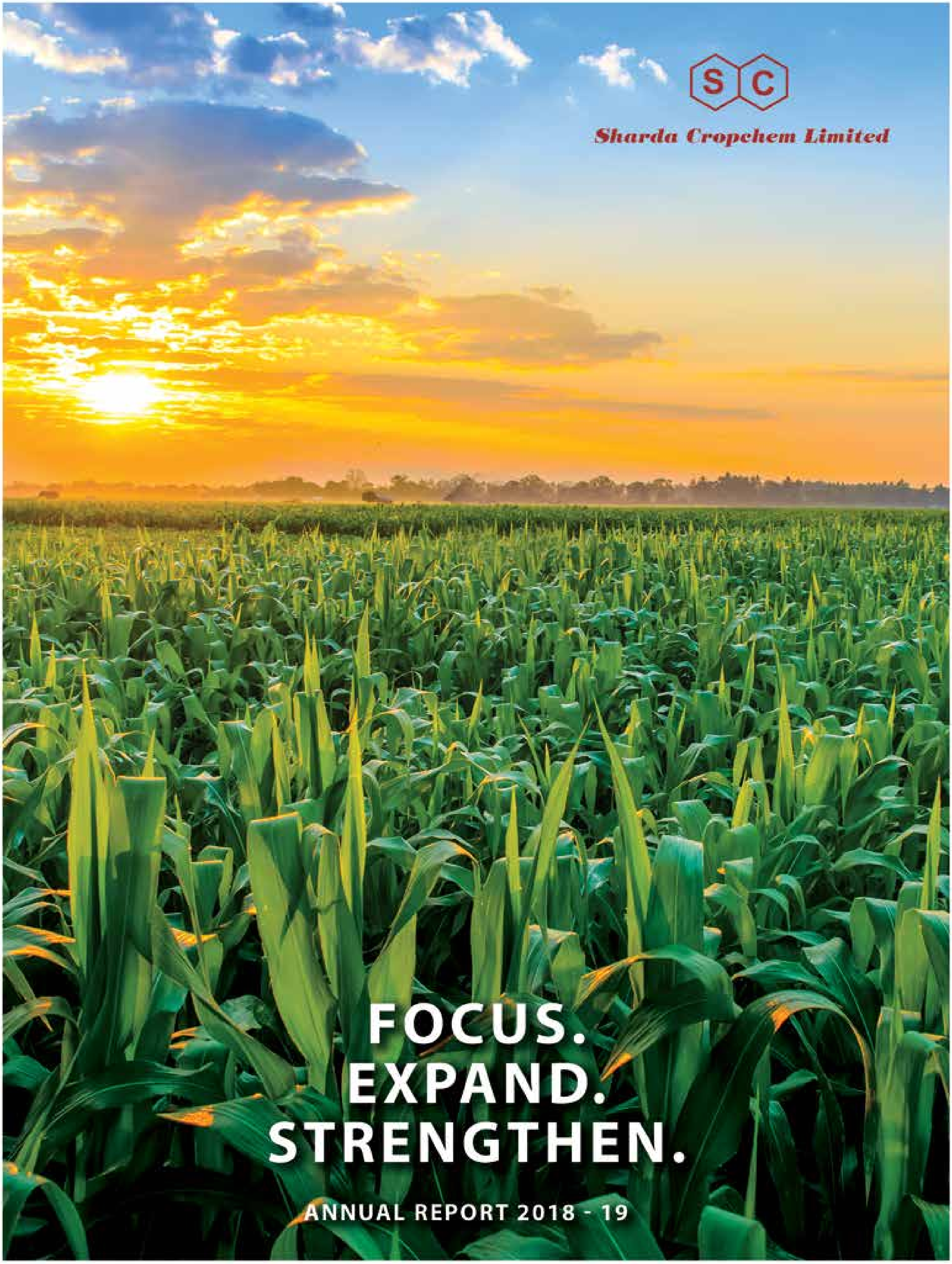


Sharda Cropchem Limited

FOCUS. EXPAND. STRENGTHEN.

ANNUAL REPORT 2018 - 19

"We remain attuned to the concerns and challenges prevailing in the global economy. With our readiness for change and decadal sectoral experience, we remain committed towards embracing global opportunities coming our way."

R. V. BUBNA
Chairman & Managing Director

What's in this report

Corporate Overview

Statutory Reports

Financial Statements

FOCUS. EXPAND. STRENGTHEN.

All in all, FY 2019 has been a year to FOCUS on execution, EXPAND given new opportunities, and leverage our experience to further STRENGTHEN ourselves for the next phase of our growth.

Being a player in the agrochemicals industry comes with its own set of challenges. However, with years of experience and focus, we have fine-tuned our unique asset-light business model, creating a distinct market presence despite these challenges. We are now present in approximately 80 countries and are supported by an established global marketing and distribution network.

On the basis of this foundation, we have sharpened our ability to identify and embark on global opportunities with confidence. We are paving our way towards a more resilient future, supported by our ability to identify opportunities, attain product registrations, invest in enduring relationships, and apply prudent finance management — notwithstanding changing trends in industry cycles. We believe in our ability to overcome tough conditions with our trusted sales force and network of third-party distributors.

Facing adverse market scenarios with agility, we have come out stronger and better this year with improved balance sheet and cash flow positions, along with comfortable working capital cycles, making us a debt free organisation.

At a Glance

Sharda Cropchem Limited is a fast-growing global agrochemicals company with leadership position in the generic crop protection chemicals industry. Over the years we have made deep inroads in the highly developed European and US markets, which are characterised as high entry barrier markets and also have a significant presence in other regulated markets such as LATAM and Rest of the World.

+500

Network of Third Party Distributors

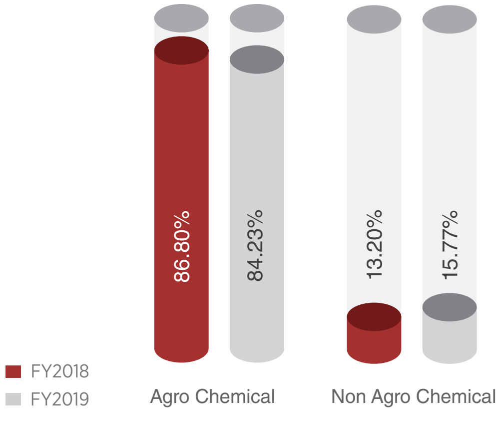
+40 Countries

Sales Force Presence

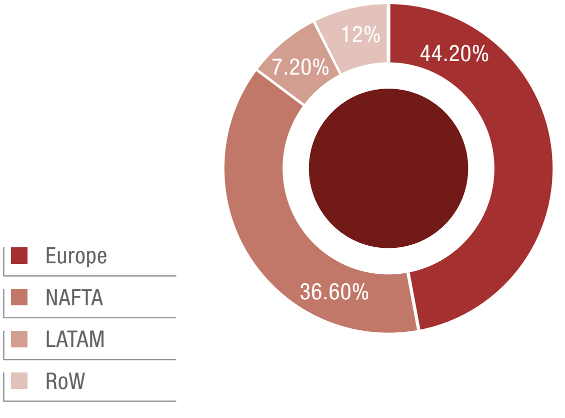
With the help of our asset-light business model we are capable of providing a wide bouquet of products to our customers. Our product portfolio in agrochemical business comprises of formulations and generic active ingredients in fungicide, herbicide and insecticide segments for protecting different kind of crops as well as serves turf and specialty markets and in biocide segment as disinfectants thereby allowing us to offer varied range of formulations and generic active ingredients.

Sharda Cropchem Limited

REVENUE BREAKUP: SEGMENT WISE (%)



REVENUE BREAKUP: REGIONWISE (%)



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

Urvashi Saxena
Independent Director
(Resigned w.e.f October 23, 2018)

Shitin Desai
Independent Director

Shobhan Thakore
Independent Director

P. R. Srinivasan
Independent Director

Sonal Desai
Independent Director
(Appointed w.e.f April 01, 2019)

Key Managerial Personnel:

Conrad Fernandes
Chief Financial Officer
(Resigned w.e.f December 31, 2018)

Ashish Lodha
Chief Financial Officer
(Appointed w.e.f January 18, 2019)

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:

Karvy Computershare Pvt. Ltd
(Formerly known as Computershare Pvt. Ltd.)
Karvy 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

Sharda Cropchem Limited

Our Financial Scoreboard

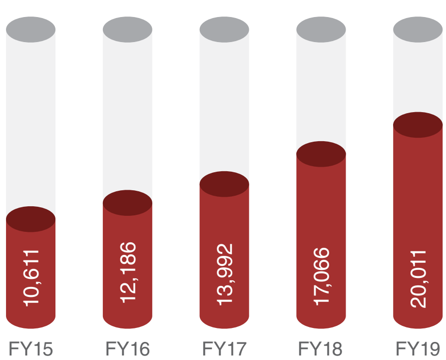
17% Revenue
5 year CAGR

9% PAT
5 year CAGR

21% EBITDA
5 year CAGR

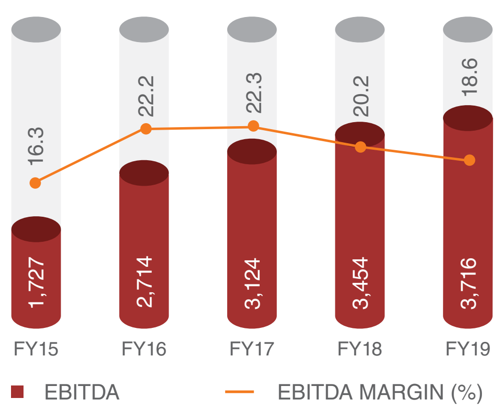
2,297
Total Registrations

REVENUE FROM OPERATIONS



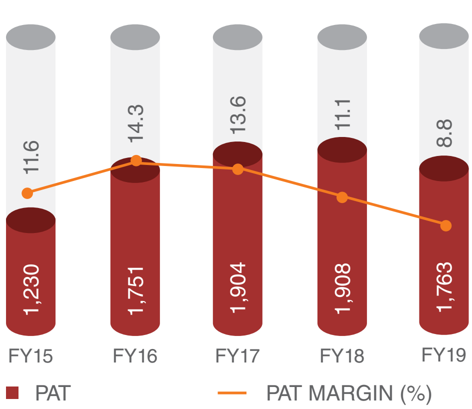
(₹ in million)

EBITDA AND EBITDA MARGIN



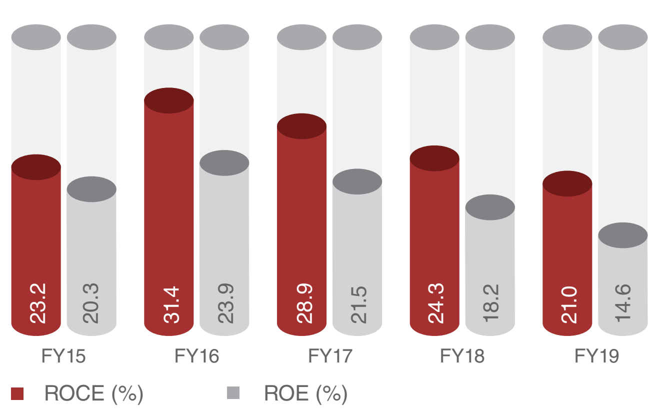
(₹ in million)

PAT AND PAT MARGIN



(₹ in million)

RETURN METRICS



Chairman and MD’s Message

R. V. BUBNA
Chairman & Managing Director

“With our strong pipeline of registrations and improved working capital position, we are optimistic in our ability to maintain double-digit growth throughout the next financial year.”

Dear Shareholders,

I am pleased to present our annual report for the fiscal 2018-19.

This year the Global Economy has gone through some tough times, impacting the agrochemical market conditions. However, we remain positive, and have ended a financial year of sustained growth and resilience. Our unique asset-light business model continues to aid our agility and responsiveness to changes in our geographic presence and product portfolio. This, along with prudent financial management, will help see us through most challenges.

OUR FINANCIAL PERFORMANCE

This year, the total revenue of Sharda Cropchem for FY 2019 increased by 17.26% yoy from ₹ 1,706.59 crores to ₹ 2,001.14 crores. This was driven by growth of 20.5% in the NAFTA region, 14.0% in Europe, -18.8% in LATAM and 64.2% in the Rest of the World. Gross profits increased by 9.0% yoy from ₹ 562.84 crores to ₹ 613.55 crores. However, because of pressures from the industry, gross margins declined from 33.0% to 30.7%. EBITDA, excluding foreign exchange impact and onetime write-off of intangible asset/intangible asset underdevelopment, increased by 7.6% yoy from ₹ 345.43 crores to ₹ 371.59 crores. EBITDA margins declined from 20.2% to 18.6% due to lower gross margins. Profits after tax declined by 7.6% from ₹ 190.77 crores to ₹ 176.34 crores. This decrease in PAT was caused by the onetime write-off of intangible asset/intangible asset underdevelopment. We also saw an increase in depreciation, driven by the higher capitalisation of our intangible assets. The revenue of the business was driven primarily by the contribution of NAFTA and European Union regions, which constitutes 44.2% and 36.6% of the agrochemical business revenues respectively. The revenues from the non-agro division, which constitutes 15.8% of total revenue, grew by 40.08% from ₹ 225.29 crores in the previous year to ₹ 315.56 crores in FY2019.

During the year, we improved our balance sheet position significantly by improving our working capital cycle, which in turn improved our cash reserves. The strategies in place are aimed towards maintaining double-digit growth throughout the next financial year.

OUR REGISTRATIONS

Obtaining the right registrations, with efficiency and experience, is at the core of our expertise as a company. The NAFTA and European regions have been the key revenue contributors for the Company this year. A majority of our registrations come from this region as they yield the better margins. As of March 31, 2019, we have 1,028 registrations in the pipeline.

MARKET DYNAMICS AND CHALLENGES

During FY2019, we strategically decreased our dependence on business from the LATAM region, due to prevailing economic and political uncertainties and long working capital cycles. However, this enabled us to increase our focus on sales from the NAFTA region and the European region. This shift has significantly improved our balance sheet position for the year and has shortened our working capital cycles. Additionally, the trade war between US and China, and its resultant uncertainty, has caused industry wide cost pressures. As most of our suppliers are from China, we too experienced increased pressures on our gross margins. However, our supplier base within China is highly diversified, minimising our dependence on any one supplier, which allows us to procure our raw material with added cost efficiency.

THE WAY FORWARD

Over the next few years, we will continue to focus on identifying and procuring highly demanded registrations, efficiently, from across the world. Our expertise in identifying the right molecules and formulations will remain a key growth driver for Sharda Cropchem. Apart from this, we also see the value in continuing to increase the percentage of our sales from the European Union and NAFTA regions, as they offer the best margins and shortest working capital cycles.

