. BHD.	Malaysia	100.00	100.00
Sharda Uruguay S.A. (upto 04.10.2018)	Uruguay	-	-
Sharpar S.A.	Colombia	90.00	90.00
Sharda Benelux BVBA	Dilbeek	100.00	100.00
Sharda Private (Thailand) Limited	Thailand	49.00	49.00
Euroazijski Pesticidi D.O.O.	Croatia	100.00	100.00

(b) Key Managerial personnel and their relatives

Mr. Ramprakash V. Bubna	Chairman & Managing Director
Mrs. Sharda R. Bubna	Whole-time Director
Mr. Ashish R. Bubna	Whole-time Director
Mr. Manish R. Bubna	Whole-time Director
Mrs. Seema A. Bubna	Wife of Whole-time Director
Mrs. Anisha M. Bubna	Wife of Whole-time Director
Mr. M.S. Sundara Rajan	Independent Director
Mr. P. R. Srinivasan	Independent Director (resigned effective 08.08.2019)
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Mrs. Urvashi Saxena	Independent Director (resigned effective 22.10.2018)
Ms. Sonal Desai	Independent Director (effective from 01.04.2019)
Mr. Conrad Fernandes	Chief Financial Officer (resigned effective 31.12.2018)
Mr. Ashish Lodha	Chief Financial Officer (resigned effective 22.10.2019)
Mr. Abhinav Agarwal	Chief Financial Officer (effective from 26.02.2020)
Mr. Jetkin N. Gudhka	Company Secretary

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(c) Enterprises owned or significantly influenced by key managerial personnel or their relatives

Jankidevi Bilasrai Bubna Trust

(B) Transactions during the year

(a) Key managerial personnel compensation:

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Short- term employee benefits	1,187.85	1,138.86
Post-employment benefits	1.85	(2.44)

(b) With subsidiaries:

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Repayment of principal: *		
Axis Crop Science Private Limited	20.37	138.13
Interest received: *		
Axis Crop Science Private Limited	26.69	38.81
Interest income / accrual:		
Axis Crop Science Private Limited	25.65	42.06
Sale of finished goods:		
Sharda Cropchem Espana, S.L.	10,077.87	6,423.39
Sharda Hungary Kft	6,014.43	5,512.03
Sharda De Mexico S. De RL DE CV	5,809.19	6,126.86
Sharda Poland SP.ZO.O	6,428.51	2,937.22
Sharda International Africa (PTY) Ltd	1,185.40	176.82
Sharda Colombia S.A.S	371.76	132.87
Sharda Italia SRL	4,737.03	1,435.73
Sharda Private (Thailand) Limited	344.08	379.18
Dividend received		
Sharda International DMCC	9,365.50	4,242.47
Purchase of finished goods:		
Sharda International DMCC	-	113.96
Sharda De Mexico S. De RL DE CV	104.44	70.39
Reimbursement of expenses:		
Sharda International DMCC	214.33	-

* Loans were given in accordance with the terms and conditions of the loan agreement and carry an interest rate of 8% p.a. and is repayable on demand.



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(c) With Key managerial personnel and their Relatives

	Year ended March 31, 2020	(INR Lakhs) Year ended March 31, 2019
Rent paid to:		
Mr. Ramprakash V. Bubna	270.00	270.00
Mrs. Sharda R. Bubna	-	135.00
Mr. Ashish R. Bubna	86.40	43.20
Mr. Manish R. Bubna	94.50	47.25
Mrs. Seema A. Bubna	89.10	44.55
Remuneration to Key Managerial Personnel		
Mr. Ramprakash V. Bubna	182.10	157.50
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	152.45	131.25
Mr. Manish R. Bubna	152.04	131.25
Mr. Conrad Fernandes	-	49.57
Mr. Ashish Lodha	24.13	12.26
Mr. Abhinav Agarwal	4.29	-
Mr. Jetkin N. Gudhka	17.85	15.66
Director's Sitting Fees		
Mr. M.S. Sundara Rajan	3.90	3.79
Mr. P. R. Srinivasan	0.90	2.41
Mr. Shitin Desai	3.60	3.75
Mr. Shobhan M. Thakore	1.50	2.07
Mrs. Urvashi Saxena	-	3.45
Ms. Sonal Desai	3.30	-
Directors' commission		
Mr. Ramprakash V. Bubna	267.09	261.27
Mr. Ashish R. Bubna	178.95	175.05
Mr. Manish R. Bubna	178.95	175.05
Dividend paid		
Mr. Ramprakash V. Bubna	843.16	562.11
Mrs. Sharda R. Bubna	843.16	562.11
Mr. Ashish R. Bubna	910.80	607.20
Mr. Manish R. Bubna	910.80	607.20
Mrs. Seema A. Bubna	270.00	180.00
Mrs. Anisha M. Bubna	270.00	180.00
Mr. Jetkin N. Gudhka	0.0054	0.0036
Loan taken from Directors		
Mr. Ramprakash V. Bubna	-	1,175.00
Mrs. Sharda R. Bubna	-	875.00
Mr. Ashish R. Bubna	-	400.00
Mr. Manish R. Bubna	-	450.00

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(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Loan repaid to Directors		
Mr. Ramprakash V. Bubna	-	6,935.00
Mrs. Sharda R. Bubna	-	5,785.00
Mr. Ashish R. Bubna	-	1,790.00
Mr. Manish R. Bubna	-	1,750.00
Interest on loan from Directors*		
Mr. Ramprakash V. Bubna	-	311.95
Mrs. Sharda R. Bubna	-	264.42
Mr. Ashish R. Bubna	-	78.83
Mr. Manish R. Bubna	-	77.20
Fixed deposits of directors released as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	-	203.34
Mrs. Sharda R. Bubna	-	1,891.77
Post-employment benefits:		
Mr. Ashish R. Bubna	0.79	0.35
Mr. Manish R. Bubna	0.55	0.18
Mr. Conrad Fernandes	-	(3.02)
Mr. Ashish Lodha	(0.12)	0.12
Mr. Abhinav Agarwal	0.07	-
Mr. Jetkin N. Gudhka	0.56	(0.07)

* Loans taken are short term unsecured and carries an interest rate 10% p.a.

(d) With Enterprises owned or significantly influenced by key managerial personnel or their relatives

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Donations Paid to:		
Jankidevi Bilasrai Bubna Trust	43.50	18.01

(C) Outstanding balance as at Balance Sheet date

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Loan given to subsidiaries		
Axis Crop Science Private Limited	318.88	340.29
Trade receivables		
Sharda De Mexico S. De RL DE CV - Sale of finished goods	4,596.02	5,223.35
Sharda Cropchem Espana, S. L.	4,209.42	1,959.87
Sharda Colombia S.A.S	375.78	410.92
Sharda Poland SP.ZO.O	4,327.82	3,285.04
Sharda Hungary KFT	3,938.14	2,331.16



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	Year ended March 31, 2020	(INR Lakhs) Year ended March 31, 2019
Sharda International Africa (PTY) Ltd	1,109.46	493.12
Sharda Italia SRL	5,030.45	864.28
Sharda Private (Thailand) Limited	112.99	36.01
Trade payables		
Sharda De Mexico S. De RL DE CV - Purchase of finished goods	-	68.42
Sharda International DMCC - Reimbursement of expenses	131.26	-
Director's commission payable		
Mr. Ramprakash V. Bubna	152.93	167.53
Mr. Ashish R. Bubna	102.46	112.24
Mr. Manish R. Bubna	102.46	112.24
Post-employment benefits:		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	10.42	9.63
Mr. Manish R. Bubna	9.91	9.36
Mr. Ashish Lodha	-	0.12
Mr. Abhinav Agarwal	0.07	-
Mr. Jetkin N. Gudhka	2.73	2.17

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions. The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Nature of instrument	Foreign currency	As at March 31, 2020		As at March 31, 2019	
		Amount (FC Mn.)	Amount (INR Lakhs)	Amount (FC Mn.)	Amount (INR Lakhs)
Forward contract- Sell	USD	-	-	4.48	3,445.16
	USD to INR	5.83	4,275.18		
	EUR	4.00	3,248.49	-	-
	EUR to INR	0.50	401.56		
	CAD	0.25	138.92	-	-
	GBP	-	-	0.10	100.85
Forward contract- Buy	CAD	0.25	126.74	-	-

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35. Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair level hierarchy.

As at March 31, 2020 (INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
Financial assets								
Financial assets measured at fair value								
Investment in mutual funds	March 31, 2020	11,553.49	-	-	-	11,553.49	-	11,553.49
Derivative financial assets	March 31, 2020	0.60	-	-	-	0.60	-	0.60
Total Financial Assets		11,554.09	-	-	-	11,554.09	-	11,554.09
Financial Liabilities								
Financial liabilities measured at fair value								
Lease liabilities (current and non-current portion)	March 31, 2020	-	-	1,709.35	-	-	-	-
Trade Creditors	March 31, 2020	238.10	-	-	-	-	238.10	238.10
Total Financial liabilities		238.10	-	1,709.35	-	-	238.10	238.10

As at March 31, 2019 (INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
Financial Assets								
Financial assets measured at fair value								
Investment in mutual funds	March 31, 2019	21,194.80	-	-	-	21,194.80	-	21,194.80
Derivative financial assets	March 31, 2019	159.28	-	-	-	159.28	-	159.28
Total Financial Assets		21,354.08	-	-	-	21,354.08	-	21,354.08
Financial liabilities measured at fair value								
Lease liabilities (current and non-current portion)	March 31, 2019	-	-	-	-	-	-	-
Trade Creditors	March 31, 2019	286.06	-	-	-	-	286.06	286.06
Total Financial liabilities		286.06	-	-	-	-	286.06	286.06

The management assessed that cash and cash equivalents, trade receivables, trade payables, buyers credit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Technique used to determine Fair Value:-

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments at fair value in the balance sheet.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Mutual Funds (Level2)	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as on the reporting date provided by respective Asset Management Companies. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Foreign Currency Forward Contracts (Level2)	The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Loans (Level2)	Fair value is derived based on discounted cash flows. The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable	Not applicable

36. Financial risk management objectives and policies

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

Market risk

The Company operates internationally and a major portion of its business is transacted in United States Dollars and Euros and purchases from overseas suppliers mainly in US Dollars. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (Refer note 34). The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Nature of instrument	Foreign currency	As at March 31, 2020		As at March 31, 2019	
		Amount (FC Mn.)	Amount (INR Lakhs)	Amount (FC Mn.)	Amount (INR Lakhs)
Unhedged currency exposure on:-					
a) Receivables	USD	41.53	31,390.68	35.97	24,858.07
	EUR	49.40	41,164.98	49.86	38,645.48
	HUF	1,561.93	3,617.90	862.41	2,091.86
	CZK	25.27	766.35	17.90	539.01
	PLN	29.26	5,343.33	19.93	3,603.37
	MXN	29.96	958.84	37.55	1,337.45
	GBP	1.12	1,050.25	-	-
	CAD	18.44	9,915.97	4.48	2,320.83
	COP	1,719.52	319.32	1,895.41	410.92
	ZAR	26.12	1,109.46	10.07	481.51
	HRK	1.29	140.04	-	-
b) Payables	USD	72.72	54,970.48	77.17	53,330.90
	EUR	15.08	12,563.60	19.15	14,844.79
	HUF	352.69	816.94	253.10	613.92
	CZK	5.90	179.00	5.12	154.10
	PLN	4.36	795.91	3.00	543.14
	CHF	0.01	10.32	-	0.94
	GBP	0.05	50.87	0.05	46.14
	PHP	0.22	3.22	0.08	1.06
	CAD	3.10	1,668.72	1.84	951.00
	ZAR	0.37	15.59	0.12	5.51
	JPY	18.05	126.97	19.06	118.90
	AUD	-	-	0.01	5.25
	MXN	0.17	5.47	0.20	7.15
	HRK	0.17	18.28		
b) Balance in EEFC Accounts	USD	0.57	432.41	0.85	588.72
	EUR	2.42	2,018.32	0.82	635.01
	CAD	0.06	29.97	0.02	11.48
	CZK	-	-	0.75	22.70
	PLN	1.10	201.18	0.00	0.07
	GBP	-	0.17	0.00	0.84

Further, the Company has not hedged its investments in subsidiaries outside India (For list of subsidiaries refer Note 5).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.