I would like to thank all our employees for working together to achieve our goals. It is the coming together of all our diverse capabilities that makes us a well-rounded player and enhances our ability to deliver a sustained performance. I look forward to the next year with optimism and have a strong conviction in our abilities to withstand challenging market conditions with agility, while taking on any new opportunities that may come our way.

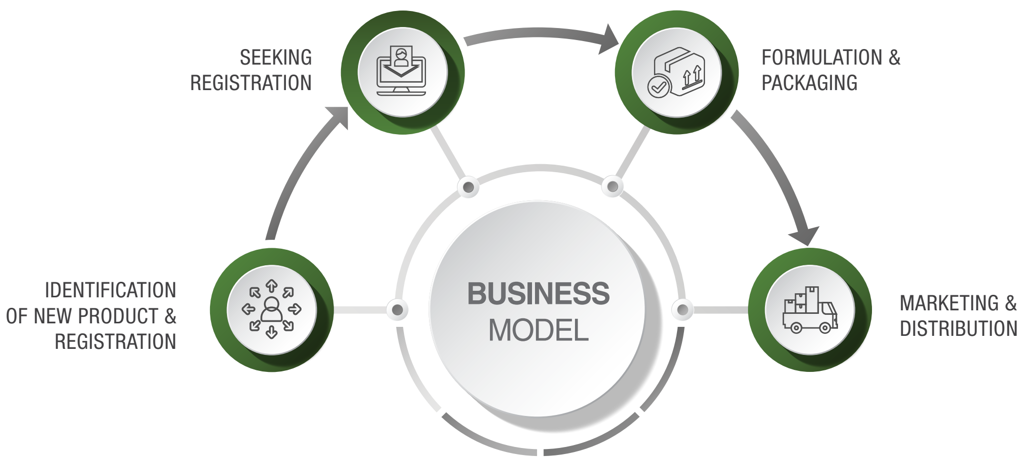
Sincerely

R. V. BUBNA
Chairman & Managing Director

FOCUS.

A UNIQUE ASSET LIGHT MODEL

to build our Intellectual Properties Portfolio to address diverse market needs.



We are a generic agrochemicals company following a differentiated asset-light business model, with a focus on product registrations and outsourced manufacturing. This differentiates us from "innovator" companies, that expend most of their capital, time and resources on R&D.

The agrochemical industry has been impacted significantly by the increase in population and decrease in arable land, along with fluctuations in climate change. The traditional methods of crop growing and protection are now inadequate to meet the growing demand, causing the sector to move towards accepting advanced agrochemical solutions to achieve higher field productivity. Falling commodity prices have been driving the farmers across the world to shift from expensive patented products to generic agrochemicals. Like Sharda Cropchem, many Indian agrochemical companies are looking to take advantage of the emerging opportunities as the patents for several significant agrochemicals expire.

Our asset light business model focuses on the registrations, procurement, marketing and distribution of agrochemical products. Our core competence lies in developing product dossiers and seeking product registrations in different countries. Not only do we have an extensive distribution network of third-party distributors, but we have also set-up our own sales force in multiple countries. By sourcing our molecules from a large base of suppliers, we have the added advantage of flexibility, helping us respond quickly to changing market trends. All these factors have streamlined our operations in a business that typically requires large investments and sufficient time for procuring registrations.

By outsourcing production and manufacturing, our investment risk is restricted to only two areas — intellectual property rights in the form of registrations and working capital. The investment is usually recovered well within the product's lifecycle.

Our unique business model helps us manage having large product mix and adopt new molecules with relative ease.

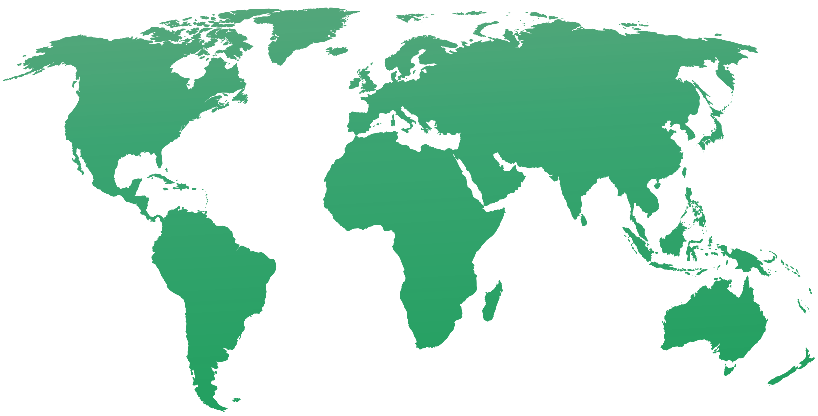
Our business model also helps us with the management of a large product mix and adopt new molecules with relatively more ease than most of our peers. Moreover, this approach ensures that our product portfolio is closely attuned to market demands, allowing us to replace molecules with a sub-par performance with molecules that are high in demand and have high margins. The model adopted by us also ensures to identify opportunities in different markets and explore these opportunities with ease.

For the non-agrochemical part of our business, we have a substantial distribution network, and the same model is adopted for sourcing and supplying, while leveraging the distribution network of our agrochemical business.

STRENGTHEN.

ADDING NEW MARKETS

to diversify our concentration risks.



With operational presence in more than 80 countries across the globe, Sharda Cropchem's presence in different geographies has helped in identifying opportunities and diversifying revenue sources.

Sharda Cropchem Limited

+500

3rd Party Distributors

Associated with Sharda Cropchem

We have set up our own sales force in major countries in Europe, NAFTA, LATAM and rest of the world, to support our network of large distributors that are already associated with our company.

We are capable of providing a wide bouquet of products to our customers with a product portfolio comprising of formulations and generic active ingredients in the fungicide, herbicide, insecticide and biocide segments. The product portfolio for the non-agrochemical business comprises of Belts, general chemicals, dyes and dye intermediates, which enables us to cater to varied demands.

Moving forwards, we plan to expand geographically, adopting a two-fold strategy by further penetrating existing markets and entering into new markets, while also strengthening marketing and distribution presence especially in Europe and NAFTA.

Going forward, we plan to strengthen our own sales force network, as we believe that marketing and distribution are an integral part of the agrochemical value chain.

EXPAND.

LEVERAGING OUR DIRECT SALES FORCE

to be more responsive to diverse markets.

We have created a brand image for ourselves with the legacy of being in the multiple geographies. With the help of over 500 third party distributors in our network, and over 200 personnel of our own sales force present in more than 40 countries, we have acquired the requisite knowledge to satisfy the local demand.

With an established track record of securing registrations in the 'toughest' markets such as Europe, we have secured around 1,140 registrations in Europe out of 2,297 total registration across geographies. Even though these markets have high entry barriers like high cost of registration, stringent testing standards with prolonged approval timeline, our expert management team has the ability to identify and make our presence known in these markets.

Over the years, we have developed strong relations with our third-party distributors and gained insights from them, which has enabled us to gauge the demand for our existing formulations. We believe that our core competency lies in seeking registrations. With our expertise, we are able to enter new markets in an efficient manner. Our own sales force on the ground helps us overcome critical entry barriers by providing firsthand 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.

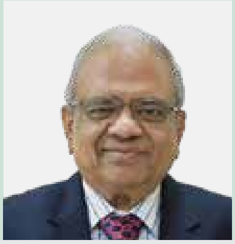
By leveraging our existing dossiers, we intend to continue pursuing opportunities for expanding our portfolio in the future. We believe our success is underpinned by our strong presence in multiple geographies and by leveraging that we plan to adopt a forward integration strategy to build our own sales force. The adoption of factory-to-farmer approach will help us become a one-stop solution provider.

2,297

Total Registrations across our Geographical Presence

We plan to adopt a forward integration strategy to build our own sales force by leveraging our market presence and existing capabilities.

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 51 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 28 years of experience in marketing of chemicals, agrochemicals and related businesses. He has been instrumental in strategising 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 University Department of Chemical Technology, Bombay University. He has over 26 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.

Sharda Cropchem Limited

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 37 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 40 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.

Mr. P. R. Srnivasan

Independent Director

Holds a Bachelor's Degree in Mechanical Engineering & a post graduate diploma in management (equivalent to an MBA) from IIM-Bangalore. He is an investment professional with over two decades of experience in private and public markets. He currently serves as a Designated Partner in Xponentia Capital Partners LLP. He previously served as India Region Head and Managing Director of Citigroup Venture Capital Investment. He was also one of the three founders of HSBC Private Equity in India and was an Investment Manager at ICICI Venture. He has been an Independent Director of the Company since December 2013.

Ms. Sonal Desai

Independent Director

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 US$ 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 33 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 appointed as an Additional Director of the Company since April 2019.

Management Discussion and Analysis

Agrochemicals sales are expected to increase up to 2% per year over global GDP until 2035, making it among the fastest growing parts of the chemical industry.

Economic Overview

After a strong growth in 2017 and early 2018, the second half of 2018 experienced a slowdown. Global economic growth softened to 3.6% in 2018, and is projected to decline further to 3.3% in 2019.[1] The slowdown in global expansion is due to challenges like escalation of US-China trade tensions, credit tightening in China, macroeconomic stress in Argentina and Turkey, disruption in the auto sector in Germany, and financial tightening in larger advance economies.

However, growth is expected to pick up in the second half of 2019, driven by an absence of inflationary pressure and monetary policy accommodations by major economies. Moreover, the fiscal and monetary policy stimulus by China has helped to counter the looming negative effects of imposed trade tariffs, improving the outlook for US – China trade tensions.

India's economy grew by 7.2%[2] in the fiscal year 2017-18 and is projected to grow around 6.9-7.0% in 2019 due to weaker economic momentum. The slowdown has been driven by cooling activity growth in the manufacturing sector and, to a lesser extent, agriculture. The IMF's WEO forecast projects that India's economy is poised to pick up in 2019, benefiting from stable oil prices and a slower pace of monetary tightening than previously expected, as inflationary pressures ease. Additionally, India has recorded a jump of 23 positions in the Ease of Doing Business metric since 2017, to be placed at the 77th rank among 190 countries assessed by the World Bank.

With the slowdown of global trade, the economic activity moderated in the second half of 2018 and output in some Member States of European Union were adversely affected by temporary domestic factors, such as disruptions in car production, social tensions and fiscal policy uncertainty. The start of 2019 saw a subdued economic momentum. However, the European economy is set to continue to benefit from improving labour market conditions, favourable financing conditions and a slightly expansionary fiscal stance. The euro area GDP growth is projected to be 1.3% in 2019 and 1.6% in 2020, while the EU GDP growth is projected to fall to 1.5% in 2019 and 1.7% in 2020.[3]

In September, the United States, Mexico, and Canada announced the completion of negotiations toward a new United States-Mexico-Canada Agreement (USMCA). According to the Government of Canada, the outcomes preserve key elements of this trading relationship and incorporate new and updated provisions focused on trade issues and on promoting opportunities for the nearly half-a-billion people who reside in North America.

The new agreement replaces the North American Free Trade Agreement (NAFTA), which in 1994 created the world's largest free trade region. And while Canada, U.S.'s second largest trading partner, was initially left out when the U.S. and Mexico reached a preliminary deal in late-August to revamp NAFTA, it later collaborated with its two trading partners to develop the USMCA.[4]

[1]IMF Blog: https://blogs.imf.org/2019/04/09/the-global-economy-a-delicate-moment/2IMF World
[2]Economic Outlook Forecast report
[3]European Commission – Press Release – Winter 2019 Economic Forecast

Registering a regional growth rate of 2.2%, Latin America's full-year growth prospects were left intact as of the end of this financial year. With sluggish growth prospects, U.S. - China trade tensions and major central banks' shift toward a more dovish policy stance, the growth in Latin America is expected to weaken, and delaying any plans across the region to tighten monetary policy. During late 2018 and early 2019, the growth momentum was weaker than expected across several large economies like Argentina, Brazil, and Mexico. Lower statistical growth carry-over, lingering policy uncertainty, weaker external demand, and several other idiosyncratic factors are expected to negatively impact growth forecasts for the region's two largest economies: Brazil and Mexico.

The IMF's World Economic Outlook report of April 2019 projected China to grow by 6.3%, which is higher than the previous forecast of 6.2%%. Despite the headwinds, IMF raised the growth forecast of China citing Beijing's effort to support the economy and improved outlook of US-China trade tensions. Furthermore, China has also ramped up its fiscal and monetary stimulus to counter the negative effects of trade tariffs.

The Agrochemical Industry[6]

The global market for crop protection sales increased from US$54.2 billion to US$56.5 billion in 2018, an increase of 4.2%. Rising demand for pesticides and increasing consumption of agrochemicals in liquid form are some of the key factors expected to boost the demand for agrochemicals in the global market. According to the estimates by Roland Berger, agrochemicals sales are expected to grow by up to 2% per year over global GDP until 2035. At that rate, the sector would likely be among the fastest growing parts of chemical industry.

Currently, at 36%, the herbicide segment constitutes the largest market share. The segment is expected to retain its position until 2024, due to the large-scale adoption of herbicide-resistant crops in North and South America.

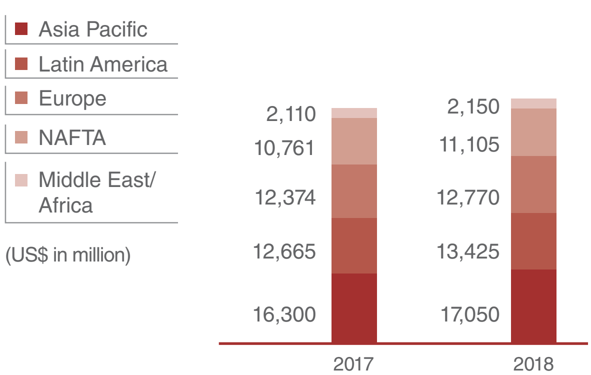
At the end of 2026, the pesticides segment of agrochemicals is anticipated to grow and become 1.54 times its value size in 2018. This segment is projected to create an incremental dollar

4 BBVA Research - USM5CA: uncertainty reduced, but not removed
5 BBVA Research – Latin America Economic Outlook
6 Source: Modor Intelligence report on the agrochemical industry and Phillip McDougall

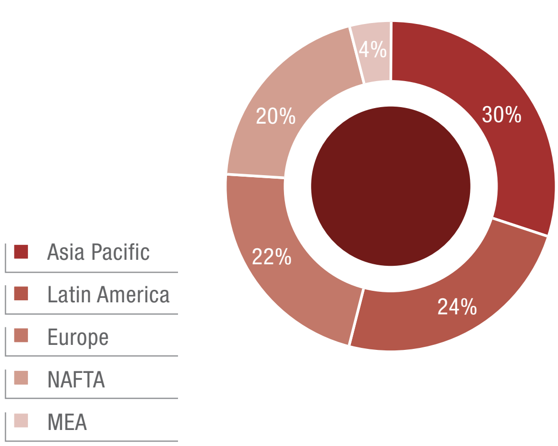
opportunity of nearly US$67.19 billion by 2026. The fertiliser segment of agrochemicals is projected to grow with 3.9% CAGR, in terms of value from 2017 to 2024.

The global crop protection chemical industry has been transforming over the years, with robust growth, coupled with changing crop mix trends and environmental regulations. Growing populations, the decline in arable land, and food security are the primary focus areas for all countries, driving the demand for higher agricultural output, augmenting the global growth of the pesticide industry.

GLOBAL CROP PROTECTION SALES



REGION WISE GLOBAL CROP PROTECTION MARKET MIX



Increase in Global Demand for Biocides

Global biocides market is expected to surpass $13 billion by 2024, at a CAGR of around 5% over the period of 2018 – 2024. The market is driven by the increasing number of water treatment plants and the replacement of traditional disinfectant such as chlorine by biocides owning to rising health and environmental concerns is another vital growth factor contributing towards the growth. The growing awareness in agricultural sector globally is likely to act as an opportunity for the biocides.

North America is dominating the global biocide market, primarily driven by demand in the US. This is due to the presence of a large number of companies in the region – specialising in nearly every industry including food and beverages, water purification and painting and coating, all of which are the largest consumers of biocides.

Key Market Trends

Huge opportunity for generic pesticide players

Products worth $6.3 billion are going off patent between 2014 – 2020. This has led to a shift from the use of high value patented products to generic agrochemicals, enabling a huge growth opportunity in the market. Out of the total crop protection market, approximately 60% of it is generic pesticide market and remaining share comes from proprietary off patent and patented pesticides. As per the Enigma report, 19 more agrochemical active ingredients (AIs) will lose patent protection between 2019 and 2026. With so many products coming off patent, industry players have the opportunity to choose the right off-patent/generic AIs for their product development strategies.

Over last 20 years, there has been a decline in the discovery of new active ingredients. At the same time, there has been a substantial increase in the number of mixture products entering the market. It is projected that, from 2019 to 2026, approximately 70 mixture products will lose the patent protection.[7]

Growing Population and Food Demand with Diminishing Arable Land

Growth in demand for food grains owing to increasing global population coupled with reducing per capita farmland due to surging urbanisation and industrialisation is one of most dominant driver of global agrochemicals market.

7Source - Agropages

The global crop protection chemical industry has been transforming over the years, with robust growth, coupled with changing crop mix trends and environmental regulations.

4.2%
Increase in Global Crop Protection Sales

$ 6.3 Billion
Worth of products going off patent between 2014-2020

The global population was pegged at 7.6 Billion in 2017 with a change of 1.12% during 2016-2017. High population growth has fuelled food consumption globally, which has surged the demand for agricultural products. Thus, the use of agrochemicals such as fertilisers and pesticides has become a necessity to meet the growing demand for food. By 2030, the per capita farmland is expected to decrease from 2,200 m² in 2005 to 1800 m². Various crop pests contribute to yield loss, causing global crop loss of 10-16% annually. In the past 8 years, the total crop area harvested has declined with a significant CAGR of approximately 3.5%.

With diminishing arable land, North America crop protection chemical market, dominated by the US and Canada, is anticipated to contribute tremendously towards the development of the overall crop protection chemical market. The market for crop protection is expected to grow at 7.05% of CAGR by volume during 2019-2027. Per hectare consumption (4.5kg/hectare) of Agrochemicals in North America is highest among all regions.

China and India are major exporters of agrochemicals in Latin America, the Asia Pacific, and other regions. Such factors are projected to create a robust platform for the growth in the Chinese and Indian agrochemicals markets.[8]

Technological improvements leading to efficient methods of agriculture

The rapidly growing world population and proportionately declining arable land have led to the need for improvement in agricultural production. Advancements in new breeding technologies claim to improve yields, as well as increase the lifespan of crops. For instance, genetic modifications improve the crop yield by increasing fertiliser absorption capacity. However, these crops still require agrochemicals such as pesticides because they are not completely pest resistant. Therefore, the requirement of pesticides will increase with the rise in the adoption of GM crops.

The development of efficient methods of farming will result in causing less harm to the environment and human health. Therefore, new technological advancements will further drive the global agrochemicals market during the forecast period.

Industry Outlook

Europe

The European crop protection product sales grew by 3.2% to $12.8 billion in 2018. The European market was a tale of two halves with negative weather in western EU countries being offset by growth in new member states in the East and major ex-soviet nations. Those markets continue to grow, led by cereal growing areas driven by exports.[9]

The Western European region is an established market for agrochemicals and has a good market growth, while France and Germany represent the largest agrochemicals markets of the European region followed by Italy, Spain and the UK.[10]

8 FICCI Report – April 23, 2018 – Media Coverage report on agrochemicals market
9 Source – Phillip McDougall
10 Source – Modor Intelligence report

Geographically, we are segmented into 4 markets; Europe, NAFTA, LATAM and RoW, with most of our revenue coming from Europe and the NAFTA region.

89%
of Total Registrations are Formulations

11%
of Total Registration are Active Ingredients

NAFTA

Crop protection sales in the NAFTA region increased by 3.2% in 2017 to reach $11.11 billion. Growth was driven by strong prices in North America. Part of this derives from a product mix effect as the glyphosate share continues to decline and more expensive herbicides replaces it. The other factor was price hikes from China.

The growth was also driven by increased planted areas of soybeans, canola and cotton, as well as improved conditions in California, where the region showed some recovery following the drought experienced in 2016.[11]

LATAM

The Latin American (excluding Mexico) crop protection market grew by 6.0% to $13.4 billion in 2018. Phillips McDougal anticipates the growth of 6% in Latin America, led by Brazil. Most leading companies have reported growth in this region. However, Argentina experienced some problems with drought. Relatively low disease pressures and glyphosate resistance were further dragging on the market.[12] However, volatile commodity prices combined with weak Brazilian real or unfavourable weather conditions could be negative for the agrochemicals sector.[13]

Globally, the Latin American market is the second fastest-growing crop protection chemicals market, and it accounts for nearly 24% of the global market share. Joint ventures and new product launches are the major strategies followed by the Latin American companies. The pesticides market in Latin America is consolidated, with top 10 companies holding the major share, whereas, the bio-pesticide market is fragmented.[14]

Rest of the World

Asia Pacific grew by 4.6% in 2018, as the good weather condition boosted the sales in India and China. The Indian pesticides market was worth ₹ 197 billion in 2018. The market is further projected to reach a value of ₹ 316 billion by 2024, growing at a CAGR of 8.1% during 2019-2024. The significance of pesticides has been rising over the last few decades, catalysed by the requirement to enhance the overall agricultural production and the need to safeguard adequate food availability for the country's growing population.

Chinese manufacturers stand to gain from exports of pesticides to other markets, since overall demand for them is on a growth trajectory. China Crop Protection Chemicals Market is expected to grow at a CAGR of 8.12% from 2015-2020. Droughts in Australia and Indonesia, and excessive inventory in Vietnam depressed those markets. The market across Middle East/Africa region increased by 1.9%, lagging the other regions.

Business Overview

Sharda Cropchem Limited is a fast-growing global agrochemical Company with a unique asset light business model. The Company is engaged in the marketing and distribution of a wide range

11 Source - Phillip McDougall
12 Source - Phillip McDougall
13 Source – Scope ratings – Corporate Outlook 2019 on Chemicals
14 Source – Modor Intelligence

of formulations and generic active ingredients globally. Our key business differentiator is our timely presence in developed markets, with entry barriers that have a high cost of registration, and stringent testing standards with prolonged approval timelines. The Company has a strong foothold in the advance economies of European countries and US markets. Over the years it has also gained a significant presence in other regulated markets such as LATAM and Rest of the World. Geographically, the Company is segmented into 4 markets; Europe, NAFTA, LATAM and RoW.

We operate within 2 business verticals: agrochemicals and non-agrochemicals.

Agrochemicals

The Company 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. Our Company operates across Europe, the NAFTA region, Latin America and the rest of the world.

Non-Agrochemicals

The Company is involved in the order-based procurement and supply of non-agrochemical products having a product profile of belts, general chemicals, dyes and dye intermediates. The Company procures these non-agrochemical products, primarily, from the manufacturers in China or India and supply them in over 30 countries across Europe, North America, Latin America, Australia, and Asia.

Our Business Model

Differentiating ourselves from the companies following typical agrochemical value chain framework, Sharda Cropchem Limited follows a unique asset-light business model, through which we are able to market and distribute a diversified range of formulations, without incremental manufacturing capex.

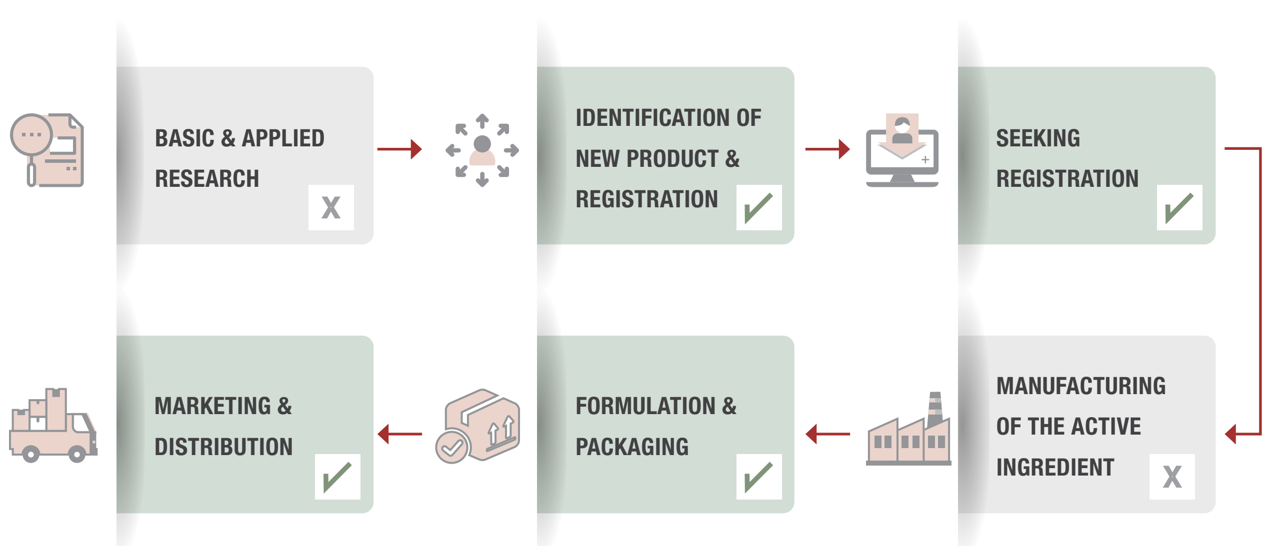
The agrochemical industry is highly regulated across markets and one of the strong entry barriers is seeking registrations. The Company's asset light business model allows our efforts to focus on the identification of generic molecules and registration opportunities, preparing dossiers, and seeking registrations for formulations and generic active ingredients.

The Company procure formulations and generic active ingredients in their finished form from third party manufacturers for sale, and also engages in third party formulations. This enables us to offer a diversified range of formulations and generic active ingredients in the fungicide, herbicide and insecticide segments. These formulations and molecules protect different kind of crops, serve turf and specialty markets, and include disinfectants in the biocide segment, thereby catering to a variety of market needs..

Competitive Strengths

Unique Asset Light Business Model

Sharda Cropchem follows a unique asset light business model whereby it keeps its competitiveness in identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing formulations through third party distributors or



using its own sales force. The asset light business model helps the Company to pay unfettered attention, invest capital and time, thereby driving their portfolio of registrations and generic active ingredients. This differentiates it from an innovator company, which expends capital, time and resources primarily towards R&D.

Core Competency in Registration

Sharda Cropchem's core competency lies in identifying opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions. As a result of the focused efforts in seeking registrations in different countries, along with the investment of time and capital towards this objective, the library of dossiers and the number of registrations owned by the Company has increased progressively. The legal and procedural requirements for seeking registrations differ in each jurisdiction. Over the years, the Company has focused and navigated through the regulatory requirements in these jurisdictions, which has now equipped it to anticipate potential issues and prepare for complying with the regulatory requirements in an efficient manner.

Strong registrations in Pipeline

Sharda Cropchem currently has 2,297 registrations, out of which 89% are formulations and the remaining 11% are active ingredients. The Company has a pipeline of 1,028 registrations across Europe, NAFTA, Latin America and Rest of World. Historically, the Company received 100-150 registrations each year and these registrations came from a portfolio of over 150 molecules. It continues to focus on adding more registration and these registrations will act as a catalyst in the growth of the Company.

De-Risking Sourcing Capabilities

The Company has maintained 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. This helps in de-risking the Company, as it is not being dependent on single or limited supplier, which in turn helps in getting optimal price from the market.

The Company's relationship with the third-party manufacturers and third-party formulators provide it with flexibility to adjust orders in accordance with the fluctuating demands and the Company's strong sourcing capabilities enables it to seek supply of formulations or generic active ingredients at competitive market prices.

Strong Global Distribution Network

With an objective to increase its presence in the agrochemical value chain, the Company has set up its own sales force in Europe, USA, Canada, Mexico, Colombia, South Africa, and other jurisdictions, in addition to third party distributors. By doing so, Sharda Cropchem will be able to increase the penetration of its formulations and generic active ingredients in various countries.

Strong Geographic Spread and Product Portfolio

Sharda Cropchem has grown by spreading its business operations in more than 80 countries, across Europe, NAFTA, Latin America and Rest of the World, offering diversified range of formulations and generic active ingredients in fungicide, herbicide, insecticide and biocide segments. With the presence in multiple geographies, the Company has diversified its revenue sources and at the same time developed knowledge about the local weather and soil conditions, which enables to foresee and satisfy the local demand. Also, its library of dossiers provides the opportunity to venture into newer markets.

Proficient and Professional Management

The Promoters and the Management of the Company have a rich experience in the agrochemical business and have played a key role in developing the business. Sharda Cropchem believes that the domain knowledge and experience provides the Company with a significant competitive advantage as it seeks to grow in existing markets and enter new geographies. Furthermore, a qualified, experienced and capable management team leads the business and its operations. The Company's ability to attract and retain the key management personnel and the in-house team has enabled it in streamlining the registration process thereby economising the registration costs and the time involved.

Financial Overview

The total revenue of Sharda Cropchem increased by 17.26%, from ₹ 17,065.89 million in FY18 to ₹ 20,011.42 million in FY19. Revenue from Europe, NAFTA and Rest of the World have grown by 14.0%, 20.5%, 64.2% respectively, while revenue from LATAM decreased by 18.8%.