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	Change in USD Rate	Effect on profit and loss	Effect on equity
March 31, 2020	1%	(235.80)	(216.69)
March 31, 2019	-1%	235.80	216.69
March 31, 2020	1%	(284.73)	(189.30)
March 31, 2019	-1%	284.73	189.30

(INR Lakhs)

	Change in EUR Rate	Effect on profit and loss	Effect on equity
March 31, 2020	1%	286.01	262.84
March 31, 2019	-1%	(286.01)	(262.84)
March 31, 2020	1%	238.01	158.24
March 31, 2019	-1%	(238.01)	(158.24)

(INR Lakhs)

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 92,133.82 Lakhs and INR 73,936.33 Lakhs as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade Receivables

The company has established credit policy under which each new customer is analysed individually for credit worthiness before Company's standard payment terms (credit period ranges from 30 to 180 days) and delivery terms and conditions are offered. The Company review external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The following table represents ageing of trade receivables March 31, 2020:

(INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables (net)	346.17	91,787.65	92,133.82

The following table represents ageing of trade receivables March 31, 2019:

(INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables (net)	367.87	73,568.46	73,936.33

Movement in allowances for credit losses

(INR Lakhs)

	Opening	Addition	Reversal	Closing
March 31, 2020	487.33	1,627.37	265.41	1,849.29
March 31, 2019	-	487.33	-	487.33

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks, with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. Loans represent loan given to related parties & employees for which the company does not foresee any impairment loss

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Liquidity Risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach of managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation. The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables & other financial liabilities

As of March 31, 2020, the Company had a working capital of INR 73,556.66 lakhs including cash and cash equivalents of INR 3,020.64 lakhs and current investments of INR 11,553.49 lakhs. As of March 31, 2019, the Company had a working capital of INR 61,969.19 lakhs including cash and cash equivalents of INR 1,261.14 lakhs and current investments of INR 21,194.80 lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	(INR Lakhs)			Total
	Upto 1 year	1-2 years	More than 2 years	
Trade payables	64,353.56	18.26	219.84	64,591.66
Other financial liabilities	8,848.92	1,305.61	-	10,154.53

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	(INR Lakhs)			Total
	Upto 1 year	1-2 years	More than 2 years	
Trade payables	59,454.78	18.08	267.98	59,740.84
Other financial liabilities	10,391.02	31.01	-	10,422.03

37. Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The capital structure of the Company consists of net asset (lease liabilities offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

Particulars	(INR Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total debt (bank and other borrowings)	-	-
Lease Liabilities (non current and current)	1,709.35	-
Less: Liquid investments and bank deposits	18,915.91	28,080.36
	(17,206.56)	(28,080.36)
Equity	131,086.88	117,314.34
Debt to equity (net)	(0.13)	(0.24)

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38. Disclosure of loans and advances given to subsidiaries as per Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(INR Lakhs)

Name of subsidiary	2019-20		2018-19	
	Outstanding amount	Maximum amount outstanding during the year	Outstanding amount	Maximum amount outstanding during the year
Axis Crop Science Private Limited (Interest @ 8% p.a.(Previous year 8% p.a.))	318.88	340.29	340.29	615.50
Total	318.88		340.29	

Note:

- Loans given are unsecured and repayable on demand. Loans have been given to meet their working capital requirements.
- The Company has written off the loan given to the extent of INR Nil (March 31, 2019: INR 140.00 lakhs) due to the subsidiary's inability to repay the loan on account of accumulated losses and liquidity issue.

39. Disclosure pursuant to Section 186 of the Companies Act, 2013:
(a) Details of investment made:

(INR Lakhs)

Name of subsidiary	Opening	Purchase	Provision	Closing
Axis Crop Science Private Limited				
March 31, 2020	544.00	-	544.00	-
March 31, 2019	544.00	-	544.00	-

(b) Details of Loan given:

(INR Lakhs)

Name of subsidiary	Opening	Purchase	Provision	Closing
Axis Crop Science Private Limited				
March 31, 2020	340.29	25.65	47.06	318.88
March 31, 2019	615.50	42.06	317.27	340.29

* Includes write-off of INR Nil (March 31, 2019: INR 140 lakhs)

40. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Total outstanding dues of Micro and small enterprises, which are outstanding for more than the stipulated period are given below:		
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	-	26.25
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	-	-
Total	-	26.25

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(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
ii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iii) the amounts of interest accrued and remaining unpaid at the end of accounting year	-	-
iv) the amount of interest written back during the period as the same is not payable	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

41. Details of CSR expenditure

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
1) Gross amount required to be spent by the Company	573.10	573.48
2) Shortfall from previous year	-	121.68
Total	573.10	695.16
3) Amount spent		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 26)	555.91	695.97
Total	555.91	695.97
4) Amount unspent	17.19	-

Note:

- Gross amount required to be spent by the Company is INR 573.10 lakhs (March 31, 2019: INR 573.48 lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent INR 555.91 lakhs during the current year. The unspent amount of INR 17.19 lakhs (March 31, 2019: Nil) is yet to be spent by the Company.



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42. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Governments of various countries notified lockdown to contain the outbreak of COVID-19. Due to this, there have been several restrictions imposed by the Governments across the globe on the travel, goods movement and transportation considering public health and safety measures. However, the operations of the Company did not face any disruption. During this period, Company continued sales of its products and does not expect any material adverse impact at this point of time. The Company's business operation has been classified as an 'essential commodity'.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventories, trade receivables, property plant and equipment, intangible assets and intangible assets under development, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic. The Company has used internal and external information such as current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the data and based on current estimates, the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

43. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

44. Disclosure on Specified Bank Notes

The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

45. Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

46. Previous year comparative

The figures for the previous year have been regrouped / reclassified to correspond with the current year's classification / disclosures that include changes consequent to the issuance of "Guidance Note on Division II- Ind AS Schedule III to the Companies Act 2013".

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : June 24, 2020

For and on behalf of the Board of Directors of

Sharda Cropchem Limited

Ramprakash V. Bubna

Chairman & Managing Director

DIN 00136568

Abhinav Agarwal

Chief Financial Officer

Membership No.: 103986

Place : Mumbai

Date : June 24, 2020

Ashish R. Bubna

Whole-time Director

DIN 00945147

Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : June 24, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of
Sharda Cropchem Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sharda Cropchem Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (adjustment for sales return, rebates, discounts and incentives) (Refer note 2.9)

The Key Audit Matter	How the matter was addressed in our audit
<p>As disclosed in Note 2.9 to the consolidated financial statements, revenue is measured based on transaction price, which is the consideration, after deduction of estimated sales returns, rebates, discounts and incentives.</p>	<p>Our audit procedures included following:</p>
<p>Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Group.</p>	<ul style="list-style-type: none"> — Understanding the process followed by the Group to determine the amount of accrual of sales returns, rebates, discounts and incentives;
<p>The recognition and measurement of rebates, discounts and incentives involves significant judgement and estimates, particularly the expected level of claims of each of the customers. Assumption of level of customer wise claims for rebates, discounts and incentives relates to estimating which of the Group's customers will ultimately be subject to a related rebate, discount and / or incentive.</p>	<ul style="list-style-type: none"> — Assessing the accounting policies of the Group regarding accounting for sales returns, rebates, discounts and incentives as against the criteria given in the accounting standards; — Testing the Group's key internal controls related to the development of assumption of expected returns based on experience, of level of customer wise claims for rebates, discounts, incentives and related accruals;
<p>Evaluating the assumption of expected returns based on experience and level of customer wise claims for rebates, discounts and incentives underlying the estimate of accrual involves challenging auditor judgment. We identified the evaluation of accrual for sales returns, rebates, discounts and incentives as a key audit matter.</p>	<ul style="list-style-type: none"> — Testing the Group's process and key internal controls over the accrual of sales returns, rebates, discounts and incentives; — Selecting samples of revenue transactions and discount scheme. Rechecking accrual for rebates, discounts and incentives calculated in accordance with the eligibility criteria mentioned in the discount scheme; — Checking completeness and accuracy of the data used by the Group for accrual of sales returns, rebates, discounts and incentives and also checking the accrual for a selected sample of sales; — Examining historical trend of claims to assess the assumptions and judgements used by the Group in accrual of sales returns, rebates, discounts and incentives; and — Evaluating the Group's ability to accurately estimate the accrual for sales returns, rebates, discounts and incentives. Comparing historically recorded accruals to the actual amount of sales returns, rebates, discounts and incentives.

Impairment testing of other intangible assets and intangible assets under development (Refer note 2.12)

The Key Audit Matter	How the matter was addressed in our audit
<p>As disclosed in Note 2.12 to the consolidated financial statements, the Group's intangible assets comprised product registrations and licenses.</p>	<p>Our audit procedures included following:</p>
<p>The carrying amount of the intangible assets and intangible assets under development represents 23.41% of the Group's total assets.</p>	<ul style="list-style-type: none"> — Obtaining an understanding of the Group's process of determining likelihood of product registration, future benefits expected from each product registration using discounted future cash flows;
<p>The Group applies for product registrations in different countries to sell its products. As disclosed in Note 4 and 4A to the consolidated financial statements, the Group capitalizes costs incurred to apply for product registrations.</p>	<ul style="list-style-type: none"> — Involving valuation expert who assisted us to evaluate the model and assumptions used around the key drivers of the valuations. Assessing the cash generating unit's current year actual results in comparison with prior year forecasts to assess forecast accuracy;
<p>The impairment assessment is based on each product registrations value in use.</p>	<ul style="list-style-type: none"> — Comparing the Group's assessment with the past trend of product registrations awarded;
<p>The measurement of value of intangible assets involves significant judgments and estimates in the Group's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets as a key audit matter.</p>	<ul style="list-style-type: none"> — Assessing the Group's assumptions in the model, including growth rate, rate of discounting, in comparison to economic and industry forecast; and — Focusing on the adequacy of the Group's disclosures on key assumptions used for impairment testing of intangible assets and intangible assets under development.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the

Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



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accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets of Rs. 40,892 lakhs as at 31 March 2020, total revenues of Rs. 73,847 lakhs and net cash inflows amounting to Rs. 955 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

One of the aforesaid subsidiary (including ten step down subsidiaries) is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of twenty one subsidiaries whose financial statements reflect total assets of Rs. 33 lakhs as at 31 March 2020, total revenues of Rs. Nil and net cash flow amounting to Rs. 2 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the



CONSOLIDATED FINANCIAL STATEMENTS

best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group - Refer Note 32 to the consolidated financial statements.
- ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 37 to the consolidated financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

- C. With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of the subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No: 100060

UDIN : 20100060AAAABX4746

Mumbai

24 June 2020

Annexure A to the Independent Auditors' Report

31st March, 2020

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sharda Cropchem Limited ("hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiary company which is incorporated in India under the Companies Act, 2013 (the "Act") , as of that date.

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



CONSOLIDATED FINANCIAL STATEMENTS

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls

with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the subsidiary company which is incorporated in India, is based on the corresponding report of the auditors of such company which is incorporated in India.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No: 100060

UDIN : 20100060AAAABX4746

Mumbai

24 June 2020

CONSOLIDATED BALANCE SHEET

as at March 31, 2020

	Note	As at March 31, 2020	(INR Lakhs) As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3A & 3B	2,782.26	1,354.59
Goodwill	5	43.98	40.21
Other intangible assets	4	38,807.99	35,784.29
Intangible assets under development	4A	16,140.25	21,975.83
Financial assets			
Other financial assets	8	1,155.12	894.59
Deferred tax assets (net)	9D	391.76	545.92
Income tax assets (net)	9A	7,253.14	4,921.68
Total non-current assets		66,574.50	65,517.11
Current assets			
Inventories	10	38,223.72	36,494.21
Financial assets			
Investments	6	11,553.49	21,194.80
Trade receivables	11	98,939.44	81,138.55
Cash and cash equivalents	12	7,775.70	5,063.21
Bank balance other than cash and cash equivalents	12	7,568.48	7,302.05
Loans	7	0.03	0.09
Other financial assets	8	1,128.09	1,191.30
Other current assets	13	2,958.66	2,433.53
Total current assets		168,147.61	154,817.74
Total Assets		234,722.11	220,334.85
Equity and Liabilities			
Equity			
Equity share capital	14	9,022.05	9,022.05
Other equity	15	131,257.26	119,368.89
Equity attributable to equity holders of the Company		140,279.31	128,390.94
Non-controlling interests		26.40	23.84
Total equity		140,305.71	128,414.78
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	9.26	9.26
Trade payables	17	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		238.10	286.06
Other financial liabilities	18	1,305.61	138.65
Provisions	19	265.52	221.50
Deferred tax liabilities (net)	9E	6,930.42	9,099.54
Total non-current liabilities		8,748.91	9,755.01
Current liabilities			
Financial liabilities			
Trade payables	17	-	-
(A) total outstanding dues of micro enterprises and small enterprises		165.40	157.10
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		68,503.34	63,465.38
Other financial liabilities	18	8,972.14	10,395.15
Other current liabilities	20	5,435.45	6,074.47
Provisions	19	2,439.12	2,008.27
Income tax liabilities (net)	9B	152.04	64.69
Total current liabilities		85,667.49	82,165.06
Total Equity and Liabilities		234,722.11	220,334.85

The notes referred to above and other notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : June 24, 2020

**For and on behalf of the Board of Directors of
Sharda Cropchem Limited**

Ramprakash V. Bubna

Chairman & Managing Director

DIN 00136568

Abhinav Agarwal

Chief Financial Officer

Membership No.: 103986

Place : Mumbai

Date : June 24, 2020

Ashish R. Bubna

Whole-time Director

DIN 00945147

Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : June 24, 2020



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

	Note	Year ended March 31, 2020	(INR Lakhs) Year ended March 31, 2019
Income			
Revenue from operations	21	200,301.82	199,755.98
Other income	22	4,207.49	2,062.45
Total income		204,509.31	201,818.43
Expenses			
Cost of materials consumed	23	77,716.09	70,777.40
Purchase of stock in trade		60,714.78	62,466.02
Changes in inventories of finished goods and stock-in-trade	24	444.27	5,488.53
Employee benefits expense	25	3,489.74	3,347.32
Finance costs	26	191.72	839.14
Foreign exchange loss (net)		1,514.30	446.01
Depreciation and amortisation expense	27	13,712.28	9,939.38
Other expenses	28	28,239.20	25,012.13
Total expenses		186,022.38	178,315.93
Profit before tax		18,486.93	23,502.50
Tax expense			
Current tax	9C	4,162.88	4,733.24
Adjustment of tax relating to earlier years	9C	(128.45)	164.32
Deferred tax (credit) / charge	9C	(2,016.67)	970.61
Total tax expense		2,017.76	5,868.17
Profit for the year		16,469.17	17,634.33
Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(7.55)	14.45
Income tax relating to items that will not be reclassified to the statement of profit or loss		1.49	(3.37)
Items that will be reclassified to the statement of profit or loss			
Exchange differences on translation of financial statement of foreign operations		841.42	872.43
Total Other Comprehensive Income for the year (net of tax)		835.36	883.51
Total Comprehensive Income for the year		17,304.53	18,517.84
Profit for the year		16,469.17	17,634.33
Attributable to:			
Equity holders of the parent		16,466.24	17,634.30
Non-controlling interest		2.93	0.03
Total Comprehensive Income for the year		17,304.53	18,517.84
Attributable to:			
Equity holders of the parent		17,301.97	18,518.07
Non-controlling interest		2.56	(0.23)
Earnings per share (INR per share)			
Basic and diluted (Face value per share of INR 10 each)	29	18.25	19.55

The notes referred to above and other notes form an integral part of the financial statements.