The agro-chemicals division of the Company grew by 13.79% from ₹ 14,812.98 million in FY18 to ₹ 16,855.49 million in FY19. The revenues from non-agro division grew by 40.08% from ₹ 2,252.91 million in FY18 to ₹ 3,155.94 million in FY19.

Sharda Cropchem Limited

140

New Registrations Added in FY2019

Our core competency lies in identifying opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions.

The total number of registrations increased by 140 from 2,157 as of March 31, 2018 to 2,297 as of March 31, 2019. The Company has another 1,028 registrations in pipeline across geographies. The Company has a strong net cash position of ₹ 3,355 million as of March 2019.

Ratio Analysis

	2018-19	2017-18	Variance
Debtors Turnover Ratio	2.34	2.17	7.76%
Inventory Turnover	3.10	2.80	10.86%
Interest Coverage Ratio	29.01	60.08	(51.72)%*
Current Ratio	1.88	1.56	20.64%
Debt Equity Ratio	0.00	0.15	(99.95)%**
Operating Profit Margin (%)	12.16%	17.11%	(28.92)%***
Net Profit Margin (%)	8.81%	11.18%	(21.17)%
Return on Networth	13.73%	16.81%	(18.30)%

*Due to higher debt period in FY2019 as compared to FY2018
**Repayment of debt in current year from Internal Accruals
***Due to higher depreciation and write-off of Intangible assets and Intangible asset under construction

Business Strategy and Outlook

Leveraging the strategies in place, Sharda Cropchem plans to sustain the market position and maintain the growth that the Company has demonstrated over the years. During the year we have improved our balance sheet position significantly by improving the working capital, which in turn improved our cash reserves. The strategies in place are aimed towards maintaining double-digit growth through the next financial year.

Going forward, we plan to strengthen our own sales force network, as we believe that marketing and distribution are an integral part of the agrochemical value chain. Sharda Cropchem is expanding the reach of its sales force in Poland, Italy, Portugal, Spain, Hungary, USA, Canada, Mexico, Columbia and India, to reduce reliance on third party distributors. Along with this, we plan to grow our biocides business and we will continue to market and distribute it in various countries such as Spain, France, Italy, Hungary, Croatia, United Kingdom, Slovakia, Slovenia, Belgium, Bulgaria, Greece, Poland, and Czech Republic.

Through smart IP management, we continue to identify generic molecules going off patent and focus on seeking registrations to increase our portfolio of formulations and generic active ingredients across Europe, NAFTA, LATAM and Rest of the World. By leveraging the existing dossiers and portfolio of formulations and generic active ingredients, we plan to develop new composition of formulations.

With the established market presence and execution capability, we plan to adopt a factory-to-farmer approach and to become a one stop solution provider. This will enable the Company to increase the margin and portfolio penetration as well as serve efficiently.

Key Risks and Concerns

By structuring and continuously identifying, assessing and deciding on responses, the Company mitigates key risks across all levels of operations.

Exchange rate fluctuations

The Company, being a global player, has foreign currency revenue exposure primarily, in US Dollars and Euros. Due to the timing difference, the foreign exchange rate at which a sale is recorded in the books of account may not be the same with the foreign exchange rate at which the cash is realised by the Company, resulting in foreign currency gain or loss, depending primarily on the depreciation or appreciation of the US Dollar.

The Company's huge exports act as natural hedge against imports and the Company also takes plain vanilla hedge against their orders to reduce its exposure. The results of operation, cash flows, liquidity, and financial condition of the Company can be adversely affected if there is any adverse movement in the foreign exchange rates.

Extension of Patents

The Company faces high risks from patents laws, as it is a global generic agrochemical player having exposure in various countries. This may lead to unnecessary delays in formulations and generic active ingredients, and adversely affect the business. Introduction of formulations and generic active ingredients might get delayed if there are undue extension of patent terms, or the extension of exclusivity in the marketplace by the respective regulatory authorities, which will adversely affect the business.

Changes in government policies

Having a global presence, the Company has to comply by the laws, rules and regulations of many countries, which impacts the decision-making process. Any changes in the governmental policies related to agriculture and any adverse alterations in policies relating to agro sector — like a reduction in government expenditure in agriculture, a reduction in incentives and subsidy systems, a change in the export policy for crops, a change in the price of commodities — will affect the Company's business. It may also affect the ability of farmers to realise minimum support prices for their process, which will lead to inability of the farmers to spend on agrochemical input products. This could thereby affect the Company's market demand and sales.

Weather conditions like Droughts and reduced pest attacks can lower demand for agrochemicals

The agrochemical business is largely dependent on the weather patterns and pest attacks and the demand for agrochemicals is adversely impacted by droughts and fewer pest attacks, resulting in inventory build-up. All these factors make the sector unpredictable and making it difficult to forecast the exact levels of production of a crop relative to past production. Accordingly, the overall effect of weather conditions makes the Company's operations relatively unpredictable and seasonal.

₹ 3,355 Million

Net Cash Position as of March 2019

The Company's relationship with the third-party manufacturers and third-party formulators provide it with flexibility to adjust orders in accordance with the fluctuating demands and the Company's strong sourcing capabilities enables it to seek supply of formulations or generic active ingredients at competitive market prices.

Resistance development reduces life of product

The effective life of agrochemicals reduces over a period of time, as targeted pests develop resistance. The constant introduction of new agrochemicals is essential for effectively eliminating pest attacks. To mitigate this risk, Sharda Cropchem keeps obtaining registrations for new products, enhancing the portfolio in different geographies.

Pollution Control Measures in China

The Chinese government is paying greater attention to environmental protection and as China's fight against pollution is getting fiercer, the environmental protection measurements are affecting the agrochemicals industry and its international players including Sharda Cropchem. The pollutant discharge permit system can be regarded as a long-term environmental protection supervision system in China.

Internal Controls

The internal controls of the Company are being reviewed from of the leading and reputed external agency. This results in 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 authenticity of all transactions.

The Company has an effective compliance management system, which gives preventative warnings in case of any 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 renowned M/s. S. H. Bathiya & Co. LLP during FY2018, to provide guidance in smooth functioning of risk management policies, building a organisation wide awareness of risks, across businesses and corporate functions; developing formal reporting and monitoring processes; building risk management maintenance plans that would keep the information 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 Resources

The domain knowledge and experience of the Company's Promoters and management team provides Sharda Cropchem with a significant competitive advantage as it seeks to grow in our existing markets and enter new geographies. The Company has hired qualified professional management and key personnel, which will enable the Company to run independently. The overall employee engagement has allowed the Company to retain the top talent within it.

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 Sixteenth Annual General Meeting of the Members of M/s. Sharda Cropchem Limited will be held on Tuesday, August 27, 2019, 2019 at 3.00 p.m. at Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Auditors thereon.

3. To declare Final Dividend on the equity shares of the Company for the Financial Year ended March 31, 2019.

4. To appoint a Director in place of Mr. Manish R. Bubna (DIN: 00137394), who retires by rotation and being eligible, offers himself for re-appointment.

5. To ratify the appointment of the Statutory Auditor of the Company.

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Company be and hereby ratifies the appointment of M/s. B S R & Associates LLP Chartered Accountants, (Firm Registration No 116231W/W-100024) as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 17th Annual General Meeting and that the Board of Directors be and are hereby authorised to fix their remuneration."

SPECIAL BUSINESS:

6. To re-appoint Mr. M. S. Sundara Rajan (DIN: 00169775) as an Independent Director of the Company.

   To consider and if thought fit, pass, with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. M. S. Sundara Rajan (DIN: 00169775) who was appointed as an Independent Director of the Company at the 11th Annual General Meeting and holds office up to August 08, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 09, 2019 up to August 08, 2024."

7. To re-appoint Mr. Shitin Desai (DIN: 00009905) as an Independent Director of the Company.

   To consider and if thought fit, pass, with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Shitin Desai (DIN: 00009905) who was appointed as an Independent Director of the Company at the 11th Annual General Meeting and holds office up to August 08, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 09, 2019 up to August 08, 2024."

8. To re-appoint Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company.

   To consider and if thought fit, pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Shobhan Thakore (DIN: 00031788) who was appointed as an Independent Director of the Company at the 11th Annual General Meeting and holds office up to August 08, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 09, 2019 up to August 08, 2024."

9. To appoint Ms. Sonal Desai (DIN: 08095343) as an Independent Director of the Company.

   To consider and if thought fit, pass, with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act"), and the Rules made there under, read with Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), Ms. Sonal Desai, (DIN: 08095343) who was appointed as an Additional Director (Non-executive, Independent Director) of the Company by the Board of Directors with effect from April 01, 2019 and who holds office up to the date of the forthcoming Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years up to March 31, 2024."

NOTES

1. The Explanatory Statement, pursuant to Section 102 of Companies Act, 2013 ('the Act'), in respect of the business under item no 6 to 9 above is annexed hereto. The relevant details of the directors seeking re-appointment/appointment are also annexed herewith.

2. **A member entitled to attend and vote at the Annual General Meeting ("AGM"/"Meeting") is entitled to appoint a proxy to attend and vote in the Meeting instead of himself/herself and the proxy need not be a member.** The instrument appointing the proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the registered office of the Company not later than 48 hours before the time fixed for the meeting.

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorising their representative to attend and vote on their behalf at the AGM.

4. Members/Proxies/Authorised Representatives should bring their duly filled and signed attendance slip enclosed herewith to attend the AGM.

5. 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.

6. The Register of Members and the Share Transfer Books of the Company will remain closed on Tuesday, August 20, 2019.

7. The members are requested to kindly send all their correspondence relating to change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – M/s. Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited), Unit: Sharda Cropchem Limited, Karvy Selenium Tower B, 6th Floor, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, quoting their folio number and in case of shares held in dematerialised form, the intimation of change of address should be passed on to their respective depository participants.

8. 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.

9. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three (3) days notice in writing is given to the Company.

10. 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.

11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the depository. Members who have not registered their e-mail addresses are requested to register their e-mail address so that they can receive the annual report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

12. The annual report of the Company circulated to the members of the Company, will be made available on the Company's website at **www.shardacropchem.com** and also on website of the respective Stock Exchanges. Physical copies of the annual report will also be available at the Company's registered office for inspection during normal business hours on working days.

13. The Annual Report, including Notice, instructions for e-voting, attendance slip and proxy form, are being sent in electronic mode to members whose e-mail addresses are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the Annual Report is being sent to those members who have not registered their e-mail addresses with the Company or Depository Participant(s). Members who have received the Annual Report in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend the AGM.

14. Copies of the annual report will not be distributed at the AGM.

15. Route Map to the venue of the 16th Annual General Meeting of the Company is enclosed at the last page of the Annual Report.

16. Information and other instructions relating to e-voting are as under:

    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 Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) ("Karvy").

    ii. The facility for voting at the AGM either through electronic voting system or polling paper shall also be made available at the AGM and members who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

    iii. Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

    iv. The Board of Directors of the Company has appointed 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 cast at the meeting and through remote e-voting, 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 Karvy https://evoting.karvy.com

       The results shall simultaneously be communicated to the Stock Exchanges.

    v. The remote e-voting period commences on Saturday, August 24, 2019 (9:00 am) and ends on Monday, August 26, 2019 (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 Tuesday, August 20, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

vi. 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. Tuesday, August 20, 2019.

vii. Subject to receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the AGM.

viii. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. Tuesday, August 20, 2019 may obtain the user ID and password in the manner as mentioned below:

a. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567

b. If e-mail address or mobile number of the member is registered against Folio No. or DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. A member may call Karvy's toll free number 1-800-3454-001

d. A member may send an e-mail request to evoting@karvy.com.

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

ix. **Instructions and other information relating to remote e-voting:**

1) A) In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

(a) Launch internet browser by typing the URL: https://evoting.karvy.com.

(b) Enter the login credentials i.e. User ID and password which is sent separately.

The e-voting event number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1-800-3454-001 for your existing password.

(c) After entering these details appropriately click on "LOGIN".

(d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the e-voting event number for the Company.

(g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut off date. You may also choose the option "ABSTAIN". If the shareholder does not include either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(h) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(i) Voting has to be done for each resolution of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(j) You may then cast your vote by selecting an appropriate option and click on "Submit".

(k) 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. During the voting period, members can login any number of times till they have voted on the resolution(s).

(l) Corporate/Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (pdf format) of the Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: alpesh.panchal@kjbllp.com with a copy marked to evoting@karvy.com and may also upload the same in the e-voting in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

B) In case a member receives physical copy of the notice by post [for members whose e-mail ids are not registered with the Company/Depository Participant(s)]:

(a) User ID and initial password – as provided overleaf.

(b) Please follow all steps from sr. no. (a) to (l) as mentioned in (1A) above, to cast your vote.

2) 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.

3) In case of any query pertaining to e-voting, please visit help & FAQ's section available at Karvy's website https://evoting.karvy.com

By order of Board of Directors

Date : May 14, 2019
Place : Mumbai

Jetkin Gudhka
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of Companies Act, 2013('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under item no. 6 to 9 of the accompanying Notice dated May 14, 2019.

Item No. 6:

To re-appoint Mr. M. S. Sundara Rajan (DIN: 00169775) as an Independent Director of the Company.

Mr. M. S. Sundara Rajan 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 37 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. M. S. Sundra Rajan was appointed as an Independent Director of the Company under the provisions of Companies Act, 2013 vide resolution passed by the member at the Annual General Meeting of the Company held on August 09, 2014. As per the said resolution, he was appointed for the period of five (5) years up to August 08, 2019. Upon expiry of his term, he is eligible for re-appointment for another term of five years.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term of five consecutive years (one term) and shall be eligible for re-appointment for another period of five consecutive years (second term). In view of the above, the terms of re-appointment of Mr. M. S. Sundara Rajan was placed before the Nomination and Remuneration Committee and Board of Directors at the their meeting held on May 14, 2019 and the same was approved.

The Company also received a declaration of independence, as required by Section 149(6) of Companies Act, 2013 and under Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that he is not disqualified from being re-appointed as Independent Director of the Company. Further he also submitted his consent to act as director in form DIR-2 as required by Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.

Disclosure required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided by way of Annexure A to this explanatory statement.

Except Mr. M. S. Sundara Rajan, none of the Director or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution set out in item no. 6.

Mr. M. S. Sundara Rajan is not related to any Director or Key Managerial Personnel of the Company.

Item No. 7:

To re-appoint Mr. Shitin Desai (DIN: 00009905) as an Independent Director of the Company.

Mr. Shitin Desai is a veteran with more than 40 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 the Chairman and Independent Director on the Board of "Julius Baer Wealth Advisors (India) Pvt. Ltd." He is also an Independent Director on the Board of "Sharda Cropchem Limited." He is a Director on the Board of "Piramal Fund Management Pvt. Ltd."(Real Estate). He is also a Director on the Board of "Foundation for Promotion of Sports & Games", a Not-for-Profit (Section 25) Company which assists potential athletes to achieve their dream and win Olympic Gold Medals. 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. Shitin Desai was appointed as an Independent Director of the Company under the provisions of Companies Act, 2013 vide resolution passed by the member at the Annual General Meeting of the Company held on August 09, 2014. As per the said resolution, he was appointed for the period of five (5) years up to August 08, 2019. Upon expiry of his term, he is eligible for re-appointment for another term of five years.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (Seventy Five) years unless it is approved by the members by passing a special resolution to that effect". Mr. Shitin Desai will attain the age of 75 years on March 20, 2022 and hence continuation beyond 75 years requires the approval of members by special resolution.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term of five consecutive years (one term) and shall be eligible for re-appointment for another period of five consecutive years (second term). In view of the above, the terms of re-appointment of Mr. Shitin Desai was placed before the Nomination and Remuneration Committee and Board of Directors at the their meeting held on May 14, 2019 and the same was approved.

The Company also received a declaration of independence, as required by Section 149(6) of Companies Act, 2013 and under Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that he is not disqualified from being re-appointed as Independent Director of the Company. Further he also submitted his consent to act as director in form DIR-2 as required by Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.

Disclosure required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided by way of Annexure A to this explanatory statement.

Except Mr. Shitin Desai, none of the Director or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution set out in item no. 7.

Mr. Shitin Desai is not related to any Director or Key Managerial Personnel of the Company.

Item No. 8:

To re-appoint Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company.

Mr. Shobhan thakore 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.

Mr. Shobhan Thakore was appointed as an Independent Director of the Company under the provisions of Companies Act, 2013 vide resolution passed by the member at the Annual General Meeting of the Company held on August 09, 2014. As per the said resolution, he was appointed for the period of five (5) years up to August 08, 2019. Upon expiry of his term, he is eligible for re-appointment for another term of five years.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (Seventy Five) years unless it is approved by the members by passing a special resolution to that effect". Mr. Shobhan Thakore will attain the age of 75 years on July 31, 2022 and hence continuation beyond 75 years requires the approval of members by special resolution.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term of five consecutive years (one term) and shall be eligible for re-appointment for another period of five consecutive years (second term). In view of the above, the terms of re-appointment of Mr. Shobhan Thakore was placed before the Nomination and Remuneration Committee and Board of Directors at the their meeting held on May 14, 2019 and the same was approved.

The Company also received a declaration of independence, as required by Section 149(6) of Companies Act, 2013 and under Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that he is not disqualified from being re-appointed as Independent Director of the Company. Further he also submitted his consent to act as director in form DIR-2 as required by Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.

Disclosure required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided by way of Annexure A to this explanatory statement.

Except Mr. Shobhan Thakore, none of the Director or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution set out in item no. 8.

Mr. Shobhan Thakore is not related to any Director or Key Managerial Personnel of the Company.

Item No. 9:

To appoint Ms. Sonal Desai (DIN: 08095343) as an Independent Director of the Company.

The Board of Directors of the Company, vide circular resolution dated March 28, 2019, appointed Ms. Sonal Desai as an Additional Director (Non-executive Independent Director), subject to the approval of the members, for a period of 5 years commencing from April 01, 2019 to March 31, 2024.

Ms. Sonal Desai 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 33 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.

Disclosure required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided by way of Annexure A to this explanatory statement.

Except Ms. Sonal Desai, none of the Director or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution set out in item no. 9.

Ms. Sonal Desai is not related to any Director or Key Managerial Personnel of the Company.

By order of Board of Directors

Date : May 14, 2019
Place : Mumbai

Jetkin Gudhka
Company Secretary

ANNEXURE A

Details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on Tuesday, August 27, 2019.

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

Name of Director	Mr. M. S. Sundara Rajan	Mr. Shitin Desai	Mr. Shobhan Thakore	Ms. Sonal Desai	Mr. Manish Bubna
Director Identification Number (DIN)	00169775	00009905	00031788	08095343	00137394
Date of Birth (Age)	March 15, 1950 (69 Years)	March 20, 1947 (72 Years)	July 31, 1947 (72 Years)	August 13, 1957 (61 Years)	June 30, 1974 (45 Years)
Date of first appointment	August 09, 2014	August 09, 2014	August 09, 2014	April 01, 2019	March 12, 2004
Category	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Executive Director
Qualification	Post Graduation in Economics from University of Madras and Qualified Company Secretary	Graduation from Mumbai University	Graduation in Arts (Politics) and Law,	Chartered Accountant, Executive Diploma in Hospital Administration	Bachelor of Chemical Engineering (B.Ch.E)
Experience & Expertise	37 Years of experience in Banking Industry.	40 Years of experience in the Banking & Financial Service Sector.	He is solicitor at the Bombay High Court and Supreme Court of England & Wales. He is advisor for matters relating to Corporate Law and Securities Law.	33 Years of experience in handling finance and accounting functions as well as commercial and embedded functions resulted in rare blend of leadership experience and functional competence.	25 years of experience in chemicals, agrochemicals and related businesses. He has spearheaded the Company's foray into the conveyor belt and general chemicals business.
Number of shares held in Company	Nil	Nil	Nil	Nil	1,51,80,000
Name of other Listed entities in which person holds directorship and membership of committees	Nil	Nil	• Morarjee Textiles Limited • Alkyl Amines Chemicals Limited • Bharat Forge Ltd • Prism Johnson Limited	Care Ratings Limited	Nil
Relationships between Directors inter-se	None	None	None	None	• Son of Mr. Ramprakash Bubna and Mrs. Sharda Bubna • Brother of Mr. Ashish Bubna
Chairmanship/ Membership of committees of Company	Audit Committee - Member Nomination and Remuneration Committee - Chairman	Audit Committee – Chairman Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Member	Stakeholders Relationship Committee - Member	None	Stakeholders Relationship Committee - Member

Directors' Report

To,
The Members of
M/s. SHARDA CROPCHEM LIMITED

Your Directors have pleasure in presenting their report and audited accounts for the year ended March 31, 2019.

FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018
Revenue from operations (net)	160,706.52	146,997.69	200,114.28	170,658.86
Other income	5,131.24	2,477.94	1,792.27	806.78
Total Income	**165,837.76**	**149,475.63**	**201,906.55**	**171,465.64**
Expenses excluding interest, depreciation and amortisation expenses	133,426.57	112,991.56	167,625.46	135,266.68
Depreciation and amortization expenses	9,925.64	6,979.72	9,939.38	6,993.93
Finance cost	822.39	482.53	839.21	486.00
Profit before tax (PBT)	**21,663.16**	**29,021.82**	**23,502.50**	**28,718.95**
Tax Expense	7,260.56	9,683.10	5,868.17	9,641.64
Net Profit for the year	**14,402.60**	**19,338.72**	**17,634.33**	**19,077.31**
Other Comprehensive Income	6.29	(3.59)	883.51	232.8
Total Comprehensive Income	**14,408.89**	**19,335.13**	**18,517.84**	**19,310.11**

OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:

Your Company achieved an all time performance high in terms of operating revenues. The Company's consolidated revenue from operations increased by 17.26% to ₹ 200,114.28 Lakhs in FY 2019. This was possible on account of strong growth in the NAFTA and Europe regions due to new registrations. Your Company has 2,297 registrations as at March 31, 2019.

In FY2019, Gross margins and EBITDA margins (excluding Intangible Assets & Intangible Assets under Development write off impact) were marginally lower at 30.7% and 18.6% respectively on account of higher procurement cost and supply constraints in China due to the clamp on manufacturers in view of environment issues. Depreciation and amortisation expense was higher due to high capitalisation on registrations cost. PAT declined by 7.56% from last year mainly due to writeoff of Intangible Assets & Intangible Assets under Development & higher depreciation, the company declared a Consolidated PAT of ₹ 17,634.33 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 IN 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 2018-19 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 2018-19 in the profit and loss account.

DIVIDEND:

During the year, your Directors declared an interim dividend of ₹ 2.00 per share in their Board of Directors meeting dated January 24, 2019 on the paid-up equity shares of the Company. Your directors have recommended a final dividend of ₹ 2.00 per share on the paid-up equity shares of the Company for the Financial Year ended March 31, 2019 which, if approved, at the ensuing Annual General Meeting, will be paid to all those equity shareholders of the Company whose names appear in the register of members as on record date.

The aggregate amount of Interim Dividend Distributed is ₹ 1,804.41 Lakhs, excluding Dividend Distribution Tax (DDT).

The final dividend on equity shares, if approved by the members, would involve a cast outflow of ₹ 1,804.41 Lakhs, excluding DDT. The total dividend on equity shares for FY 18-19 would aggregate ₹ 3,608.82 Lakhs, excluding DDT.

DIVIDEND DISTRIBUTIION 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, 2019 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, the promoters have not 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, 2019, the Company's total income is ₹ 853.72 Lakhs (Previous year: ₹ 1,429.94 Lakhs) and Loss for the year is ₹ 7.57 Lakhs (Previous year: ₹ 20.77 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, 2019, the Company do not have any income i.e total income for the year is Nil (Previous Year: Nil) and loss for the year is ₹ 0.44 Lakhs (Previous Year: ₹ 0.17 Lakhs).

Sharda Agrochem Dooel Skopje, Macedonia

Sharda Agrochem Dooel Skopje is engaged in the business of dealing in agrochemical products in Mecedonia. For the year ended December 31, 2018, the Company's total income is ₹ 0.03 Lakhs (Previous Year: Nil) and Loss for the year is ₹ 0.06 Lakhs (Previous Year: ₹ 0.25 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, 2018, the Company's total income is ₹ 6.79 Lakhs (Previous Year: ₹ 4.13 Lakhs) and Loss for the year is 0.85 Lakhs. (Previous Year: Nil).

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, 2019, the Company's total income is ₹ 7,191.95 Lakhs (Previous year: ₹ 5,216.61 Lakhs) and Profit for the year is ₹ 29.26 Lakhs (Previous year: Loss ₹ 66.50 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, 2018, the Company's total income is ₹ 0.12 Lakhs (Previous Year: 0.16 Lakhs) and Loss for the year is ₹ 0.10 Lakhs (Previous Year: Profit 0.03 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, 2018, Company's total income is ₹ 25.08 Lakhs (Previous Year: ₹ 32.45 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, 2018, the Company's total income is ₹ 16.20 Lakhs (Previous Year: Nil) and Profit for the year is ₹ 14.66 Lakhs (Previous year: Loss ₹ 14.13 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, 2018, the Company's total income is ₹ 6.91 Lakhs (Previous Year: ₹ 4.13 Lakhs) and Loss for the year is ₹ 0.73 Lakhs (Previous year: ₹ NIL).

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, 2019, the Company's total income is ₹ 6,768.98 Lakhs (Previous year: ₹ 6,716.96 Lakhs) and Profit for the year is ₹ 9.80 Lakhs (Previous year: ₹ 276.67 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, 2019, the Company's total income is ₹ 35,348.62 Lakhs (Previous year: ₹ 23,600.84 Lakhs) and Profit for the year is ₹ 5,543.77 Lakhs (Previous year: ₹ 3,881.59 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, 2019, the Company's total income is ₹ 1,624.44 Lakhs (Previous Year: ₹ 809.00 Lakhs) and Loss for the year is ₹ 37.16 Lakhs (Previous year: Profit ₹ 74.40 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, 2018, the Company's total income is ₹ 325.65 (Previous Year: Nil) and Profit for the year is ₹ 268.76 Lakhs (Previous year: Loss ₹ 54.67 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, 2019, the Company's total income is ₹ 3,930.63 Lakhs (Previous year: ₹ 3,966.75 Lakhs) and Profit for the year is ₹ 218.16 Lakhs (Previous year: ₹ 124.90 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, 2018, the Company's total income is ₹ 1.52 Lakhs (Previous Year: ₹ 4.07 Lakhs) and Loss for the year is ₹ 2.79 Lakhs (Previous year: Profit ₹ 0.11 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, 2018, the Company's total income is ₹ 4.68 Lakhs (Previous Year: ₹ 7.02 Lakhs) and Profit for the year is ₹ 3.68 Lakhs (Previous year: Loss ₹ 0.33 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, 2018, the Company's total income is ₹ 3.04 Lakhs (Previous Year: ₹ 1.07 Lakhs) and Loss for the year is ₹ 0.35 Lakhs (Previous year: ₹ 0.08 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, 2018, the Company's total income is ₹ 6.83 Lakhs (Previous Year: ₹ 7.02 Lakhs) and Profit for the year is ₹ 0.03 Lakhs (Previous year: ₹ 0.05 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, 2018, the Company's total income is ₹ 4.44 Lakhs (Previous Year: ₹ 2.66 Lakhs) and Profit for the year is ₹ 0.26 Lakhs (Previous year: Loss ₹ 0.27 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, 2019, the Company's total income is ₹ 387.59 Lakhs (Previous Year: ₹ 96.08 Lakhs) and Profit for the year is ₹ 5.29 Lakhs (Previous year: Loss ₹ 8.96 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

SUBSIDIARY COMPANIES – INDIRECT

Euroazijski Pesticidi d.o.o., Croatia

Euroazjiski Pesticidi d.o.o. is engaged in the business of dealing in agrochemical products in Croatia. For the year ended March 31, 2019, the Company's total income is ₹ 58.89 Lakhs (Previous Year: ₹ 23.29 Lakhs) and Profit for the year is ₹ 19.14 Lakhs (Previous year: Loss ₹ 4.93 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 ₹ 2.02 Lakhs (Previous Year: ₹ Nil) and Profit for the year is ₹ 1.54 Lakhs (Previous year: Loss ₹ 0.58 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, 2019, the Company's total income is 0.14 Lakhs (Previous year: ₹ 0.15 Lakhs) and Loss for the year is ₹ 1.03 Lakhs (Previous year: ₹ 2.96 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, 2019, the Company's total income is ₹ 885.39 Lakhs (Previous year: ₹ 819.06 Lakhs) and Profit for the year is ₹ 7.95 Lakhs (Previous year: ₹ 39.67 Lakhs).

Sharda De Mexico S. De Rl De CV, Mexico

Sharda De Mexico S. De Rl De CV is engaged in the business of distribution of agrochemical products in Mexico and abroad. For the year ended March 31, 2019, the Company's total income is ₹ 6,079.36 Lakhs (Previous year: ₹ 5,132.09 Lakhs) and Loss for the year of ₹ 693.86 Lakhs (Previous year: ₹ 693.33 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, 2019, the Company's total income is ₹ 6.32 Lakhs (Previous Year: ₹ 10.31 Lakhs) and Profit for the year is ₹ 4.29 Lakhs (Previous year: ₹ 7.16 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, 2019, the Company's total income is ₹ 418.40 Lakhs (Previous year: ₹ 803.04 Lakhs) and Loss for the year is ₹ 70.98 Lakhs (Previous year: Profit ₹ 173.58 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, 2019, the Company's total income is ₹ 2.05 Lakhs (Previous Year: ₹ 2.47 Lakhs) and Profit for the year is ₹ 0.17 Lakhs (Previous year: Loss ₹ 0.32 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, 2018, the Company's total income is ₹ 12.59 Lakhs (Previous Year: ₹ 12.56 Lakhs) and Profit for the year is ₹ 0.86 Lakhs (Previous year: ₹ 0.32 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, 2019, the Company's total income is ₹ 1.50 Lakhs (Previous Year: Nil) and Loss for the year is ₹ 12.21 Lakhs (Previous year: ₹ 4.08 Lakhs).