As per our report of even date attached
For B S R & Associates LLP
 Chartered Accountants
 Firm Registration No. 116231W/W-100024

Shabbir Readymadewala
 Partner
 Membership No. 100060

Place : Mumbai
 Date : June 24, 2020

**For and on behalf of the Board of Directors of
 Sharda Cropchem Limited**

Ramprakash V. Bubna
 Chairman & Managing Director
 DIN 00136568

Abhinav Agarwal
 Chief Financial Officer
 Membership No.: 103986
 Place : Mumbai
 Date : June 24, 2020

Ashish R. Bubna
 Whole-time Director
 DIN 00945147

Jetkin Gudhka
 Company Secretary
 Membership No.: A26487
 Place : Mumbai
 Date : June 24, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	18,486.93	23,502.50
Adjustment to reconcile profit before tax to cash generated by operating activities:		
Depreciation and amortisation expense	13,712.28	9,939.38
Unrealised exchange loss (net)	1,477.12	491.47
Discard / Write-off of intangible assets and intangible assets under development	5,465.46	4,221.53
Discard /Write-off of property, plant and equipment	3.43	2.64
Gain on redemption of current investments	(758.62)	(128.79)
Fair valuation gain on current investments	(229.50)	(283.09)
Profit on sale of property, plant and equipment	(1.32)	(0.07)
Provision for gratuity	46.26	35.51
Bad debts	690.02	189.80
Allowances for doubtful debts	1,360.45	465.76
Loss on closure of subsidiary	-	5.38
Liabilities/ provisions no longer required written back	(1,166.35)	(637.68)
Liabilities of capital creditors no longer required written back	(504.77)	-
Finance costs	191.72	839.21
Interest income	(809.33)	(405.23)
Dividend income	(90.67)	(35.87)
Operating profit before working capital changes	37,873.11	38,202.45
Movements in working capital:		
(Increase)/decrease in trade receivables	(15,387.78)	4,506.50
(Increase)/decrease in inventories	(1,738.03)	16,557.64
Increase/(decrease) in loans	0.09	(0.09)
(Increase)/decrease in other assets	(371.67)	429.76
(Increase) in other financial assets	(197.32)	(164.05)
Increase in trade payables	1,096.52	3,211.32
Increase in provisions	421.06	710.25
(Decrease)/Increase in other financial liabilities and other liabilities	(817.10)	236.29
Cash generated from operations	20,878.88	63,690.07
Income taxes paid (net of refunds)	(6,249.37)	(8,076.42)
Net cash flows from operating activities (A)	14,629.51	55,613.65
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(40.89)	(518.56)
Purchase of intangible assets (including intangible assets under development and capital advances)	(17,558.16)	(13,784.95)
Proceeds from sale of plant, property and equipment	3.46	0.08
Purchase of current Investments	(22,693.16)	(39,977.07)
Proceeds from sale of current investments	33,322.59	21,401.09
Investment of bank deposits	(2,836.18)	(7,324.10)



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Redemption of bank deposits	2,568.08	3,954.53
Interest from fixed deposits	367.54	229.92
Dividends received from current investments	90.67	35.87
Net cash flows (used) in investing activities (B)	(6,776.05)	(35,983.19)
Cash flows from financing activities		
Proceeds from of borrowings	-	2,750.00
Repayment of borrowings	-	(19,638.00)
Repayment of principal towards lease liability	(386.31)	-
Interest paid on lease liability	(153.69)	-
Proceeds from issue of shares to non-controlling interest	-	0.06
Finance costs paid	(19.90)	(1,040.25)
Dividend paid on equity shares	(5,411.56)	(3,608.38)
Bank balances in dividend accounts	1.67	0.44
Net cash flows (used in) / from in financing activities (C)	(5,969.79)	(21,536.13)
Exchange difference arising on conversion debited to foreign currency translation reserve (D)	840.43	865.32
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	2,724.10	(1,040.35)
Cash and cash equivalents at the beginning of the year	5,063.21	6,121.96
Exchange differences on translation of foreign currency cash and cash equivalent	(11.61)	(18.40)
Cash and cash equivalents at the end of the year	7,775.70	5,063.21
Components of cash and cash equivalents		
Cash on hand	1.97	2.59
Cheques/ drafts on hand		
With banks	7,773.73	5,060.62
Total cash and cash equivalents as per the cash flow statement (Note 12)	7,775.70	5,063.21

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows, specified under Section 133 of the Companies Act, 2013.

The notes referred to above and other notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : June 24, 2020

**For and on behalf of the Board of Directors of
Sharda Cropchem Limited****Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

Abhinav Agarwal

Chief Financial Officer

Membership No.: 103986

Place : Mumbai

Date : June 24, 2020

Ashish R. Bubna

Whole-time Director

DIN 00945147

Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : June 24, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A. Equity share capital (Note 14)

	(INR Lakhs)
As at April 01, 2018	9,022.05
Changes in equity share capital	-
As at March 31, 2019	9,022.05
Changes in equity share capital	-
As at March 31, 2020	9,022.05

B. Other equity (Note 15)

	Attributable to owners of the Company						Total other equity	Non-controlling interests	Total
	Reserves and surplus			Other comprehensive income					
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserves (Note 15)	General reserve (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
Balance as at 1 April, 2018	2,168.55	98,547.89	1,581.11	664.94	1,501.57	(4.16)	104,459.90	24.01	104,483.91
Profit for the year		17,634.30		-			17,634.30	(0.23)	17,634.07
Other comprehensive income					872.43	11.08	883.51		883.51
Total Comprehensive Income	-	17,634.30	-	-	872.43	11.08	18,517.81	(0.23)	18,517.58
Payments of dividends		(3,608.82)					(3,608.82)		(3,608.82)
Non-controlling interests								0.06	0.06
As on March 31, 2019	2,168.55	112,573.37	1,581.11	664.94	2,374.00	6.92	119,368.89	23.84	119,392.73

	Attributable to owners of the Company						Total other equity	Non-controlling interests	Total
	Reserves and surplus			Other comprehensive income					
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserves (Note 15)	General reserve (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
Balance as at 1 April, 2019	2,168.55	112,573.37	1,581.11	664.94	2,374.00	6.92	119,368.89	23.84	119,392.73
Profit for the year		16,466.24					16,466.24	2.56	16,468.80
Other comprehensive income					841.42	(6.06)	835.36		835.36
Total Comprehensive Income	-	16,466.24	-	-	841.42	(6.06)	17,301.60	2.56	17,304.16
Payments of dividends		(5,413.23)					(5,413.23)		(5,413.23)
Non-controlling interests									-
As on March 31, 2020	2,168.55	123,626.38	1,581.11	664.94	3,215.42	0.86	131,257.26	26.40	131,283.66

The notes referred to above and other notes form an integral part of the financial statements.

As per our report of even date attached
For B S R & Associates LLP
 Chartered Accountants
 Firm Registration No. 116231W/W-100024

**For and on behalf of the Board of Directors of
 Sharda Cropchem Limited**

Shabbir Readymadewala
 Partner
 Membership No. 100060

Ramprakash V. Bubna
 Chairman & Managing Director
 DIN 00136568

Ashish R. Bubna
 Whole-time Director
 DIN 00945147

Place : Mumbai
 Date : June 24, 2020

Abhinav Agarwal
 Chief Financial Officer
 Membership No.: 103986
 Place : Mumbai
 Date : June 24, 2020

Jetkin Gudhka
 Company Secretary
 Membership No.: A26487
 Place : Mumbai
 Date : June 24, 2020

NOTES

to Consolidated Financial Statements for the year ended March 31, 2020

1. Corporate information

The consolidated financial statements comprise financial statements of Sharda Cropchem Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2020. The Company is a public limited company incorporated in India under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange and Bombay Stock Exchange.

The Group is principally engaged in export of agro-chemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world.

The registered office of the Holding Company is located at 2nd Floor, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.

2. Significant accounting policies

2.1 Statement of Compliance

These consolidated financial statements (hereinafter referred to as “financial statements”) are prepared in accordance with the Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (“the Act”), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (“SEBI”), as applicable.

The consolidated financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on June 24, 2020.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities

- (i) Derivative Financial Instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.3 Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All the figures have been rounded off to the nearest INR in lakhs, unless otherwise indicated.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the four elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent

with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss



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- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling Interest (NCI)

Non-controlling interest are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the group's equity interest in a subsidiary that does not result in a loss of control are accounted for as equity transaction.

The list of companies, controlled directly or indirectly by the Holding Company which are included in the consolidated financial statements are as under:

Sr. No.	Name	Country of incorporation	March 31, 2020	March 31, 2019
1	Axis Crop Science Private Limited	India	100.00%	100.00%
2	Nihon Agro Service Kabushiki Kaisha	Japan	100.00%	100.00%
3	Sharda Agrochem Doel Skopje*	Macedonia	100.00%	100.00%
4	Sharda Balkan Agrochemicals Limited *	Greece	100.00%	100.00%
5	Sharda Costa Rica SA	Costa Rica	99.00%	99.00%
6	Sharda Cropchem Espana, S.L.	Spain	100.00%	100.00%
7	Sharda Cropchem Israel Limited*	Israel	100.00%	100.00%
8	Sharda Cropchem Tunisia SARL*	Tunisia	99.00%	99.00%
9	Sharda De Guatemala, S.A.*	Guatemala	98.00%	98.00%
10	Sharda Del Ecuador CIA. LTDA*	Ecuador	99.50%	99.50%
11	Sharda Do Brasil Comercio DE Produtos Quimicos E Agroquimicos LTDA*	Brazil	99.00%	99.00%
12	Sharda Dominicana S.R.L.*	Dominican Republic	99.00%	99.00%
13	Sharda EL Salvador S. A. DE CV*	El Salvador	99.00%	99.00%
14	Sharda Hellas Agrochemicals Limited *	Greece	100.00%	100.00%
15	Sharda Hungary Kft	Hungary	100.00%	100.00%
16	Sharda International DMCC	U.A.E.	100.00%	100.00%
17	Sharda Italia SRL	Italy	99.00%	99.00%
18	Sharda Peru SAC*	Peru	99.95%	99.95%
19	Sharda Poland SP. ZO.O	Poland	100.00%	100.00%
20	Sharda Polska SP. ZO.O.*	Poland	100.00%	100.00%
21	Sharda Spain, S.L. *	Spain	100.00%	100.00%
22	Sharda Swiss SARL*	Switzerland	100.00%	100.00%
23	Sharda Taiwan Limited*	Taiwan	100.00%	100.00%
24	Sharda Ukraine LLC*	Ukraine	100.00%	100.00%
25	Sharda USA LLC *	USA	100.00%	100.00%
26	Shardacan Limited*	Canada	100.00%	100.00%
27	Sharda Morocco SARL*	Morocco	99.80%	99.80%
28	Shardaserb DO.O *	Serbia	100.00%	100.00%
29	Sharzam Limited*	Zambia	99.99%	99.99%
30	Euroazijski Pesticidi D.O.O.	Croatia	100.00%	100.00%

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Sr. No.	Name	Country of incorporation	March 31, 2020	March 31, 2019
31	Sharda Benelux BVBA*	Belgium	100.00%	100.00%
32	Sharda Bolivia SRL*	Bolivia	99.00%	99.00%
33	Sharda Colombia S.A.S.	Colombia	99.48%	99.48%
34	Sharda De Mexico S. DE RL DE CV	Mexico	99.99%	99.99%
35	Sharda Europe BVBA	Belgium	100.00%	100.00%
36	Sharda International Africa (PTY) Limited	South Africa	100.00%	100.00%
37	Sharda Malaysia SDN. BHD.	Malaysia	100.00%	100.00%
38	Sharpar S.A.*	Paraguay	90.00%	90.00%
39	Siddhivinayak International Limited	U.A.E.	100.00%	100.00%
40	Sharda Private (Thailand) Limited	Thailand	49.00%	49.00%

* The financial statements of these companies are drawn for and audited for the calendar year ended December 31, 2019 in compliance with respective local laws. All material adjustments for the effect of significant transactions or events occurred up to March 31, 2020, if any, have been given effect to in preparation of these consolidated financial statements by the management.

The financial statements of all other entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31, 2020.