Sharda Uruguay S.A

During the year, Sharda Uruguay S.A has been dissolved with effect from 4th October, 2018.

Statement containing salient features of the Financial Statement of Subsidiary Companies pursuant to Section 129(1) of the Companies Act read with rule 5 of the Companies (Accounts) Rules, 2014 is attached as **Annexure – 1**.

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.

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

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, 2019, 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

Your Company has appointed Ms. Sonal Desai, vide circular resolution dated March 28, 2019, as an Additional Director of the Company for a period of five years with effect from April 01, 2019, subject to the approval of the members at the ensuing AGM. She holds office upto the date of the ensuing AGM and a Notice under Section 160(1) of the Companies Act has been received from a member signifying the intention to propose her appointment as an Independent Director of the Company.

In terms of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. M. S. Sundara Rajan, Mr. Shitin Desai, Mr. Shobhan Thakore & Mr. P. R. Srinivasan, the Independent Director's of the Company were appointed for a term of five years and are not liable to retire by rotation.

However, their first term will expire on August 08, 2019 and they are eligible for re-appointment for another period of five years. Nomination & Remuneration Committee and Board of Directors at their meeting held on May 14, 2019 had approved their re-appointment, subject to the approval of the members at the ensuing AGM. However, Mr. P. R. Srinivasan has shown his unavailability for re-appointment.

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) 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 (appointed as an Additional Director w.e.f. April 01, 2019).

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. Manish R. Bubna (DIN: 00137394), Executive Director of the Company, retire 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. Conrad Fernandes resigned as Chief Financial Officer (CFO) of the Company w.e.f December 31, 2018. The Board, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Ashish Lodha as Chief Financial Officer (CFO) of the Company w.e.f January 18, 2019.

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. Ashish Lodha, 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 2018-19 viz, May 09, 2018, June 25, 2018, July 30, 2018, October 31, 2018 and January 24, 2019.

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.

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.

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 ₹ 6,95,16,405/- towards CSR activities out of which ₹ 5,73,48,593/- is for the current year i.e for Financial Year 2018-19 and ₹ 1,21,67,811/- is towards unspent amount of Financial Year 2017-18.

During the year, the Company has spent ₹ 6,95,96,785/- towards CSR activities.

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

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITOON 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 (Preservation, 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 Company has not received any complaint of sexual harassment during the Financial Year 2018-2019.

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, subject to ratification of their appointment at every Annual General Meeting.

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 2018-19. The Secretarial Audit Report is annexed to this report as **Annexure – 3**.

Reply to the qualification in Secretarial Report:

a) The Board of Directors, in their report for the Financial Year 2017-2018, inadvertently failed to comment on one of the observations raised by the Secretarial Auditor and the same has been qualified by the Auditor in their report for the Financial Year 2018-2019.

b) The Company had proposed re-appointment of Chairman & Managing Director and Whole-Time Directors at their 15th Annual General Meeting held on August 30, 2018. The Whole-Time Directors are liable to retire by rotation at every Annual General Meeting. Due to their re-appointment, the Company has not considered any retire by rotation for any of the Whole-Time Directors at the 15th Annual General Meeting.

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, form 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 material orders have been passed by the Regulators or Courts or Tribunals which would 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 if of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

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;

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:

(₹ in Lakhs)

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Foreign Exchange Earnings	1,64,960.27	1,49,159.70
Foreign Exchange Outgo	1,21,415.98	1,09,199.30

2) Maintenance of Cost Record:

Pursuant to Section 148 of the Companies Act, the Company has maintained the Cost Accounting Records for FY 2018-19. 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 : MAY 14, 2019

Annexure - 1

Statement contaning 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

(₹ in Lakhs)

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	(491.62)	601.06	592.68	-	708.40	(7.56)	-	(7.56)	-	100%
2	Nihon Agro Service Kabushiki Kaisha	Apr-Mar	JPY	0.62	0.59	(0.95)	4.99	5.35	-	-	(0.44)	-	(0.44)	-	100%
3	Sharda Agrochem Dooel Skopje	Jan-Dec	MKD	1.29	3.68	(0.02)	3.98	0.33	-	-	(0.06)	-	(0.06)	-	100%
4	Sharda Balkan Agrochemicals Limited	Jan-Dec	EURO	79.89	2.82	(2.13)	0.69		-	-	(0.85)	-	(0.85)	-	100%
4	Sharda Costa Rica SA *	Apr-Mar	CRC	0.12	0.00	0.00	0.00	-	-	-		-	-	-	99%
6	Sharda Cropchem Espana, S.L.	Apr-Mar	EURO	77.51	2.59	134.89	2,656.47	2,518.99	-	7,170.73	37.67	8.41	29.26	-	100%
7	Sharda Cropchem Israel Limited *	Jan-Dec	NIS	-	-	-	-	-	-	-	-	-	-	-	100%
8	Sharda Cropchem Tunisia SARL	Jan-Dec	TND	23.30	0.76	(0.28)	0.80	0.32	-	-	0.03	0.13	(0.10)	-	99%
9	Sharda De Guatemala S.A.	Jan-Dec	GTQ	9.03	0.34	(0.32)	0.04	0.02	-	-	-	-	-	-	98%
10	Sharda Del Ecuador CIA. Ltda.	Jan-Dec	USD	69.77	0.20	0.05	0.50	0.25	-	-	-	-	-	-	99.50%
11	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	Jan-Dec	BRL	17.92	8.29	(34.76)	-	26.47	-	-	14.66	-	14.66	-	99%
12	Sharda Dominicana S.R.L. *	Jan-Dec	RD$		-	-	-	-	-	-	-	-	-	-	99%
13	Sharda El Salvador S.A. DE CV *	Jan-Dec	USD		-	-	-	-	-	-	-	-	-	-	99%
14	Sharda Hellas Agrochemicals Limited	Jan-Dec	EURO	79.89	2.82	(2.13)	0.69	-	-	-	(0.72)	-	(0.72)	-	100%
15	Sharda Hungary Kft	Apr-Mar	HUF	0.24	7.23	388.23	2,937.50	2,542.03	-	6,766.82	18.77	8.97	9.80	-	100%
16	Sharda International DMCC	Apr-Mar	USD	69.11	37.62	12,313.42	16,022.69	3,671.65	-	34,871.16	5,485.48	-	5,485.48	-	100%
17	Sharda Italia SRL	Apr-Mar	EURO	77.51	7.81	40.68	1,022.71	974.22	-	1,624.40	(39.54)	(2.38)	(37.16)	-	99%
18	Sharda Morocco SARL *	Jan-Dec	DHS		-	-	-	-	-	-	-	-	-	-	100%
19	Sharda Peru SAC	Jan-Dec	PEN	20.71	0.33	(1.79)	8.29	9.75	-	-	268.76	-	268.76	-	99.95%
20	Sharda Poland SP. ZO.O.	Apr-Mar	PLN	18.08	0.96	155.14	3,557.72	3,401.61	-	222.81	213.46	4.45	209.01	-	100%
21	Sharda Polska SP. ZO.O.	Jan-Dec	PLN	18.45	2.99	(5.05)	12.82	14.89	-	-	(2.79)	-	(2.79)	-	100%
22	Sharda Spain S.L.	Jan-Dec	EURO	79.89	1.96	(1.36)	0.64	0.04	-	-	3.68	-	3.68	-	100%
23	Sharda Swiss SARL	Jan-Dec	CHF	70.99	8.62	(2.46)	8.57	2.41	-	-	(0.35)	-	(0.35)	-	100%
24	Sharda Taiwan Limited	Jan-Dec	TWD	2.28	2.04	0.29	2.32	-	-	-	0.00	-	-	-	100%
25	Sharda Ukraine LLC	Jan-Dec	UAH	2.52	4.25	(4.03)	0.31	0.10	-	-	0.04	0.01	0.03	-	100%
26	Sharda USA LLC	Jan-Dec	USD	69.77	-	(0.08)	1.80	1.88	-	-	0.00	-	-	-	100%
27	Shardacan Limited *	Jan-Dec	CAD		-	-	-	-	-	-	-	-	-	-	100%
28	Shardaserb. DO.O.	Jan-Dec	RSD	0.68	0.17	(0.46)	0.00	0.29	-	-	0.26	-	0.26	-	100%
29	Sharzam Limited *	Jan-Dec	ZMW		-	-	-	-	-	-	-	-	-	-	99.99%
30	Euroazijski Pesticidi d.o.o.****	Apr-Mar	HRK	10.43	2.09	0.42	14.53	12.02	-	-	18.71	-	18.71	-	100%
31	Sharda Benelux BVBA ****	Jan-Dec	EURO	79.89	4.95	(7.12)	0.13	2.30	-	-	1.52	-	1.52	-	100%
32	Sharda Bolivia SRL ****	Jan-Dec	BOB	10.06	1.01	(63.37)	5.39	67.75	-		(1.05)	-	(1.05)	-	99%
33	Sharda Colombia S.A.S.****	Apr-Mar	COP	0.02	62.77	88.78	733.33	581.78	-	776.23	19.36	11.87	7.49	-	99.48%

(₹ in Lakhs)

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
34	Sharda De Mexico S. De Rl De Cv ****	Apr-Mar	MXN	3.57	332.10	(470.75)	5,337.44	5,476.09	-	5,997.39	(685.32)	-	(685.32)	-	99.99%
35	Sharda Europe BVBA ****	Apr-Mar	EURO	77.51	4.81	(4.37)	2.44	2.00	-	-	4.10	-	4.10	-	100%
36	Sharda International Africa (PTY) Ltd ****	Apr-Mar	ZAR	4.77	0.01	14.51	558.29	543.77	-	382.48	(72.29)	(5.88)	(66.41)	-	100%
37	Sharda Malaysia SDN. BHD. ****	Apr-Mar	MYR	16.93	-	(0.97)	-	0.97	-		0.17	-	0.17	-	100%
38	Sharda Uruguay S.A. **/****	Apr-Mar	USD	69.11	-	-	-	-	-	-	(0.06)	-	(0.06)	-	100%
39	Sharpar S.A. ****	Jan-Dec	PYG	0.01	3.51	18.86	32.85	10.48	-	-	0.82	-	0.82	-	90%
40	Siddhivinayak International Limited ****	Apr-Mar	USD	69.11	489.35	(30.29)	459.06	-	-	-	(12.08)	-	(12.08)	-	100%
41	Sharda Private (Thailand) Limited ***	Apr-Mar	THB	2.18	41.67	(12.54)	67.84	38.70	-	387.59	5.30	-	5.30	-	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.

** Sharda Uruguay SA. was closed during the year.

*** 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

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	The CSR policy, approved by the Board of Directors, is available on the Company's website at www.shardacropchem.com/investor-relation.html 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: a. Eradicating hunger and providing water and sanitation facilities; b. Promotion of education including vocational and special education to children and women; c. Empowerment of women; d. Animal welfare; e. Promotion of Olympic sports; f. Rural development projects g. Medical Relief
2.	The Composition of the CSR Committee	1. Mr. Ramprakash V. Bubna, Chairman 2. Mrs. Sharda R. Bubna 3. Mrs. Urvashi Saxena (resigned w.e.f 28th October, 2018) 4. Mr. Shitin Desai
3.	Average Net Profit of the Company for last three Financial Years	₹ 2,86,74,29,661
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above)	₹ 5,73,48,593
5.	Details of CSR spent during the financial year	
a.	Total amount spent for the financial year	₹ 6,95,96,785
b.	Amount unspent, if any	NIL
c.	Manner in which amount spent during the financial year	The manner in which the amount is spent is as per the annexure.
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	Not applicable
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	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.

(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		
1.	Providing Education to able & disabled children	Education	Dharavi (Mumbai)	Maharashtra	7,50,000	7,50,000	-	7,50,000	ADAPT "Able Disabled All People Together"
2.	Providing Educational help, Arranging medical camps, providing sanitation facilities, etc	Education & Medical Relief	Mumbai	Maharashtra	2,00,000	2,00,000	-	2,00,000	"Agrawal Seva Samiti"
3.	Organizing Eye Camps for the needy and downtrodden people	Medical relief	Nawalgarh	Rajasthan	3,50,195	3,50,195	-	3,50,195	"Alliance Club Nawalgarh"
4.	Mid Day Meal Project	Education	Mumbai	Maharashtra	10,00,000	9,35,000	65,000	10,00,000	"Dharma Bharati Mission"
5.	Helping mentally challenged persons	Enhancing Vocational skills	Mumbai	Maharashtra	7,50,000	7,50,000	-	7,50,000	"Dilkhush Welfare Society"
6.	Educational Donation for needy students.	Promoting Education	Jhunjhunu	Rajasthan	5,04,590	5,04,590	-	5,04,590	"Dundlod Vidyapeeth"
7.	Helping poor and needy people for payment of school fees, medical help and towards animal welfare.	Promoting Education, Medical Relief & Animal Welfare	Mumbai & Nawalgarh	Maharashtra & Rajasthan	18,01,000	18,01,000	-	18,01,000	"Jankidevi Bilasrai Bubna Trust"
8.	Sponsorship to students	Promoting Education	Bhubaneswar	Odisha	15,00,000	15,00,000	-	15,00,000	"Kalinga Institute of Social Science"
9.	Vocational Training courses.	Vocational Training	Thane	Maharashtra	5,25,000	5,25,000	-	5,25,000	"Kherwadi Social Welfare Association"
10.	Medical Help	Medical Relief	Mumbai	Maharashtra	5,75,000	4,19,000	-	4,19,000*	"Kasturi Foundation"
11.	Providing & Promoting Education	Promoting Education	Navsari	Gujarat	10,00,000	10,00,000	-	10,00,000	"Malvi Educational and charitable Trust"
12.	Medical Help	Medical Relief	Mumbai	Maharashtra	3,00,000	3,00,000	-	3,00,000	"Mandke Foundation"
13.	Promoting Education	Promoting Education	Mumbai	Maharashtra	9,00,000	9,00,000	-	9,00,000	"Nawalgarh Nagrik Sangh"
14.	For training projects and rehabilitation of mentally challenged young adults	For training projects and rehabilitation of mentally challenged young adults	Mumbai	Maharashtra	10,00,000	10,00,000	-	10,00,000	"Om Creations Trust"