** During the year ended March 31, 2018 the Company entered into a Memorandum of Understanding ('MOU') with other shareholders of Sharda Private (Thailand) Limited (an Associate Company). In terms of the said MOU dated November 10, 2017 the Company has gained 100% control over Sharda Private (Thailand) Limited as the other shareholders shall not be entitled to participate in the profits/losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company w. e. f November 10, 2017 in the consolidated financial results of the Company for the year ended March 31, 2018 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110 i.e. Consolidated Financial Statements.

2.5 Goodwill on consolidation

Goodwill represents the difference between the company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising out of consolidation of financial statements of subsidiaries are tested for impairment at each reporting date.

- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets

All other assets are classified as non-current.

2.6 Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the balance sheet date; or

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- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liabilities.

2.7 Foreign currency translation

Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or expenses in the year in which they arise.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction

dates, in which case income and expenses are translated at the dates of the transactions), and

- All resulting exchange differences are recognised in other comprehensive income.

2.8 Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Fair value changes are recognized in the statement of profit and loss and are included in Foreign exchange (gain) / loss.

2.9 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment / dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, cash discounts, volume discounts, rebates, scheme allowances, incentives and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/ incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Group has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Group had adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April 2018). Impact on adoption of Ind AS 115 was not material.

Interest income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividends

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Export Incentives

An export incentive (i.e. Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Export Import Policy) is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty to its receipt.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing

the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after 1 April 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative tax

Minimum Alternative tax ("MAT") under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability and hence is grouped with Deferred Tax Asset. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.11 Property, Plant and Equipment ("PPE") and Depreciation

Recognition and measurement

On adoption of Ind AS, the Group retained the carrying value for all of its property, plant and equipment as recognised in the Consolidated financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes taxes, duties, freight, interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets and other incidental expenses which are required to bring the asset in the condition for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Upto 31st March, 2019, assets held under operating leases were depreciated over their expected useful lives on the same basis as owned assets. However, when there was no reasonable certainty that ownership will be obtained by the end of the lease

term, assets were depreciated over the shorter of the lease term and useful lives. With effect from 1st April, 2019, leases are accounted as per IND AS 116 Leases as set out in para 2.15.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the Consolidated financial statements.

(a) Depreciation and amortization

Depreciation is provided after impairment, if any, using the straight-line method as per the useful lives of the assets estimated by the management, or at rates prescribed under Schedule II of the Companies Act 2013. The Group has used the following rates to provide depreciation on its property, plant and equipment.

Asset class	Estimated useful life
Computers	3 years
Furniture and Fixtures	10 years
Office equipment	5 years
Motor cars	8 years
Leasehold improvements	6 years
Electrical installations	6 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.12 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated

amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life are considered to modify the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and Development costs, Product Registration and Licences

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Group and the Group has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management and revised to

actual amounts on conclusion of agreements.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Years
Computer software	4 Years
Product Registration and Licences	5 Years

2.13 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal, and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

2.14 Leases

Policy applicable before 1st April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Lease rentals in respect of assets acquired on operating lease are charged off to the Statement of profit and loss on a straight-line basis over the lease term. Lease term is the non-cancellable period of the lease, together with any further periods for which the Group has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the Group will exercise.

Policy applicable after 1st April 2019

The Group has adopted Ind AS 116 effective from 1st April 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31st March 2020.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the

contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments;

The lease liability is measured at amortized cost using the effective interest method.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases

of similar assets in similar economic environment with a similar end date.

The Group's leases mainly comprise office buildings. The Group leases buildings for office purpose.

2.15 Inventories

Inventories include raw materials, traded goods and finished goods. Inventory is valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item to item basis.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis as per individual location which is done on specific identification of batches.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective and unserviceable inventories are duly provided for in the financial statements.

2.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources

or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.18 Employee benefit expenses

Employee benefits consist of contribution to provident fund, gratuity fund and compensated absences.

Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Group operates defined benefit plans - gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Consolidated Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits which is determined at each balance sheet date based on arithmetical calculation.

2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred

to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Investments in subsidiaries and associates are carried at cost. All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives

designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability

are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.20 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

2.22 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Inter segment sales and transfers are reflected at market prices.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Unallocable items include general corporate income and expense items which are not allocated to any business segment.

2A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other

claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are considered as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables. The provision matrix is based on its historically

observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non- financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular,

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whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Group's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Group to be reliable estimate of future sales returns.

Changes in significant accounting policies

The Group has applied Ind AS 116 Leases using the modified retrospective approach (for

all leases other than short-term leases and leases of low-value assets). Due to transition method chosen by the Group in applying this standard, comparative information throughout these consolidated financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

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3. Property, plant and equipment
3A. Owned assets

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	(INR Lakhs) Total
Cost								
At April 01, 2018	206.42	503.19	48.50	42.21	9.42	347.08	131.88	1,288.70
Additions	74.74	221.81	-	4.55	-	150.07	67.39	518.56
Disposals	(0.58)	-	-	-	(3.70)	-	-	(4.28)
Adjustments	-	-	-	-	-	-	-	-
Translation exchange difference	3.08	4.46	-	(0.13)	-	-	-	7.41
At March 31, 2019	283.66	729.46	48.50	46.63	5.72	497.15	199.27	1,810.39
Accumulated depreciation								
At April 01, 2018	49.57	79.17	6.92	29.57	2.23	38.51	14.63	220.60
Depreciation charge during the year	49.37	68.23	7.86	7.45	0.67	72.37	28.50	234.45
Disposals	(0.57)	-	-	-	(1.07)	-	-	(1.64)
Adjustments	-	-	-	-	-	-	-	-
Translation exchange difference	1.43	1.12	-	(0.16)	-	-	-	2.39
At March 31, 2019	99.80	148.52	14.78	36.86	1.83	110.88	43.13	455.80
Net carrying value								
At April 01, 2018	156.85	424.02	41.58	12.64	7.19	308.57	117.25	1,068.10
At March 31, 2019	183.86	580.94	33.72	9.77	3.89	386.27	156.14	1,354.59

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	(INR Lakhs) Total
Cost								
At 01 April, 2019	283.66	729.46	48.50	46.63	5.72	497.15	199.27	1,810.39
Additions	0.21	-	28.15	12.53	-	-	-	40.89
Disposals	-	-	(18.73)	(1.70)	-	-	-	(20.43)
Adjustments	-	-	-	-	-	-	-	-
Translation exchange difference	0.03	0.28	-	(0.73)	-	-	-	(0.42)
At March 31, 2020	283.90	729.74	57.92	56.73	5.72	497.15	199.27	1,830.43
Accumulated depreciation								
At 01 April, 2019	99.80	148.52	14.78	36.86	1.83	110.88	43.13	455.80
Depreciation charge during the year	51.13	69.42	8.27	8.54	0.46	82.86	33.21	253.89
Disposals	-	-	(16.59)	(1.70)	-	-	-	(18.29)
Adjustments	-	-	-	-	3.43	-	-	3.43
Translation exchange difference	(0.35)	0.50	-	(0.63)	-	-	-	(0.48)
At March 31, 2020	150.58	218.44	6.46	43.07	5.72	193.74	76.34	694.35
Net carrying value								
At 01 April, 2019	183.86	580.94	33.72	9.77	3.89	386.27	156.14	1,354.59
At March 31, 2020	133.32	511.30	51.46	13.66	-	303.41	122.93	1,136.08

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3B. Leased assets

(INR Lakhs)

	Leasehold Premises
Cost	
At April 01, 2019	-
Additions on account of transition to Ind AS - April 01, 2019	2,095.65
Additions	-
Disposals	-
At March 31, 2020	2,095.65
Accumulated depreciation	
At April 01, 2019	-
Depreciation charge during the year	449.47
Disposals	-
At March 31, 2020	449.47
Net carrying value	
At April 01, 2019	-
At March 31, 2020	1,646.18

Notes:

- The Group has adopted Ind AS 116 effective April 01, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 01, 2019), if any. Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of INR 2,095.65 lakhs and a corresponding lease liability of INR 2,095.65 lakhs.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 8.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.



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4. Intangible assets

			(INR Lakhs)
	Computer Software	Product Registration and Licences	Total
Cost			
At April 01, 2018	60.64	36,547.69	36,608.33
Additions *	-	24,690.48	24,690.48
Disposals *	-	(998.17)	(998.17)
Translation exchange difference	0.08	-	0.08
At March 31, 2019	60.72	60,240.00	60,300.72
Accumulated amortisation			
At April 01, 2018	42.37	15,044.25	15,086.62
Amortisation during the year	8.82	9,696.11	9,704.93
Disposals *	-	(275.20)	(275.20)
Translation exchange difference	0.08	-	0.08
At March 31, 2019	51.27	24,465.16	24,516.43
Net carrying value			
At April 01, 2018	18.27	21,503.44	21,521.71
At March 31, 2019	9.45	35,774.84	35,784.29

			(INR Lakhs)
	Computer Software	Product Registration and Licences	Total
Cost			
At 01 April, 2019	60.72	60,240.00	60,300.72
Additions *	47.46	16,546.30	16,593.76
Disposals *	-	(1,147.82)	(1,147.82)
Translation exchange difference	(0.05)	-	(0.05)
At 31 March, 2020	108.13	75,638.48	75,746.61
Accumulated amortisation			
At 01 April, 2019	51.27	24,465.16	24,516.43
Amortisation during the year	9.21	12,999.71	13,008.92
Disposals	-	(586.52)	(586.52)
Translation exchange difference	(0.21)	-	(0.21)
At 31 March, 2020	60.27	36,878.35	36,938.62
Net carrying value			
At 01 April, 2019	9.45	35,774.84	35,784.29
At 31 March, 2020	47.86	38,760.13	38,807.99

* The data compensation elements of product registration are initially capitalised based on management estimates. The Gross Block of product registration and licenses have been reduced as an outcome of negotiations/arbitration with contracting parties by INR 460.07 Lakhs (March 31, 2019 : INR 203.10 Lakhs)

The Group has written off certain assets during the current year having net written down value of INR 160.44 lakhs (March 31, 2019: INR 224.55 lakhs) based on internal assessment.

4A. Intangible assets under development

Intangible assets under development generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

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5. Goodwill

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Carrying value at the beginning of the year	40.21	39.67
Elimination of goodwill on account of closure of subsidiary	-	(1.86)
Foreign currency exchange gain / (loss)	3.77	2.40
Carrying value at the end of the year	43.98	40.21

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

6. Current investment

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Investment carried at fair value through profit or loss (FVTPL)		
Investments in mutual funds units (Unquoted)		
-Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan Nil (March 31, 2019: 3,60,147) units of INR 100 each	-	1,076.86
-Aditya Birla Sun Life Arbitrage Fund - Dividend - Regular Fund 30,54,567 (March 31, 2019: 47,28,607) units of INR 10 each	328.56	506.77
-Axis Banking & PSU Debt Fund 50,067 (March 31, 2019: 64,363) units of INR 1,000 each	956.96	1,124.86
Axis Treasury Advantage Fund- Growth 31,172 (31st March 2019: Nil) units of INR 1,000 each	703.15	-
-DSP Liquidity Fund - Regular Plan- Growth Nil (March 31, 2019: 47,065) units of INR 1,000 each	-	1,251.26
-DSP Corporate Bond Fund Growth 70,48,697 (March 31, 2019: 66,69,070) units of INR 10 each	830.84	716.69
-DSP Banking and PSU Debt Fund- Reg-Growth 41,95,404 (March 31, 2019: 32,20,446) units of INR 10 each	727.52	508.16
-DSP Saving Fund - Regular Plan - Growth Nil (March 31, 2019: 6,84,436) units of INR 100 each	-	250.89
-DSP Low Duration Fund - Regular Plan - Growth 27,65,491 (March 31, 2019: Nil) units of INR 10 each	405.48	-
-HDFC Liquid Fund - Regular Plan - Growth Nil (March 31, 2019: 34,744) units of INR 1000 each	-	1,271.73
-HDFC Ultra Short Term Fund-Regular Growth 22,59,918 (March 31, 2019: Nil) units of INR 10 each	253.24	-
-HDFC Corporate Bond Fund - Regular Growth 38,67,605 (March 31, 2019: 49,13,680) units of INR 10 each	886.22	1,022.56



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	As at March 31, 2020	(INR Lakhs) As at March 31, 2019
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 35,39,859 (March 31, 2019: 79,93,005) units of INR 10 each	737.21	1,526.69
-ICICI Prudential Liquid - Regular - Growth Nil (March 31, 2019: 2,94,347) units of INR 100 each	-	810.69
-ICICI Prudential Equity Arbitrage Fund - Dividend 24,05,582 (March 31, 2019: 37,26,675) units of INR 10 each	328.93	507.60
-IDFC Cash Fund - Growth - (Regular Plan) Nil (March 31, 2019: 36,624) units of INR 1,000 each	-	826.77
-IDFC Banking & PSU Debt Fund - Regular 34,87,045 (March 31, 2019: 70,39,878) units of INR 10 each	618.71	1,131.92
-IDFC Corporate Bond Fund Regular Plan - Growth 57,27,541 (March 31, 2019: 1,43,81,465) units of INR 10 each	789.33	1,831.09
-IDFC Ultra Short Term Fund Regular Plan - Growth 35,58,645 (March 31, 2019: 77,00,441) units of INR 10 each	404.77	815.55
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) 40,66,201 (March 31, 2019: 47,44,265) units of INR 10 each	434.76	508.03
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 12,00,788 (March 31, 2019: 24,11,114) units of INR 10 each	560.97	1,018.84
Kotak Corporate Bond Fund Standard Growth (Regular Plan) 15,397 (March 31, 2019: Nil) units of INR 1000 each	414.33	-
-Kotak Liquid Regular Plan Growth Nil (March 31, 2019: 32,898) units of INR 1,000 each	-	1,241.14
-Reliance Arbitrage Fund - Dividend Plan Reinvestment 43,49,154 (March 31, 2019: 41,65,849) units of INR 10 each	536.66	508.04
-Reliance Liquid Fund - Growth Plan - Growth Option Nil (March 31, 2019: 16,766) units of INR 1,000 each	-	761.04
-SBI Liquid Fund - Regular Growth Nil (March 31, 2019: 48,980) units of INR 1,000 each	-	1,428.44
-SBI Banking & PSU Fund - Regular Growth 28,984 (March 31, 2019: Nil) units of INR 1,000 each	661.01	-
-SBI Corporate Bond Fund - Regular Plan Growth 35,84,808 (March 31, 2019: Nil) units of INR 10 each	402.18	-
-Union Focused Regular Plan- Growth Option 29,99,990 (March 31, 2019: Nil) units of INR 10 each	254.40	-
-Union Large and Midcap Fund 14,99,990 (March 31, 2019: Nil) units of INR 10 each	113.40	-
-Union KBC Dynamic Bond Fund - Growth Nil (March 31, 2019: 50,995) units of INR 10 each	-	8.08

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(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
-Union Corporate Bond Fund - Regular Plan Growth 18,38,742 (March 31, 2019: Nil) units of INR 10 each	204.86	-
-Union Value Discovery Fund - Regular Growth Nil (March 31, 2019: 10,00,000) units of INR 10 each	-	106.60
-Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth Nil (March 31, 2019: 2,50,000) units of INR 10 each	-	28.70
-Union Arbitrage Fund Regular Plan Growth Nil (March 31, 2019: 30,01,141) units of INR 10 each	-	301.90
-Union Equity Savings Fund Growth - Regular Plan Nil (March 31, 2019: 9,99,990) units of INR 10 each	-	103.90
Total	11,553.49	21,194.80

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Aggregate amount of unquoted investments	11,553.49	21,194.80
Investment carried at fair value through profit or loss (FVTPL)	11,553.49	21,194.80

7. Loans

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good (carried at cost)		
Other loans		
Loans to employees	0.03	0.09
Total	0.03	0.09

8. Other Financial Assets

Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Goods and service tax receivable	165.72	168.72
Statutory dues receivable from government authorities	673.61	469.54
Export incentive receivable	293.99	235.91
Security deposit	21.80	20.42
Total	1,155.12	894.59

CONSOLIDATED FINANCIAL STATEMENTS

Current

	As at March 31, 2020	As at March 31, 2019
		(INR Lakhs)
Unsecured, considered good		
Derivative instrument - foreign currency forward contracts (refer note 37)	33.32	164.05
Goods and service tax receivable	992.61	823.68
Statutory dues receivable from government authorities	31.38	69.77
Export incentive and other receivables	70.78	133.80
Total	1,128.09	1,191.30

9A. Income tax assets (net)

	As at March 31, 2020	As at March 31, 2019
		(INR Lakhs)
Advance tax [Net of provision for income tax of INR 35,186.92 Lakhs (March 31, 2019: INR 31,184.74 Lakhs)]	7,253.14	4,921.68
Total	7,253.14	4,921.68

9B. Income tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019
		(INR Lakhs)
Other provisions		
Provision for income tax [Net of advance tax Rs. 16.36 Lakhs (March 31, 2019: NIL Lakhs)]	152.04	64.69
Total	152.04	64.69

9C. Income taxes

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Income tax expenses in the statement of profit and loss comprises of

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Current income tax:		
Current income tax charge	4,162.88	4,733.24
Adjustments in respect of current income tax of previous year	(128.45)	164.32
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,539.51)	970.61
On account of new tax rate	3,522.84	-
Income tax expense reported in the statement of profit and loss	2,017.76	5,868.17

CONSOLIDATED FINANCIAL STATEMENTS

Income tax (expense)/benefit recognized in OCI

Deferred tax relating to items recognised in OCI during the year:

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Net (gain)/loss on remeasurement of defined employee benefit plans	1.49	(3.37)
Total	1.49	(3.37)

Reconciliation of Effective Tax Rate (ETR)

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit from operations before income taxes	18,486.93	23,502.50
Tax @34.944% (March 31, 2019: 34.944%) (Indian statutory income tax rate)	6,460.07	8,212.71
Tax effect on income not taxable for tax purposes:		
On account of new tax rate	3,522.84	-
Profit taxable at higher/ lower/ nil tax rates in certain jurisdictions (net)	615.69	1,339.39
Deferred tax liabilities on undistributed profits	-	1,601.30
Others	439.44	20.56
	4,577.97	2,961.25
Tax effect on non-deductible expenses for tax purposes:		
Interest on Income Tax	0.61	16.91
Corporate social responsibility (CSR) expenditure	100.02	128.26
Others	161.99	310.59
	262.62	455.76
Income tax expense	2,144.72	5,707.22

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

9D. Deferred tax assets (net)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Temporary difference related to profit on stock reserves	369.26	535.00
Other	22.50	10.92
Gross deferred tax assets	391.76	545.92
Deferred tax liabilities		
Others	-	-
Gross deferred tax liabilities	-	-
Net deferred tax assets	391.76	545.92

CONSOLIDATED FINANCIAL STATEMENTS
9E. Deferred tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Deferred tax assets		
Provision for gratuity	66.44	78.03
Provision for investment in subsidiary	124.47	190.10
Others	8.53	18.77
Lease liability	430.21	-
Provision for doubtful debts	465.43	-
Unrealised gain/ loss on investment carried at fair value through statement of profit and loss	87.95	-
Gain / loss on derivatives (Foreign currency forward contracts)	50.44	-
Minimum Alternate Tax (MAT) credit	1,853.88	2,929.06
Gross deferred tax assets	3,087.35	3,215.96
Deferred tax liabilities		
Tangible and intangible assets	9,603.46	12,315.23
Undistributed profit (Refer note b)	-	-
Lease assets	414.31	-
Others	-	0.27
Gross deferred tax liabilities	10,017.77	12,315.50
Net deferred tax liabilities	(6,930.42)	(9,099.54)

Note :

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions / conditions defined in the said section. The Company is continuing to provide for income tax at the old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed net deferred tax liability of INR 3,522.84 lakhs.

In respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences. Deferred tax benefits are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realised.

Deferred tax on distributed profits:

The deferred tax liability on undistributed earnings of subsidiaries was not recognised because the Company controls the dividend policy of its subsidiaries i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

The gross movement in the deferred tax for the year ended March 31, 2020 and March 31, 2019

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Net deferred tax liabilities at the beginning	(8,553.62)	(7,580.62)
Credit / (charge) relating to temporary difference	(1,506.15)	(970.60)
Temporary difference on other comprehensive income	1.49	(3.37)
On account of new tax rate	3,522.84	-
Translation difference	(3.22)	0.97
Net deferred tax liabilities at the end	(6,538.66)	(8,553.62)

CONSOLIDATED FINANCIAL STATEMENTS

10. Inventories (valued at lower of cost and net realisable value)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Raw materials including packing materials [Stock in transit INR 3,658.40 Lakhs (March 31, 2019 INR 2,953.55 Lakhs)]	15,967.65	13,465.31
Finished Goods [Stock in transit INR 2,169.30 Lakhs (March 31, 2019: INR 1,667.21 Lakhs)]	18,942.85	18,606.34
Stock in trade [Stock in transit INR 94.27 Lakhs (March 31, 2019: Nil)]	3,313.22	4,422.56
Total	38,223.72	36,494.21

Note:

- a) Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is INR 158.94 Lakhs (March 31, 2019 INR 428.08 Lakhs).
- b) The products of the Group are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Group does not foresee any diminution in the net realizable value of inventories as at March 31, 2020 due to COVID -19.

11. Trade receivables

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	98,939.44	81,138.55
Significant increase in credit risk	2,634.46	1,246.06
Total	101,573.90	82,384.61
Less: - Allowances for credit losses	(2,634.46)	(1,246.06)
Total	98,939.44	81,138.55

For explanations on the Company's credit risk management process, refer note 38.

12. Cash and bank balances

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with banks		
- in current accounts	7,773.73	5,060.62
Cash on hand	1.97	2.59
	7,775.70	5,063.21
Other bank balances		
In fixed deposit accounts		
- with original maturity of more than three months but less than twelve months *	7,563.05	7,298.29
- with original maturity of more than 12 months	0.15	0.15
In earmarked accounts		
- Unpaid dividend accounts	5.28	3.61
	7,568.48	7,302.05
Total	15,344.18	12,365.26

* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 7,357.14 lakhs (March 31, 2019: INR 6,881.95 lakhs) for avilment of working capital facilities in the form of Letters of Credit and Bank Guarantees for the Company.

CONSOLIDATED FINANCIAL STATEMENTS
13. Other assets
Current (Unsecured, considered good)

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance to vendors for supply of goods and services	881.65	782.75
Right of recoveries against expected sales return	1,593.19	1,254.00
Prepaid expenses	281.50	313.34
Interest accrued on fixed deposits with bank *	202.32	83.44
Total	2,958.66	2,433.53

* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 199.57 lakhs (March 31, 2019: INR 76.26 lakhs) for avilment of working capital facilities in the form of Letters of Credit and Bank Guarantees for the Company.

14. Equity share capital

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
10,50,00,000 (March 31, 2019: 10,50,00,000) equity shares of INR 10/- each	10,500.00	10,500.00
Issued, subscribed and fully paid-up		
9,02,20,495 (March 31, 2019: 9,02,20,495) equity shares of INR 10/- each	9,022.05	9,022.05

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year
Equity shares

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	INR Lakhs	No. of Shares	INR Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
Outstanding at the end of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05

(b) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

CONSOLIDATED FINANCIAL STATEMENTS

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr. Ramprakash V. Bubna	14,052,686	15.58%	14,052,686	15.58%
Mrs. Sharda R. Bubna	14,061,532	15.59%	14,052,685	15.58%
Mr. Ashish R. Bubna*	15,180,000	16.83%	15,180,000	16.83%
Mr. Manish R. Bubna**	15,180,000	16.83%	15,180,000	16.83%
HDFC Small Cap Fund	8,333,807	9.24%	8,031,425	8.90%
Total	66,808,025	74.07%	66,496,796	73.72%

* Shareholding includes 10 Equity shares held jointly by Mr. Ashish R. Bubna and Mrs. Seema A. Bubna, with Mr. Ashish R. Bubna as the first holder.

** Shareholding includes 10 Equity shares held jointly by Mr. Manish R. Bubna and Mrs. Anisha M. Bubna, with Mr. Manish R. Bubna as the first holder.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) In the period of five years, immediately preceding March 31, 2020

The Company has not allotted any equity shares as fully paid up without payment being received in cash or bonus shares or bought back any equity shares.

(e) Distribution made and proposed

	(INR Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash dividends on equity shares declared:		
Interim dividend on equity shares (For the year ended March 31, 2020 INR 4.00 (March 31, 2019: INR 2.00) per share)	3,608.82	1,804.41
Proposed dividends on Equity shares:		
Final cash dividend for the year ended March 31, 2020: Nil (March 31, 2019: INR 2.00 per share)	-	1,804.41
Cash dividends on equity shares distributed and paid :		
Interim Dividend on equity shares (For the year ended March 31, 2020 INR 4.00 (March 31, 2019: INR 2.00) per share)	3,608.82	1,804.41
Final Dividend on equity shares (For the year ended March 31, 2019 INR 2.00 (March 31, 2018: INR 2.00) per share)	1,804.41	1,804.41

15. Other equity

	(INR Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital reserve		
Balance at the beginning of the year	1,581.11	1,581.11
Balance at the end of the year	1,581.11	1,581.11



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	As at March 31, 2020	As at March 31, 2019
(INR Lakhs)		
Securities premium		
Balance at the beginning of the year	2,168.55	2,168.55
Balance at the end of the year	2,168.55	2,168.55
General reserve		
Balance at the beginning of the year	664.94	664.94
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Balance at the end of the year	664.94	664.94
Foreign currency translation reserve		
Balance at the beginning of the year	2,374.00	1,501.57
Add: Foreign currency translation reserve for the year	841.42	872.43
Balance at the end of the year	3,215.42	2,374.00
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	112,580.29	98,543.73
Add: Profit for the year	16,466.24	17,634.30
Add: Other comprehensive income	(6.06)	11.08
Less: Payment of dividends	5,413.23	3,608.82
Balance at the end of the year	123,627.24	112,580.29
Total	131,257.26	119,368.89

Capital Reserve -

The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

Securities Premium -

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this for buy-back of shares.

General Reserve -

General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

16. Borrowings (carried at cost)**Non-current**

	As at March 31, 2020	As at March 31, 2019
(INR Lakhs)		
Others (Unsecured) *	9.26	9.26
Total	9.26	9.26

* The above loan is repayable on demand and carries an interest rate of 8% p.a.

CONSOLIDATED FINANCIAL STATEMENTS

17. Trade payables

Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises * (refer note 40)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	238.10	286.06
Total	238.10	286.06

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises * (refer note 40)	165.40	157.10
Total outstanding dues of creditors other than micro enterprises and small enterprises *	68,503.34	63,465.38
Total	68,668.74	63,622.48

* The Company has received intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure as required under the Act has been made.