(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		
15.	Olympic Gold Quest Training, equipment, medical support	Promoting Spots	India and Abroad In India OFQ train at the following places: 1) Boxers train in Punjab, Maharashtra, Haryana and Manipur 2) Shooters train in Delhi, Maharashtra, Punjab, Chandigarh and Rajasthan 3) Wrestlers train in Haryana and Delhi 4) Archers train in West Bengal, Maharashtra, Delhi and Jharkhand 5) Weightlifters train in Patiala.		10,00,000	10,00,000	-	10,00,000	"Foundation for Promotion of Spots and Games"
16.	Providing & Promoting Education	Promoting Education	Mumbai	Maharashtra	45,00,000	45,00,000	-	45,00,000	"Pacific Medical University"
17.	Annadaan	Eradicating Hunger	Bhayandar, Thane	Maharashtra	2,25,000	2,25,000	-	2,25,000	"Parhit Seva Sangh"
18.	Day Boarding Meal cum Education Centres	Promoting Education & Eradicating Hunger	Dewas, Sehore and Mandla	Madhya Pradesh	10,00,000	9,04,000	96,000	10,00,000	"Parivaar Education Society"
19.	Educational help to poor, feeding birds and animals, etc	Education & Animal Welfare	Mumbai	Maharashtra	5,00,000	5,00,000	-	5,00,000	"R B Gupta Charity Trust"
20.	Bloomberg Lab, Encouraging Sports and promoting education	Promoting Education & Sports	Mumbai	Maharashtra	1,08,40,000	1,08,40,000	-	1,08,40,000	"Rajasthani Sammelan Education Trust"
21.	Providing sanitary napkins at subsidized rates for needy and underprivileged women	Medical Relief	Mumbai	Maharashtra	10,00,000	10,00,000	-	10,00,000	"Rajasthani Mahila Mandal"

(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		
22.	Expansion of Agrawal Oswal Chhatrawas hostel	Promoting Education	Mumbai	Maharashtra	2,50,00,000	1,90,00,000	-	1,90,00,000	"RVG Educational Foundation"
23.	Development of society by way of providing educational help, medical help etc to the society.	Promoting Education & Medical Relief	Mumbai	Maharashtra	3,76,000	3,76,000	-	3,76,000	"Smt. Bhagirathidevi Makhanlal Charity Trust"
24.	Eradicating hunger by way of providing foods to needy	Eradicating hunger	Nawalgarh	Rajasthan	11,00,000	11,0,000	-	11,00,000	"Shree Chamunda Mata Jeev kalyan Seva Sansthan"
25.	Animal Welfare	Animal Welfare	Nawalgarh, Bhadarpura	Rajasthan	5,00,000	5,00,000	-	5,00,000	"Shree Nawalgarh Goushala"
26.	Distribution of notebooks to poor and needy students	Promoting Education	Mumbai	Maharashtra	51,000	51,000	-	51,000	"Shree Shyam Satsang Mandal"
27.	Distribution of stationary materials to needy and deserving tribal children's.	Promoting Education	Mumbai	Maharashtra	51,000	51,000	-	51,000	"Shree Tungareshwar Mahadev Seva Samiti"
28.	For upliftment of tribal people in 71,550 villages in various part of our country by imparting value education through "Sanskar Shiksha	Promoting Education	Various location	Madhya Pradesh, Maharashtra	1,00,00,000	14,03,099	-	14,03,099*	"Shri Hari Satsang Samiti"
29.	Distribution of note books, Annadaan & Medical help	Promoting Education, Eradicating Hunger & Medical help	Mumbai	Maharashtra	5,22,000	5,22,000	-	5,22,000	"Shri Rani Sati Sarvajanik Aushadhayla"
30.	Eye camp, education camp, gaushala daan & medical help	Education, Medical Relief & Animal Welfare	Mumbai	Maharashtra	4,51,000	4,51,000	-	4,51,000	"Shri Ranisati Prachar Samiti"
31.	Organising Medical Camps & providing foods	Medical Relief	Mumbai	Maharashtra	2,00,000	2,00,000	-	2,00,000	"Shree Shyam Sumiran Mandal"

(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		
32.	Animal Welfare	Animal Welfare	Sikar	Rajasthan	32,75,000	32,75,000		32,75,000	"Shri Panchdev Mahamandir Gau Sevasharm Samiti"
33	Animal Welfare	Animal Welfare	Sikar	Rajasthan	1,00,000	1,00,000	-	1,00,000	"Somolai Gau Seva Samiti"
34	Water Sanitation Project at Zilla Parishad School	Sanitation Project	Mumbai	Maharashtra	5,00,000	5,00,000	-	5,00,000	"Swades Foundation"
35	Animal Welfare	Animal Welfare	Thane	Maharashtra	7,50,000	7,33,136	16,864	7,50,000	"Thane SPCA"
36	Sponsorship for running Day care centre & Computer Training	Education	Mumbai	Maharashtra	5,00,000	78,291	-	78,291*	"The Vatsalya Foundation"
37.	Education for girl children, Soft skill development, & Women Empowerment	Promoting Education	Thane	Maharashtra	10,00,000	9,54,284	45,716	10,00,000	"Udaan Welfare Foundation"
38.	Promote livelihood enhancement projects by providing loans to needy people for self employment.	Livelihood enhancement project	Ahmadabad	Gujarat	10,00,000	10,00,000	-	10,00,000	"Vicharta Samuday Samarthan Manch"

*The balance will be spent by the respective NGO/Trust in FY 2019-20

Annexure - 3

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019.
[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]

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 practice 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 2019, 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 2019, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. 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 - (Regulations relating to External Commercial borrowings not attracted to the Company for the year under review);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992:

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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, 1998 – **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, 2009 – **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**;

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:

1. Pursuant to section 134(3)(f) of the Act, the report of Board of Directors for the financial year ended 31st March 2018 did not contain the explanation or comments by the Board in respect of one of the qualifications made by the Secretarial Auditor in his report for financial year ended 31st March 2018;

2. No Director was proposed to retire by rotation at the Annual General Meeting of the Company held on 30 August 2018, pursuant to the provisions of Section 152 of the Act;

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.

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

Alpeshkumar Panchal
Partner
Mem No. - 49008
C. P. No. - 20120

Date : 14th May 2019.
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 - A

To,
The Members,
Sharda Cropchem Limited,
Mumbai.

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

1. 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.

2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

4. 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

Date : 14th May 2019.
Place : Mumbai.

Annexure - 4

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2019
[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	Karvy Fintech Private Limited (Formerly known as Karvy Computershare 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@karvy.com Website: www.karvycomputershare.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	99.59%

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)

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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	2015082235	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 SARL 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)
Sharda Poland SP. ZO.O ul. Bonifraterska 17, 00-203 Warszawa, Poland	511705	Subsidiary	100	Section 2(87)
Sharda Polska SP. ZO.O ul. Bonifraterska 17, 00-203 Warszawa, Poland	322630	Subsidiary	100	Section 2(87)

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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 Revinova Treuhand AG, Friesenbergstrasse 75, 8055 Zurich	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.O 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 Jozef Mertensstraat 142, 1702, Dilbeek	BE 0818 126 308	Indirect Subsidiary	100	Section 2(87)
Sharda Bolivia SRL Office 303, del 3 piso del “Edificio Oriente”, Ballivian 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 Aguascalienrtes Tlacotalpan Chanpoton Romasur, Mexico.	SME0707187AA	Indirect Subsidiary	99	Section 2(87)
Sharda Europe BVBA Jozef Mertensstraat 142, 1702 Dilbeek	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)
Sharda Uruguay S.A. (dissolved w.e.f. October 04, 2018) Sarandi 693 Floor 3, Montevideo, Uruguay	-	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, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% 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	6,74,65,371	0	6,74,65,371	74.78	0.00
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**	**6,74,65,371**	**0**	**6,74,65,371**	**74.78**	0.00
(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)	**6,76,65,371**	**0**	**6,76,65,371**	**74.78**	**6,74,65,371**	**0**	**6,74,65,371**	**74.78**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	1,16,24,837	0	1,16,24,837	12.88	1,49,72,687	0	1,49,72,687	16.60	3.72
b) Banks/ FI	6,232	0	6,232	0.01	25,171	0	25,171	0.03	0.02
c) Central Govt.	0	0	0	0.00					0.00
d) State Govt.(s)	0	0	0	0.00					0.00
e) Venture Capital Funds	0	0	0	0.00					0.00

Category of Share holders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
f) Insurance Companies	0	0	0	0.00					0.00
g) Foreign Institutional Investors	71,05,757	0	71,05,757	7.88	49,68,346	0	49,68,346	5.51	(2.37)
h) Foreign Venture Capital Investors	0	0	0	0.00					0.00
i) Others	0	0	0	0.00					0.00
Sub-total (B)(1)	**1,87,36,826**	**0**	**1,87,36,826**	**20.77**	**1,99,66,204**	**0**	**1,99,66,204**	**22.13**	1.36
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0.00	0	0	0	0	0
ii) Overseas	4,41,621	0	4,41,621	0.49	2,27,389	0	2,27,389	0.25	(0.24)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	25,50,617	152	25,50,769	2.83	21,82,051	52	21,82,103	2.42	(0.41)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	3,10,541	0	3,10,541	0.34	54,001	0	54,001	0.06	(0.28)
c) Others (Alternative Investment Fund))	0	0	0	0	28,597	0	28,597	0.03	0.03
i) Clearing Members	3,11,635	0	3,11,635	0.34	4,235	0	4,235	0.00	(0.34)
i) Non Resident Individuals	1,50,419	0	1,50,419	0.17	1,78,301	0	1,78,301	0.20	0.03
ii) NBFC	2,53,013	0	2,53,013	0.28	1,13,994	0	1,13,994	0.13	(0.15)
iii) Trust	300	0	300	0.00	300	00	300	0.00	0.00
Sub-Total (B) (2):-	**40,18,146**	**152**	**40,18,298**	**4.45**	**27,88,868**	**52**	**27,88,920**	**3.09**	**(1.36)**
Total Public Shareholding (B) = (B)(1) + B(2)	**2,27,54,972**	**152**	**2,27,55,124**	**25.22**	**2,27,55,072**	**52**	**2,27,55,124**	**25.22**	**0.00**
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
***GRAND TOTAL (A)+(B)+(C)**	**9,02,20,343**	**152**	**9,02,20,495**	**100.00**	**9,02,20,443**	**52**	**9,02,20,495**	**100.00**	**0**

ii. Shareholding of Promoters

Sharda Cropchem Limited

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% 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	1,40,52,685	15.5759	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	01.04.2018	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	31.03.2019	1,40,52,686	15.5759			
2	**Sharda R. Bubna**						
	At the beginning of the year	01.04.2018	1,40,52,685	15.5759			
	Date wise Increase / Decrease in Promoters Share holding during the Year			No Change			
	At the end of the year	31.03.2019	1,40,52,685	15.5759			
3	**Ashish R. Bubna**						
	At the beginning of the year	01.04.2018	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	31.03.2019	1,51,80,000	16.8254			
4	**Manish R. Bubna**						
	At the beginning of the year	01.04.2018	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	31.03.2019	1,51,80,000	16.8254			
5	**Seema A. Bubna**						
	At the beginning of the year	01.04.2018	45,00,000	4.9878			
	Date wise Increase / Decrease in Promoters Share holding during the Year			No Change			
	At the end of the year	31.03.2019	45,00,000	4.9878			
6	**Anisha M. Bubna**						
	At the beginning of the year	01.04.2018	45,00,000	4.9878			
	Date wise Increase / Decrease in Promoters Share holding during the Year			No Change			
	At the end of the year	31.03.2019	45,00,000	4.9878			

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 the year		Dates	Reason	Increase / Decrease in Shareholding		Cummulative 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	DSP BLACKROCK EQUITY & BOND FUND	58,84,245	6.52	18/05/2018	Sale of Shares	14,48,837	1.61	44,35,408	4.92
				25/05/2018	Sale of Shares	34,110	0.04	44,01,298	4.88
				01/06/2018	Sale of Shares	63,325	0.07	43,37,973	4.81
				08/06/2018	Sale of Shares	25,645	0.03	43,12,328	4.78
				22/06/2018	Sale of Shares	7,99,366	0.89	35,12,962	3.89
				20/07/2018	Sale of Shares	4,00,000	0.44	31,12,962	3.45
				27/07/2018	Sale of Shares	2,00,000	0.22	29,12,962	3.23
				17/08/2018	Sale of Shares	3,360	0.00	29,09,602	3.22
				24/08/2018	Sale of Shares	26,036	0.03	28,83,566	3.20
				31/08/2018	Sale of Shares	3,245	0.00	28,80,321	3.19
				07/09/2018	Sale of Shares	31,216	0.03	28,49,105	3.16
				14/09/2018	Sale of Shares	10,829	0.01	28,38,276	3.15
				05/10/2018	Sale of Shares	1,50,000	0.17	26,88,276	2.98
				12/10/2018	Sale of Shares	2,23,031	0.25	24,65,245	2.73
				01/02/2019	Purchase of Shares	42,521	0.05	25,07,766	2.78
				08/02/2019	Purchase of Shares	84,257	0.09	25,92,023	2.87
				15/02/2019	Purchase of Shares	13,912	0.02	26,05,935	2.89
				22/02/2019	Purchase of Shares	3,193	0.00	26,09,128	2.89
		26,09,128	**2.89**	**31/03/2019**	**At the end of the year**				
2	HDFC TRUSTEE COMPANY LIMITED – HDFC PRUDENCE	**55,25,096**	**6.12**	06/04/2018	Purchase of Shares	2,97,737	0.33	58,22,833	6.45
				13/04/2018	Purchase of Shares	1,00,000	0.11	59,22,833	6.56
				11/05/2018	Purchase of Shares	1,99,200	0.22	61,22,033	6.79
				18/05/2018	Purchase of Shares	9,000	0.01	61,31,033	6.80
				18/05/2018	Sale of Shares	2,90,000	0.32	58,41,033	6.47
				25/05/2018	Sale of Shares	5,00,000	0.55	53,41,033	5.92
				22/06/2018	Purchase of Shares	4,04,400	0.45	57,45,433	6.37
				29/06/2018	Purchase of Shares	37,27,507	4.13	94,72,940	10.50
				29/06/2018	Sale of Shares	33,20,396	3.68	61,52,544	6.82
				27/07/2018	Purchase of Shares	9,04,710	1.00	70,57,254	7.82
				03/08/2018	Purchase of Shares	1,63,900	0.18	72,21,154	8.00
				10/08/2018	Purchase of Shares	1,14,700	0.13	73,35,854	8.13
				17/08/2018	Purchase of Shares	11,371	0.01	73,47,225	8.14
				24/08/2018	Purchase of Shares	16,100	0.02	73,63,325	8.16
				31/08/2018	Purchase of Shares	9,500	0.01	73,72,825	8.17
				28/09/2018	Purchase of Shares	18,700	0.02	73,91,525	8.19
				05/10/2018	Purchase of Shares	1,92,500	0.21	75,84,025	8.41
				12/10/2018	Purchase of Shares	3,98,000	0.44	79,82,025	8.85
				26/10/2018	Purchase of Shares	49,400	0.05	80,31,425	8.90
		80,31,425	**8.90**	**31/03/2019**	**At the end of the year**				