18. Other financial liabilities

Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Security deposits	14.63	14.63
Lease liabilities	1,290.98	-
Creditors for Capital purchases	-	124.02
Total	1,305.61	138.65

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unclaimed dividend *	5.28	3.61
Lease liabilities	418.37	-
Interest accrued and due on borrowings	0.14	0.16
Creditors for capital purchases	7,772.39	9,625.59
Directors' commission	357.85	392.01
Salaries and bonus	316.33	283.88
Others	101.78	89.90
Total	8,972.14	10,395.15

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as March 31, 2020 (March 31, 2019: Nil).

CONSOLIDATED FINANCIAL STATEMENTS

19. Provisions
Non-current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (refer note 30)	265.52	221.50
Total	265.52	221.50

Current

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (refer note 30)	36.27	32.58
Provision for compensated absences	41.03	37.05
Expected return from customers	2,357.72	1,938.64
Others	4.10	-
Total	2,439.12	2,008.27

20. Other Current liabilities

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance from customers (refer note 34)	731.07	864.78
Provision for reward scheme	558.62	377.97
Book overdraft	-	747.78
Deposit taken	13.71	13.40
Provision For Discount On Sales	242.06	178.00
Incentive Payable On Sales	487.95	347.59
'Sales Promotion Payable	48.21	231.57
Promotional schemes	42.09	15.19
Statutory liabilities (including provident fund, tax deducted at source and others)	3,307.73	3,295.07
Others	4.01	3.12
Total	5,435.45	6,074.47

CONSOLIDATED FINANCIAL STATEMENTS

21. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Sale of goods (refer note 34)	199,812.44	199,505.94
Other operating revenue		
- Export incentives	360.88	148.70
- Royalty income	125.40	75.31
Miscellaneous receipts	3.10	26.03
Total	200,301.82	199,755.98

22. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Interest income on		
- Bank deposits carried at amortised cost	486.42	270.46
- Income tax refund received	30.90	134.50
- Loan to employees	0.03	0.01
- Delayed payment from Customers	291.98	0.26
- Others	-	2.91
Dividend received on investments		
- Long term investments	-	-
- On mutual fund units	90.67	35.87
Profit on disposal of Property, Plant and Equipment	1.32	0.07
Insurance claim received	388.55	-
Liabilities/ provisions no longer required written back	1,166.35	637.68
Liabilities/ provisions no longer required written back relating to capital purchases	504.77	-
Profit on sale of mutual fund units	758.62	128.79
Gain on financial instruments at fair value (Mutual fund units)	229.50	283.09
Income from custodian services	90.12	384.06
Miscellaneous income	168.26	184.75
Total	4,207.49	2,062.45

23. Cost of materials consumed

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Inventory at the beginning of the year	13,465.31	24,523.35
Add: Purchases	80,218.43	59,719.36
	93,683.74	84,242.71
Less: Inventory at the end of the year	15,967.65	13,465.31
Total	77,716.09	70,777.40

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24. Changes in inventories of finished goods and stock in trade

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Inventories at the end of the year		
- Stock in trade	4,030.00	4,461.38
- Finished goods	18,942.85	18,606.34
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	(376.14)	64.44
Total	22,596.71	23,132.16
Inventories at the beginning of the year		
- Stock in trade	4,390.29	4,730.24
- Finished goods	18,606.34	23,535.94
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	44.35	354.51
Total	23,040.98	28,620.69
Changes in inventories of traded and finished goods	444.27	5,488.53

25. Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Salaries, wages and bonus	3,425.51	3,290.15
Contribution to provident and other funds (refer note 30)	6.16	10.72
Gratuity expenses (refer note 30)	46.26	35.51
Staff welfare expenses	11.81	10.94
Total	3,489.74	3,347.32

26. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Interest Expenses on		
- Loan from directors (refer note 35)	0.75	733.10
- Income tax	1.73	48.39
- Lease liabilities	153.69	-
- Delayed payment of statutory dues	4.85	24.12
- Others	30.70	33.53
Total	191.72	839.14

27. Depreciation and amortisation expense

	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Depreciation on plant, property and equipments (refer note 3A)	253.89	234.45
Depreciation on right-of-use asset (refer note 3B)	449.47	-
Amortisation of intangible assets (refer note 4)	13,008.92	9,704.93
Total	13,712.28	9,939.38

CONSOLIDATED FINANCIAL STATEMENTS

28. Other expenses

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Freight and forwarding expenses	2,820.32	2,622.53
Rent	169.93	656.55
Rates and taxes	146.15	183.99
Insurance charges	454.61	465.59
Repairs and maintenance		
- Buildings	35.17	1.78
- Others	43.96	25.69
Advertising and sales promotion	335.28	390.94
Sales commission	1,020.88	938.51
Travelling and conveyance	1,290.44	1,115.46
Communication expenses	213.06	247.19
Office expenses	763.32	804.97
Legal and professional fees	11,251.27	10,576.97
Directors sitting fees	13.71	11.53
Corporate Social Responsibility expense (refer note 41)	555.91	695.97
Donation	0.30	18.06
Payment to auditor (refer note 'a' below)	68.31	59.66
Custodian charges	38.77	40.33
Bad debts	690.02	189.80
Allowance for doubtful debts	1,360.45	465.76
Bank charges	1,409.17	1,183.26
Discard / Write-off of Property, plant & equipment	3.43	2.64
Discard / Write-off of intangible assets and intangible assets under development	5,465.46	4,221.53
Loss on Closure of Subsidiary	-	5.38
Miscellaneous expenses	89.28	88.03
Total	28,239.20	25,012.13

Note a:

Details of payment to auditor :

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
As auditors		
Audit fees	59.06	53.65
Reimbursement of expense	5.85	3.11
In other capacities		
Other services - certification	3.40	2.90
Total	68.31	59.66

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29. Earnings per share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Profit after tax attributable to equity shareholders	16,466.24	17,634.30
Weighted average number of equity shares outstanding during the year	90,220,495	90,220,495
Earnings per Share		
Face value per equity share (INR)	10.00	10.00
Basic and diluted earning per share (INR)	18.25	19.55

30. Employee benefits - Employment benefit plans
a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the Note 25 under "Contribution to provident and other funds":

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Contribution to employees provident fund	4.48	8.28
Contribution to ESI	1.68	2.44
Total	6.16	10.72

b) Defined benefit plans

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

	As at March 31, 2020	As at March 31, 2019
	(INR Lakhs)	
Changes in benefit obligations		
Benefit obligations at the beginning of the year	266.42	254.19
Current service cost	27.61	28.18
Interest cost	19.57	18.65
Actuarial (gains)/ losses	7.63	(15.04)
Past service cost	-	(9.52)
Benefits paid	(9.66)	(10.04)
Benefit obligations at the end of the year	311.57	266.42

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(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Change in plan assets		
Fair value of plan assets at the beginning of the year	12.34	21.14
Interest income	0.91	1.82
Return on plan assets excluding amounts included in interest income	0.08	(0.59)
Benefits paid	(3.55)	(10.03)
Fair value of plan assets at the end of the year	9.78	12.34
Net benefit obligation at the end of the year	301.79	254.08

Amounts recognised in the Statement of Profit and Loss under employee benefit expenses

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	27.61	27.26
Net interest cost	18.65	16.84
Past service cost and loss / (gain) on curtailment and settlement	-	(8.59)
Net gratuity cost charged to statement of profit and loss	46.26	35.51

Amounts recognised in Statement of other comprehensive income

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	7.63	(15.04)
(Return)/ loss on plan assets excluding amounts included in the net interest	(0.08)	0.59
	7.55	(14.45)

Plan assets comprise of the following

	As at March 31, 2020	As at March 31, 2019
Policy of Insurance	100%	100%

Actuarial assumptions as at the balance sheet date:

	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.80%	7.35%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been change in expected rate of return on assets due to change in the market scenario.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(INR Lakhs)			
	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	299.33	324.84	256.86	276.81
Future salary growth rate varied by 0.5%	317.57	305.45	270.95	260.79
Withdrawal rate varied by 10%	314.60	308.34	269.55	263.16

31. Capital and other commitments

	(INR Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account not provided for	37,525.15	33,605.88

32. Contingent liabilities

	(INR Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Income tax matters (refer note (i) below)	6,569.38	4,401.57
Service tax matter (refer note (ii) below)	785.14	785.14
Claims against the Company not acknowledged as debt	-	351.61
Total	7,354.52	5,538.32

Note:

- i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim by the Company (common for all years) which has been settled and allowed in favour of the Company by the Hon'ble ITAT, Mumbai for the earlier four years (F.Y. 2010-11, F.Y. 2011-12, F.Y. 2012-13 and F.Y.2013-14), and therefore the management is of the opinion that the contingent liabilities would not have an adverse impact on the Company in view of the favourable decisions given by the higher authorities in the Company's own case as mentioned above. Further, for F.Y. 2014-15 (A.Y. 2015-16), the Company has considered INR 90.61 lakhs as contingent liability as in view of the management the Company has a refund of INR 1,340.48 lakhs as per the return of income filed and once the issue is decided in favour of the Company for the respective year, the Company will be entitled to a refund of INR 1,340.48 lakhs along with the applicable interest.
- ii) Future cash flows, if any, in respect of Service tax matter is determinable only on receipt of the judgement/decision pending with relevant authorities. The Company does not expect the outcome of the matter stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.

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33. Segment information

Business segment of Group primarily identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems are as follows:

Agrochemicals : Insecticides, Herbicides, Fungicides & Biocides

Belts : Conveyor Belts, V Belts and Timing Belts ,Dyes and Dye Intermediates and General Chemical

Information about business segments

(INR Lakhs)

	Agrochemicals		Non Agrochemicals		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue						
External sales	168,497.58	168,219.64	31,804.24	31,536.34	200,301.82	199,755.98
Other income	2,043.45	963.33	177.81	14.92	2,221.26	978.25
Total revenue	170,541.03	169,182.97	31,982.05	31,551.26	202,523.08	200,734.23
Results						
Segment results	12,749.57	19,708.91	5,288.11	4,461.13	18,037.68	24,170.04
Other income (Unallocated)					1,986.24	1,529.59
Unallocated expenses					(1,350.12)	(1,397.67)
Operating profit					18,673.80	24,301.96
Finance costs					(186.87)	(799.46)
Profit before tax					18,486.93	23,502.50
Income taxes					(2,017.76)	(5,868.17)
Profit after tax					16,469.17	17,634.33
Other segment information						
Segment assets	187,687.86	170,637.41	8,953.50	8,901.51	196,641.36	179,538.92
Unallocated assets					38,080.75	40,795.93
Total assets	187,687.86	170,637.41	8,953.50	8,901.51	234,722.11	220,334.85
Segment liabilities	82,388.86	78,566.99	3,611.44	2,733.89	86,000.30	81,300.88
Unallocated liabilities					8,416.10	10,619.19
Total liabilities	82,388.86	78,566.99	3,611.44	2,733.89	94,416.40	91,920.07
Capital expenditure:						
Tangible assets (Unallocated)					40.89	518.56
Intangible assets (Including IAUD*) (Allocated)	16,381.71	15,732.34	-	-	16,381.71	15,732.34
Intangible assets (Unallocated)					49.34	14.25
Depreciation (Unallocated)					253.89	234.45
Amortization (Allocated)	13,008.61	6,844.49	0.31	0.07	13,008.92	6,844.56
Amortization (Unallocated)					-	-
Capital employed	105,299.00	92,070.42	5,342.06	6,167.62	110,641.06	98,238.04
Capital employed (Unallocated)					29,664.65	30,176.74

*IAUD-Intangible Asset Under Development



CONSOLIDATED FINANCIAL STATEMENTS

Notes

- (i) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
- Agrochemicals – This is the main area of the Group's operation and includes the trading of agrochemical products.
 - Non Agrochemicals – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure is as follows:
- Revenue within India includes sales to customers located within India.
 - Revenue outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).
- (v) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (vi) The Group does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Group's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

Geographical information

The geographical information analyses the Group revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue is based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated between within India and Outside India. Outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).

(INR Lakhs)

	March 31, 2020		March 31, 2019	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
INDIA	2,946.95	10,778.72	3,144.44	7,024.93
EUROPE	95,580.53	37,746.00	88,405.49	38,673.60
LATAM	13,299.34	2,637.82	14,342.30	2,856.35
NAFTA	70,717.66	8,551.16	73,041.17	8,738.26
ROW	17,757.34	6,469.04	20,822.58	7,678.05
Total	200,301.82	66,182.74	199,755.98	64,971.19

* Non-current assets exclude financial instruments and deferred tax asset.

No customer individually accounted for more than 10% of the revenues in the year ended March 31, 2020 and March 31, 2019

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34. Disclosure As Per Ind AS 115 For The Year Ended March 31, 2020

The Group is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world. The revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Group does not give significant credit period resulting in no significant financing component. The Group, however, has a policy for replacement of the damaged goods.

A) Reconciliation of revenue recognised from Contract liability:

	(INR Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Contract liability	864.78	616.85
Add: Addition to contract liability during the year	3,753.70	1,118.37
Less: Recognised as revenue during the year	(3,600.50)	(827.57)
Less: Other Adjustments	(286.91)	(42.87)
Total	731.07	864.78

B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

	(INR Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contract with customer as per Contract price	211,859.61	208,715.60
Less: Discounts and incentives	(3,943.99)	(2,235.70)
Less:- Sales Returns /Credits / Reversals	(8,085.05)	(6,994.16)
Less:- Any other adjustments	(18.13)	20.20
Total	199,812.44	199,505.94

C) Disaggregation of revenue from contract with customers

	(INR Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Agrochemicals		
INDIA	853.86	781.67
EUROPE	86,476.45	78,989.20
LATAM	11,994.31	12,322.41
NAFTA	57,394.57	63,953.24
REST OF THE WORLD	11,353.82	11,923.99
Total (A)	168,073.01	167,970.51
Belt		
INDIA	2,093.09	2,436.04
EUROPE	8,791.65	9,181.64
LATAM	1,277.66	2,008.73
NAFTA	13,198.53	7,689.73
REST OF THE WORLD	6,378.50	10,219.29
Total (B)	31,739.43	31,535.43
Total (A) +(B)	199,812.44	199,505.94



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D) Sales by performance obligations

	Year ended March 31, 2020	Year ended March 31, 2019
	(INR Lakhs)	
Agrochemical		
Upon shipment	168,073.01	167,970.51
Upon delivery	-	-
Total (A)	168,073.01	167,970.51
Belt		
Upon shipment	31,739.43	31,535.43
Upon delivery	-	-
Total (B)	31,739.43	31,535.43
Total (A)+(B)	199,812.44	199,505.94

35. Related party disclosures

(A) Names of related parties and their relationship

(a) Key Managerial personnel and their relatives

Mr. Ramprakash V. Bubna	Chairman & Managing Director
Mrs. Sharda R. Bubna	Whole-time Director
Mr. Ashish R. Bubna	Whole-time Director
Mr. Manish R. Bubna	Whole-time Director
Mrs. Seema A. Bubna	Wife of Whole-time Director
Mrs. Anisha M. Bubna	Wife of Whole-time Director
Mr. Jacques Ryon	Director, Sharda Europe BVBA
Mr. Anil Kumta	Director, Axis Crop Science Private Limited
Mr. M.S. Sundara Rajan	Independent Director
Mr. P. R. Srinivasan	Independent Director (resigned effective 08.08.2019)
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Mrs. Urvashi Saxena	Independent Director (resigned effective 22.10.2018)
Ms. Sonal Desai	Independent Director (effective from 01.04.2019)
Mr. Conrad Fernandes	Chief Financial Officer (resigned effective 31.12.2018)
Mr. Ashish Lodha	Chief Financial Officer (resigned effective 22.10.2019)
Mr. Abhinav Agarwal	Chief Financial Officer (effective from 26.02.2020)
Mr. Jetkin N. Gudhka	Company Secretary

(b) Enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives

Jankidevi Bilasrai Bubna Trust

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(B) Transactions during the year

(a) Key Managerial Personnel Compensation:

	Year ended March 31, 2020	Year ended March 31, 2019
Short- term employee benefits	1,187.85	1,138.86
Post-employment benefits	1.85	(2.44)

(INR Lakhs)

(b) With Key Managerial Personnel

	Year ended March 31, 2020	Year ended March 31, 2019
Rent paid:		
Mr. Ramprakash V. Bubna	270.00	270.00
Mrs. Sharda R. Bubna	-	135.00
Mr. Ashish R. Bubna	86.40	43.20
Mr. Manish R. Bubna	94.50	47.25
Mrs. Seema A. Bubna	89.10	44.55
Remuneration to Key Management Personnel:		
Mr. Ramprakash V. Bubna	182.10	157.50
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	152.45	131.25
Mr. Manish R. Bubna	152.04	131.25
Mr. Conrad Fernandes	-	49.57
Mr. Ashish Lodha	24.13	12.26
Mr. Abhinav Agarwal	4.29	-
Mr. Jetkin N. Gudhka	17.85	15.66
Consultancy paid:		
Mr. Anil Kumta	24.00	24.00
Director's Sitting Fees paid:		
Mr. M.S. Sundara Rajan	3.90	3.79
Mr. P. R. Srinivasan	0.90	2.41
Mr. Shitin Desai	3.60	3.75
Mr. Shobhan Madhukant Thakore	1.50	2.07
Mrs. Urvashi Saxena	-	3.45
Ms. Sonal Desai	3.30	-
Directors' Commission paid:		
Mr. Ramprakash V. Bubna	267.09	261.27
Mr. Ashish R. Bubna	178.95	175.05
Mr. Manish R. Bubna	178.95	175.05
Dividend paid		
Mr. Ramprakash V. Bubna	843.16	562.11
Mrs. Sharda R. Bubna	843.16	562.11
Mr. Ashish R. Bubna	910.80	607.20

(INR Lakhs)



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	Year ended March 31, 2020	Year ended March 31, 2019
		(INR Lakhs)
Mr. Manish R. Bubna	910.80	607.20
Mrs. Seema A. Bubna	270.00	180.00
Mrs. Anisha M. Bubna	270.00	180.00
Mr. Jetkin Gudhka	0.0054	0.0036
Loan taken from Directors:		
Mr. Ramprakash V. Bubna	-	1,175.00
Mrs. Sharda R. Bubna	-	875.00
Mr. Ashish R. Bubna	-	400.00
Mr. Manish R. Bubna	-	450.00
Loan repaid to Directors:		
Mr. Ramprakash V. Bubna	-	6,935.00
Mr. Jacques Ryon	-	5.19
Mrs. Sharda R. Bubna	-	5,785.00
Mr. Ashish R. Bubna	-	1,790.00
Mr. Manish R. Bubna	-	1,750.00
Interest on loan from Directors * :		
Mr. Ramprakash V. Bubna	-	311.95
Mrs. Sharda R. Bubna	-	264.42
Mr. Ashish R. Bubna	-	78.83
Mr. Manish R. Bubna	-	77.20
Interest on loan taken:		
Mr. Anil Kumta	0.74	0.74
Reimbursement of expenses:		
Mr. Anil Kumta (Travel Expenses)	1.14	1.12
Fixed deposits of directors released as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	-	203.34
Mrs. Sharda R. Bubna	-	1,891.77
Post-employment benefits:		
Mr. Ashish R. Bubna	0.79	0.35
Mr. Manish R. Bubna	0.55	0.18
Mr Conrad Fernandes	-	(3.02)
Mr. Ashish Lodha	(0.12)	0.12
Mr. Abhinav Agarwal	0.07	-
Mr Jetkin Gudhka	0.56	(0.07)

***Rate of Interest**

	Year ended March 31, 2020	Year ended March 31, 2019
Mr. Ramprakash V. Bubna	NA	10%
Mrs. Sharda R. Bubna	NA	10%
Mr. Ashish R. Bubna	NA	10%
Mr. Anil Kumta	8%	8%

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(c) With Enterprises owned or significantly influenced by key managerial personnel or their relatives

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Donations Paid to:		
Jankidevi Bilasrai Bubna Trust	43.50	18.01

(C) Outstanding balance as at balance sheet date

(INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Loan taken from directors balance		
Mr. Anil Kumta	9.26	9.26
Interest payable on loan taken from directors		
Mr. Anil Kumta	0.14	0.17
Directors' Commission Payable		
Mr. Ramprakash V. Bubna	152.93	167.53
Mr. Ashish R. Bubna	102.46	112.24
Mr. Manish R. Bubna	102.46	112.24
Post-employment benefits		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	10.42	9.63
Mr. Manish R. Bubna	9.91	9.36
Mr. Ashish Lodha	-	0.12
Mr. Abhinav Agarwal	0.07	-
Mr. Jetkin N. Gudhka	2.73	2.17

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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36. Hedging activities and derivatives
Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions. The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Nature of instrument	Foreign currency	As at March 31, 2020		As at March 31, 2019	
		Amount (FC Mn.)	Amount (INR Lakhs)	Amount (FC Mn.)	Amount (INR Lakhs)
Forward contract- Sell	USD	-	-	4.48	3,445.16
	EUR	5.00	4,107.97	-	-
	CAD	0.25	138.92	-	-
	GBP	0.64	651.04	8.10	752.44
	USD to INR	5.83	4275.18	-	-
	EUR to INR	0.50	401.56	-	-
Forward contract- Buy	CAD	0.25	126.74	-	-

37. Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair level hierarchy.

As at March 31, 2020

(INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
Financial assets								
Financial assets measured at fair value								
Investment in mutual funds	March 31, 2020	11,553.49	-	-	-	11,553.49	-	11,553.49
Derivative financial assets	March 31, 2020	33.32	-	-	-	33.32	-	33.32
Loans	March 31, 2020	-	-	0.03	-	0.03	-	0.03
Total Financial Assets		11,586.81	-	0.03	-	11,586.84	-	11,586.84
Financial Liabilities								
Financial liabilities measured at fair value								
Lease liabilities (current and non-current portion)	March 31, 2020	-	-	1,709.35	-	1,709.35	-	1,709.35
Trade creditors	March 31, 2020	238.10	-	-	-	-	238.10	238.10
Total Financial liabilities		238.10	-	1,709.35	-	1,709.35	238.10	1,947.45

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As at March 31, 2019

(INR Lakhs)

	Date of Valuation	Carrying Amount				Fair value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
Financial Assets								
Financial assets measured at fair value								
Investment in mutual funds	March 31, 2019	21,194.80	-	-	-	21,194.80	-	21,194.80
Derivative financial assets	March 31, 2019	164.05	-	-	-	164.05	-	164.05
Loans	March 31, 2019	-	-	0.09	-	0.09	-	0.09
Total Financial Assets		21,358.85	-	0.09	-	21,358.94	-	21,358.94
Financial Liabilities								
Financial liabilities not measured at fair value								
Trade creditors	March 31, 2019	286.06	-	-	-	-	286.06	286.06
Total Financial liabilities		286.06	-	-	-	-	286.06	286.06

The management assessed that cash and cash equivalents, trade receivables, trade payables, buyers credit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Technique used to determine Fair Value:-

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments at fair value in the balance sheet.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Mutual Funds (Level2)	The fair values of investments in mutual fund units is based on the net asset value ("NAV") as on the reporting date provided by respective Asset Management Companies. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Foreign Currency Forward Contracts (Level2)	The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Loans (Level2)	Fair value is derived based on Discounted cash flows. The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable	Not applicable

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38. Financial risk management
Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

Market risk

The Group operates internationally and a major portion of its business is transacted in United States Dollars and Euros and purchases from overseas suppliers mainly in US Dollars. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the Rupee appreciates / depreciates against these currencies.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (Refer note 36).

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Foreign currency	As at March 31, 2020		As at March 31, 2019	
		Amount (FCY Mn.)	Amount (INR Lakhs)	Amount (FCY Mn.)	Amount (INR Lakhs)
Unhedged currency exposure on:-					
a) Receivables	HRK	12.19	1,328.42	-	-
	USD	35.45	26,800.28	32.53	22,480.19
	EUR	34.23	28,526.43	44.58	34,554.17
	GBP	3.44	3,221.15	1.12	1,009.64
	AUD	0.32	150.24	0.70	340.82
	PLN	21.72	3,966.37	18.20	3,290.79
	CZK	25.27	766.35	17.90	539.01
	CAD	18.44	9,915.97	4.48	2,320.83
b) Payables	USD	79.06	59,760.80	82.73	57,173.11
	EUR	14.98	12,484.13	19.16	14,849.58
	MXN	0.17	5.47	0.20	7.15
	HUF	352.69	816.94	253.10	613.92
	CZK	5.90	179.00	5.12	154.10
	PLN	4.36	795.91	3.02	547.17
	CHF	0.01	10.32	-	0.94
	GBP	0.10	95.19	0.06	58.34
	PHP	0.22	3.22	0.08	1.06

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	Foreign currency	As at March 31, 2020		As at March 31, 2019	
		Amount (FCY Mn.)	Amount (INR Lakhs)	Amount (FCY Mn.)	Amount (INR Lakhs)
b) Payables	CAD	3.10	1,668.72	1.84	951.00
	ZAR	0.37	15.59	0.12	5.51
	AUD	-	-	0.01	5.25
	HRK	0.17	18.28	-	-
	JPY	18.05	126.97	19.06	118.90
	AED	0.14	28.86	0.17	31.18
	c) Bank Balance	USD	0.57	433.60	0.85
EUR		2.80	2,334.30	2.07	1,494.59
CAD		0.06	29.97	0.02	11.48
CZK		-	-	0.75	22.70
PLN		1.10	201.18	-	0.07
GBP		-	1.66	0.02	16.35
AUD		0.66	304.24	0.19	129.43
AED		0.20	41.67	-	-
d) Advance received from customers	AUD	0.01	2.46	0.01	4.93
	EUR	0.03	22.50	-	3.21
	GBP	-	3.47	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD Rate	Effect on profit and loss	Effect on equity
March 31, 2020	1%	(329.61)	(293.63)
	-1%	329.61	293.63
March 31, 2019	1%	(346.93)	(260.31)
	-1%	346.93	260.31

(INR Lakhs)

	Change in EUR Rate	Effect on profit and loss	Effect on equity
March 31, 2020	1%	160.19	142.71
	-1%	(160.19)	(142.71)
March 31, 2019	1%	197.01	147.82
	-1%	(197.01)	(147.82)

(INR Lakhs)



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Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 98,939.44 Lakhs and INR 81,138.55 Lakhs as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Trade Receivables

The Group has established credit policy under which each new customer is analysed individually for credit worthiness before Group's standard payment terms (credit period ranges from 30 to 180 days) and delivery terms and conditions are offered. The Group reviews external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The following table represents ageing of trade receivables for March 31, 2020 (INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables	279.75	98,659.70	98,939.44

The following table represents ageing of trade receivables for March 31, 2019 (INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables	568.03	80,570.52	81,138.55

Allowances for doubtful trade receivables (INR Lakhs)

	Opening	Addition	Reversal	Closing
March 31, 2020	1,246.06	1,691.18	302.78	2,634.46
March 31, 2019	688.41	562.59	4.94	1,246.06

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. Loans represent loan given to related parties & employees for which the company does not foresee any impairment loss.

Liquidity Risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach of managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation. The Group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables & other financial liabilities

As of March 31, 2020, the Company had a working capital of INR 82,840.12 Lakhs including cash and cash equivalents of INR 7,775.70 Lakhs and current investments of INR 11,553.49 Lakhs. As of March 31, 2019, the Company had a working capital of INR 72,652.68 Lakhs including cash and cash equivalents of INR 5,063.21 Lakhs and current investments of INR 21,194.80 Lakhs.

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The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(INR Lakhs)

Particulars	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	-	-	9.26	9.26
Trade Payables	68,668.74	18.26	219.84	68,906.84
Other financial liabilities	8,972.14	1,305.61	-	10,277.75

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

(INR Lakhs)

Particulars	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	-	-	9.26	9.26
Trade Payables	63,622.48	18.08	267.98	63,908.54
Other financial liabilities	10,502.79	31.01	-	10,533.80

39. Capital management

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The capital structure of the Group consists of net assets (Total debt and lease liabilities offset by liquid investments and bank deposits) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

(INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total debt (bank and other borrowings)	9.26	9.26
Lease Liabilities (non current and current)	1,709.35	-
Less : Liquid investments and bank deposits	19,121.97	28,496.85
	(17,403.36)	(28,487.59)
Equity	140,305.71	128,414.78
Debt to equity (net)	(0.12)	(0.22)

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40. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:		
Principal amount remaining unpaid to any supplier at the end of accounting year	165.40	157.10
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	-	-
Total	165.40	157.10
i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
ii) the amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
iii) Amount of interest accrued and remaining unpaid at the the end of accounting year	-	-
iv) the amount of interest written back during the period as the same is not payable	-	-
v) Amount of interest written back during the period as the same is not payable	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors,

41. Details of CSR expenditure

(INR Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
1) Gross amount required to be spent by the Company	573.10	573.48
2) Shortfall from previous year	-	121.68
Total	573.10	695.16
3) Amount spent		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 28)	555.91	695.97
Total	555.91	695.97
4) Amount unspent	17.19	-

Note:

- Gross amount required to be spent by the Company is INR 573.10 lakhs (March 31, 2019: 573.48 INR lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent INR 555.91 lakhs during the current year. The unspent amount of INR 17.19 lakhs (March 31, 2019: NIL) is yet to be spent by Company.

42. Additional information related to the subsidiaries considered in the preparation of Consolidated Financial Statements

(INR Lakhs)

Sr. No.	Name of the Entity	Year Ended March 31, 2020						Year Ended March 31, 2019							
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income			
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	Share in total comprehensive income	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	Share in total comprehensive income		
Parent															
1	Sharda Cropchem Limited	93.45%	131,086.88	116.51%	19,188.53	-0.33%	(2.76)	110.87%	19,185.77	81.67%	14,402.60	0.71%	6.29	77.81%	14,408.89
Indian Subsidiaries															
2	Axis Crop Science Private Limited	0.03%	39.06	0.21%	33.97	-0.40%	(3.30)	0.18%	30.67	0.01%	(7.57)	0.54%	4.79	-0.02%	(2.78)
Foreign Subsidiaries															
3	Eurozijski Pesticide d.o.o	0.00%	5.29	0.02%	2.56	-0.03%	(0.25)	0.01%	2.31	0.00%	19.14	0.16%	1.45	0.11%	20.59
4	Nihon Agro Service Kaushiki Kaisha	0.00%	(0.90)	0.00%	(0.46)	-0.01%	(0.08)	0.00%	(0.54)	0.00%	(0.44)	0.00%	-	0.00%	(0.44)
5	Sharda Agrochem Dooel Skopje	0.00%	3.58	0.00%	(0.09)	0.00%	0.01	0.00%	(0.08)	0.00%	(0.06)	0.00%	(0.04)	0.00%	(0.10)
6	Sharda Balkan Agrochemicals Limited	0.00%	0.26	0.00%	(0.43)	0.00%	(0.01)	0.00%	(0.44)	0.00%	(0.85)	0.01%	0.07	0.00%	(0.78)
7	Sharda Baelux BVBA	0.00%	(2.84)	0.00%	(0.51)	-0.03%	(0.24)	0.00%	(0.75)	0.00%	1.57	0.04%	0.33	0.01%	1.90
8	Sharda Bolivia SRL	-0.05%	(71.77)	-0.02%	(3.62)	-0.04%	(0.32)	-0.02%	(3.94)	-0.05%	(1.05)	0.00%	-	-0.01%	(1.05)
9	Sharda Chile SpA	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
10	Sharda Colombia S.A.S	0.11%	148.48	0.13%	21.35	-4.49%	(37.54)	-0.09%	(16.19)	0.12%	151.55	0.05%	7.95	-2.38%	(21.02)
11	Sharda Costa Rica SA	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12	Sharda Cropchem Espana, S.L.	0.14%	192.16	0.25%	41.92	1.53%	12.76	0.32%	54.68	0.11%	137.49	0.17%	29.26	-0.02%	(0.18)
13	Sharda Cropchem Tunisia SARL	0.00%	0.22	0.00%	(0.28)	0.00%	0.03	0.00%	(0.25)	0.00%	0.48	0.00%	(0.10)	0.00%	(0.14)
14	Sharda De Guatemala S.A.	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%	0.02	0.00%	-	0.00%	-
15	Sharda De Mexico S.De RL DE CV	0.06%	77.79	1.41%	232.56	-2.12%	(17.68)	1.24%	214.88	-0.11%	(138.66)	-3.93%	(693.86)	-3.91%	(723.77)
16	Sharda Del Ecuador CIA. LTDA	0.00%	0.25	0.00%	(0.00)	0.00	0.01	0.00%	0.01	0.00%	0.25	0.00%	-	0.00%	0.02
17	Sharda De Brasil Comercio De Produtos Quimicos E-Agroquimicos LTDA	-0.02%	(24.15)	0.01%	2.08	0.03%	0.24	0.01%	2.32	-0.02%	(26.46)	0.08%	14.67	0.27%	17.09
18	Sharda Dominicana S.R.L.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
19	Sharda EL Salvador S.A. DE CV	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
20	Sharda Europe BVBA	0.00%	0.63	0.00%	0.15	0.00%	(0.01)	0.00%	0.14	0.00%	0.44	0.02%	4.29	0.03%	4.53



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(INR Lakhs)

Sr. No.	Name of the Entity	Year Ended March 31, 2020						Year Ended March 31, 2019									
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income					
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income				
21	Sharda Helias Agrochemicals Limited	0.00%	0.69	0.00%	(0.00)	0.00%	(0.00)	0.00%	0.69	0.00%	(0.73)	0.01%	0.06	0.00%	(0.67)		
22	Sharda Hungary Kft	0.37%	525.70	0.91%	149.32	-2.29%	(19.09)	0.75%	395.47	0.06%	9.80	-2.59%	(22.90)	-0.07%	(13.10)		
23	Sharda International Africa (PTY) Ltd.	0.05%	66.00	0.37%	60.57	-1.63%	(13.63)	0.27%	46.94	-0.40%	(70.98)	-1.62%	(14.35)	-0.46%	(85.33)		
24	Sharda International DMCC	6.72%	9,425.37	32.66%	5,378.30	0.00%	-	31.08%	5,378.30	31.44%	5,543.77	0.00%	-	29.94%	5,543.77		
25	Sharda Italia SRL	0.24%	335.15	1.62%	267.41	2.30%	19.25	1.66%	286.66	-0.21%	(37.16)	-0.19%	(1.65)	-0.21%	(38.81)		
26	Sharda Malaysia SDN. BHD.	0.00%	(0.94)	0.00%	0.05	0.01%	0.06	0.00%	0.11	0.00%	0.17	0.01%	0.06	0.00%	0.23		
27	Sharda Peru SAC	-0.01%	(8.58)	-0.04%	(6.93)	-0.02%	(0.18)	-0.04%	(7.11)	1.52%	288.76	-1.55%	(13.67)	1.38%	255.09		
28	Sharda Poland SP Z.O.U.	0.13%	186.58	0.18%	29.05	0.17%	1.43	0.18%	30.48	1.24%	218.16	-0.71%	(6.31)	1.14%	211.85		
29	Sharda Polska SP Z.O.U.	-0.01%	(12.89)	-0.06%	(10.56)	-0.03%	(0.26)	-0.06%	(10.82)	-0.02%	(2.79)	0.01%	0.08	-0.01%	(2.71)		
30	Sharda Spain S.L.	0.00%	0.36	0.00%	(0.24)	0.00%	(0.00)	0.00%	(0.24)	0.02%	3.68	-0.02%	(0.16)	0.02%	3.52		
31	Sharda Swiss SARL	0.00%	6.23	0.00%	(0.16)	0.03%	0.23	0.00%	0.07	0.00%	(0.35)	0.06%	0.50	0.00%	0.15		
32	Sharda Taiwan Limited	0.00%	2.43	0.00%	-	0.01%	0.11	0.00%	0.11	0.00%	-	0.01%	0.13	0.00%	0.13		
33	Sharda Ukraine LLC	0.00%	0.45	0.00%	0.18	0.01%	0.06	0.00%	0.24	0.00%	0.03	0.00%	0.02	0.00%	0.05		
34	Sharda Uruguay S.A	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.06)	0.00%	-	0.00%	(0.06)		
35	Sharda USA LLC	0.00%	(0.08)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.08)	0.00%	-	-	-		
36	Shardacan Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	-		
37	Shardaserb DO.O.	0.00%	(0.35)	0.00%	(0.06)	0.00%	(0.00)	0.00%	(0.06)	0.00%	0.26	0.00%	(0.02)	0.00%	0.24		
38	Sharnar S.A.	0.02%	22.99	0.00%	(0.22)	-0.21%	(1.78)	-0.01%	(2.00)	0.02%	22.97	0.00%	0.86	0.00%	(0.67)		
39	Sharzam Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-		
40	Siddhivinjyak International Limited	0.36%	501.36	0.00%	(0.70)	0.00%	-	0.00%	(0.70)	0.36%	459.06	-0.07%	(12.21)	0.00%	(12.21)		
41	Sharda Private (Thailand) Limited	0.03%	35.34	0.03%	4.43	0.21%	1.78	0.04%	6.21	0.02%	29.12	0.03%	5.29	0.03%	6.35		
42	Sharda Morocco SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-		
Consolidation adjustments																	
	Adjustment arising out of consolidation	-1.59%	(2,235.07)	-54.14%	(8,916.07)	107.28%	896.15	-46.35%	(8,019.92)	-1.91%	(2,457.87)	-11.73%	(2,067.72)	110.64%	977.77	-5.89%	(1,089.95)
	Minority interests in all subsidiaries	-0.02%	(26.40)	-0.02%	(2.93)	0.04%	0.37	-0.01%	(2.56)	-0.02%	(23.84)	0.00%	(0.03)	0.03%	0.26	0.00%	0.23
	Total	100.00%	140,279.31	100.00%	16,469.17	100.00%	835.36	100.00%	17,304.53	100.00%	128,390.94	100.00%	17,634.30	100.00%	883.77	100.00%	18,518.07

* Net assets = Total assets minus total liabilities

43. Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Governments of various countries notified lockdown to contain the outbreak of COVID-19. Due to this, there have been several restrictions imposed by the Governments across the globe on travel, goods movement and transportation considering public health and safety measures. However, the operations of the Group did not face any disruption. During this period, the Group continued sales of its products and does not expect any material adverse impact at this point of time. The Group's business operation has been classified as an 'essential commodity'.

In light of these circumstances, the Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventories, trade receivables, property plant and equipment, Intangible assets and Intangible assets under development, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the data and based on current estimates, the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

44. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

45. Disclosure on Specified Bank Notes

The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

46. Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

47. Previous year comparatives

The figures for the previous year have been regrouped /reclassified to correspond with the current year's classification/disclosures that include changes consequent to the issuance of "Guidance Note on Division II- Ind AS Schedule III to the Companies Act 2013".

As per our report of even date attached
For B S R & Associates LLP
 Chartered Accountants
 Firm Registration No. 116231W/W-100024

Shabbir Readymadewala
 Partner
 Membership No. 100060

Place : Mumbai
 Date : June 24, 2020

**For and on behalf of the Board of Directors of
 Sharda Cropchem Limited**

Ramprakash V. Bubna
 Chairman & Managing Director
 DIN 00136568

Abhinav Agarwal
 Chief Financial Officer
 Membership No.: 103986
 Place : Mumbai
 Date : June 24, 2020

Ashish R. Bubna
 Whole-time Director
 DIN 00945147

Jetkin Gudhka
 Company Secretary
 Membership No.: A26487
 Place : Mumbai
 Date : June 24, 2020



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