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Dates	Reason	Increase / Decrease in Shareholding		Cummulative 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
3	L AND T MUTUAL FUND TRUSTEE LIMITED – L AND T TAX SAVER	12,050	0.01	18/05/2018	Purchase of Shares	14,42,508	1.60	14,54,558	1.61
				18/05/2018	Sale of Shares	11,300	0.01	14,43,258	1.60
				25/05/2018	Purchase of Shares	5,23,464	0.58	19,66,722	2.18
				01/06/2018	Purchase of Shares	99	0.00	19,66,821	2.18
				15/06/2018	Purchase of Shares	13,20,832	1.46	32,87,653	3.64
				13/07/2018	Purchase of Shares	20,000	0.02	33,07,653	3.67
				20/07/2018	Purchase of Shares	5,000	0.01	33,12,653	3.67
				17/08/2018	Purchase of Shares	25,000	0.03	33,37,653	3.70
				28/09/2018	Purchase of Shares	24,785	0.03	33,62,438	3.73
				05/10/2018	Purchase of Shares	22,909	0.03	33,85,347	3.75
				19/10/2018	Purchase of Shares	7,872	0.01	33,93,219	3.76
				26/10/2018	Purchase of Shares	89,844	0.10	34,83,063	3.86
				02/11/2018	Purchase of Shares	2,284	0.00	34,85,347	3.86
				30/11/2018	Purchase of Shares	1,00,000	0.11	35,85,347	3.97
				21/12/2018	Purchase of Shares	33,803	0.04	36,19,150	4.01
				28/12/2018	Purchase of Shares	9,722	0.01	36,28,872	4.02
				04/01/2019	Purchase of Shares	1,803	0.00	36,30,675	4.02
				11/01/2019	Purchase of Shares	2,65,008	0.29	38,95,683	4.32
				18/01/2019	Purchase of Shares	1,03,500	0.11	39,99,183	4.43
				25/01/2019	Purchase of Shares	1,50,000	0.17	41,49,183	4.60
				01/02/2019	Purchase of Shares	139	0.00	41,49,322	4.60
				08/02/2019	Purchase of Shares	7,189	0.01	41,56,511	4.61
				15/02/2019	Purchase of Shares	15,437	0.02	41,71,948	4.62
				22/02/2019	Purchase of Shares	17,233	0.02	41,89,181	4.64
				01/03/2019	Purchase of Shares	4,437	0.00	41,93,618	4.65
				08/03/2019	Purchase of Shares	2,230	0.00	41,95,848	4.65
				22/03/2019	Purchase of Shares	30,563	0.03	42,26,411	4.68
				29/03/2019	Purchase of Shares	6,460	0.01	42,32,871	4.69
				29/03/2019	Sale of Shares	750	0.00	4,23,2121	4.69
		42,32,121	4.69	31/03/2019	At the end of the year				
4	PINEBRIDGE INVESTMENTS GF MAURITIUS LIMITED	22,38,355	2.48	--	--	--	--	--	--
		22,38,355	2.48	31/03/2019	At the end of the year				
5	GOLDMAN SACHS INDIA LIMITED	16,58,480	1.84	13/04/2018	Sale of Shares	71,862	0.08	15,86,618	1.76
				11/05/2018	Sale of Shares	2,00,000	0.22	13,86,618	1.54
				08/06/2018	Sale of Shares	13,86,618	1.54	0	0.00
		0	0.00	31/03/2019	At the end of the year				
6	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND	16,26,675	1.80	07/09/2018	Sale of Shares	1,30,000	0.14	14,96,675	1.66
		14,96,675	1.66	31/03/2019	At the end of the year				
7	GOVERNMENT OF SINGAPORE - E	4,70,392	0.52	-	-	-	-	-	-
		4,70,392	0.52	31/03/2019	At the end of the year				
8	DEUTSCHE BANK A.G.	2,89,989	0.32	06/04/2018	Sale of Shares	2,89,989	0.32	0	0.00
				27/04/2018	Purchase of Shares	2,289	0.00	2,289	0.00
				04/05/2018	Sale of Shares	2,289	0.00	0	0.00
				08/06/2018	Purchase of Shares	7,01,925	0.78	7,01,925	0.78
				15/06/2018	Sale of Shares	7,01,925	0.78	0	0.00
				22/06/2018	Purchase of Shares	215	0.00	215	0.00
				29/06/2018	Sale of Shares	215	0.00	0	0.00
				21/09/2018	Purchase of Shares	1,779	0.00	1,779	0.00
				28/09/2018	Sale of Shares	3,333	0.00	5,112	0.01
				05/10/2018	Sale of Shares	5,112	0.01	0	0.00
				21/12/2018	Purchase of Shares	329	0.00	329	0.00
				28/12/2018	Purchase of Shares	76	0.00	405	0.00
				31/12/2018	Sale of Shares	89	0.00	316	0.00
				04/01/2019	Sale of Shares	316	0.00	0	0.00
				25/01/2019	Purchase of Shares	17,158	0.02	17,158	0.02
				01/02/2019	Sale of Shares	17,158	0.02	0	0.00
				22/02/2019	Purchase of Shares	253	0.00	253	0.00
				01/03/2019	Purchase of Shares	258	0.00	511	0.00
				08/03/2019	Sale of Shares	511	0.00	0	0.00
				15/03/2019	Purchase of Shares	2,805	0.00	2,805	0.00
				22/03/2019	Sale of Shares	2,347	0.00	458	0.00
				29/03/2019	Sale of Shares	309	0.00	149	0.00
		149	0.00	31/03/2019	At the end of the year				

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Dates	Reason	Increase / Decrease in Shareholding		Cummulative 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
9	**INFINA FINANCE PRIVATE LIMITED**	**2,44,191**	**0.27**	**27/04/2018**	**Purchase of Shares**	**10,000**	**0.01**	**2,54,191**	**0.28**
				29/06/2018	Sale of Shares	135	0.00	2,54,056	0.28
				06/07/2018	Sale of Shares	3,460	0.00	2,50,596	0.28
				13/07/2018	Sale of Shares	10,866	0.01	2,39,730	0.27
				27/07/2018	Sale of Shares	1,06,714	0.12	1,33,016	0.15
				10/08/2018	Sale of Shares	3,717	0.00	1,29,299	0.14
				21/12/2018	Sale of Shares	13,164	0.01	1,16,135	0.13
				28/12/2018	Sale of Shares	8,336	0.01	1,07,799	0.12
		1,07,799	**0.12**	**31/03/2019**	**At the end of the year**				
10	**JIGAR LALCHAND SHAH**	**2,24,842**	**0.25**	06/04/2018	Purchase of Shares	3,660	0.00	2,28,502	0.25
				11/05/2018	Purchase of Shares	37,823	0.04	2,66,325	0.30
				11/05/2018	Sale of Shares	37,823	0.04	2,28,502	0.25
				18/05/2018	Purchase of Shares	10,505	0.01	2,39,007	0.26
				18/05/2018	Sale of Shares	61,500	0.07	1,77,507	0.20
				25/05/2018	Purchase of Shares	145	0.00	1,77,652	0.20
				25/05/2018	Sale of Shares	145	0.00	1,77,507	0.20
				08/06/2018	Purchase of Shares	6,086	0.01	1,83,593	0.20
				15/06/2018	Purchase of Shares	27,123	0.03	2,10,716	0.23
				22/06/2018	Purchase of Shares	55,605	0.06	2,66,321	0.30
				22/06/2018	Sale of Shares	55,605	0.06	2,10,716	0.23
				29/06/2018	Purchase of Shares	22,742	0.03	2,33,458	0.26
				29/06/2018	Sale of Shares	22,742	0.03	2,10,716	0.23
				06/07/2018	Purchase of Shares	46,624	0.05	2,57,340	0.29
				06/07/2018	Sale of Shares	46,624	0.05	2,10,716	0.23
				13/07/2018	Sale of Shares	30,858	0.03	1,79,858	0.20
				27/07/2018	Purchase of Shares	8,821	0.01	1,88,679	0.21
				27/07/2018	Sale of Shares	8,821	0.01	1,79,858	0.20
				07/09/2018	Purchase of Shares	15,876	0.02	1,95,734	0.22
				07/09/2018	Sale of Shares	15,876	0.02	1,79,858	0.20
				12/10/2018	Sale of Shares	1,79,858	0.20	0	0
		0	0.00	**31/03/2019**	**At the end of the year**				

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. 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~~/Decrease	No transactions during the year			
At the end of the year	1,40,52,685	15.5759		
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. Shares	% of total shares of the company
Mr. Conrad Fernandes, Chief Financial Officer (Resigned w.e.f. December 31, 2018)				
At the beginning of the year	-	-	-	-
Increase / Decrease	-	-	-	-
Till December 31, 2018	-	-	-	-
Mr. Ashish Lodha, Chief Financial Officer (Appointed w.e.f. January 18, 2019)				
From January 18, 2019	-	-	-	-
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	1,57,50,000	30,00,000	1,31,25,000	1,31,25,000	4,50,00,000
	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)	3,16,07,583	-	2,11,77,081	2,11,77,081	7,39,61,745
	- others, (please specify)	-	-	-	-	-
5	Others, (please specify)	-	-	-	-	-
	Total (A)	4,73,57,583	30,00,000	3,43,02,081	3,43,02,081	11,89,61,745
	Ceiling as per the Act	**15,80,37,915**	**15,80,37,915**	**15,80,37,915**	**15,80,37,915**	**31,60,75,831**

Note: Commission is for the Financial Year 17-18, paid in the Financial Year 18-19.

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particular of Remuneration	Name of Directors					Total Amount
		Mr. M. S. Sundara Rajan	Mrs. Urvashi Saxena	Mr. Shitin Desai	Mr. Shobhan Thakore	Mr. P R Srinivasan	
1	Fee for attending Board / Committee Meetings	1,20,000	1,80,000	3,60,000	1,50,000	2,40,000	10,50,000
2	Commission	-	-	-	-	-	-
3	Others, (please specify)	-	-	-	-	-	-

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Conrad Fernandes (Chief Financial Officer) (resigned w.e.f December 31, 2018)	Mr. Ashish Lodha (Chief Financial Officer) (appointed w.e.f January 18, 2019)	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	49,56,613	12,25,806	15,65,628	**77,48,047**
	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	**49,56,613**	**12,25,806**	**15,65,628**	**77,48,047**

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					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
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	111.45
Mrs. Sharda R. Bubna	7.06
Mr. Ashish R. Bubna	80.73
Mr. Manish R. Bubna	80.73
Non-Executive Directors	
Mr. M. S. Sundara Rajan	0.28
Mrs. Urvashi Saxena	0.42
Mr. Shitin Desai	0.85
Mr. Shobhan Thakore	0.35
Mr. P R Srinivasan	0.56

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	10.00
Mrs. Sharda R. Bubna	-
Mr. Ashish R. Bubna	9.00
Mr. Manish R. Bubna	9.00
Mr. M. S. Sundara Rajan	(50.00)
Mrs. Urvashi Saxena	(45.00)
Mr. Shitin Desai	9.00
Mr. Shobhan Thakore	-
Mr. P R Srinivasan	(60.00)
Mr. Conrad Fernandes, Chief Financial Officer(resigned w.e.f December 31, 2018)	N.A.
Mr. Ashish Lodha, Chief Financial Officer (appointed w.e.f January 18, 2019)	N.A.
Mr. Jetkin Gudhka, Company Secretary	12.00

3. The percentage increase in the median remuneration of employees during the Financial Year: 11.82%

4. The number of permanent employees on rolls of the Company: 166

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 18.07% as against an increase of 10% 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.

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	4,73,57,583	Contractual	B. Tech., Chemical Engineering	51	12-Mar-04	71	NIL	15.5759
2	Mr. Ashish R. Bubna	Executive Director	3,43,02,081	Contractual	B.Com	28	12-Mar-04	45	NIL	16.8254
3	Mr. Manish R. Bubna	Executive Director	3,43,02,081	Contractual	B. Chemical Engineering	26	12-Mar-04	43	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 2017-18 is paid in the year 2018-19.

Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's 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.

Your 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, 2019, the Company had Eight (8) Directors comprising Four (4) Non-Executive Directors & Four (4) Executive Directors. 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 Twenty (20) Companies and in more than Ten (10) Public Limited Companies. Further, none of them is a member of more than Ten (10) Committees or Chairman of more than Five (5) Committees across all the Public Limited Companies in which he/she is a Director. No Director holds Directorships in more than Eight (8) listed companies. Further, none of the Independent Directors ("ID") served as ID in more than Seven (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) 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) 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, 2019 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.

Sr. No.	Name	No. of Director ships 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	7	1	4	-	-
6	Mr. Shitin Desai	1	-	-	-	-
7	Mr. Shobhan Thakore	8	2	7	Morarjee Textiles Limited	Non-Executive, Independent Director
					Alkyl Amines Chemicals Limited	
					Bharat Forge Limited	
					Prism Johnson limited	Non-Executive - Independent Director-Chairperson
8	Mr. P. R. Srinivasan	-	-		-	-
9	Ms. Sonal Desai	1	-	-	Care Ratings Limited	Non-Executive - Independent Director

Note: 1. Mrs. Urvashi Saxena has resigned w.e.f. October 23, 2018
2. Ms. Sonal Desai has appointed w.e.f. April 01, 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.

The Company had appointed Ms. Sonal Desai as a Non-executive, Independent Director with effect from April 01, 2019.

Mrs. Urvashi Saxena had resigned on October 23, 2018 due to personal reasons and there are no other material reasons for her resignation.

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 24, 2019. 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 Listing Regulations and are independent of management.

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.

Sr. No.	Skill Area	Description
1	Strategy and planning	Ability to think strategically; identifies and critically assesses strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company.
2	Governance, Risk and Compliance	● Experience in the application of corporate governance principles in a commercial enterprise. ● Ability to identify key risks to the Organisation in a wide range of areas including legal and regulatory compliance.
3	Financial Performance	Qualifications and experience in accounting and/or finance and the ability to: ● Analyse key financial statements; ● Critically assess financial viability and performance; ● Contribute to strategic financial planning; ● Oversee budgets and the efficient use of resources; ● Oversee funding arrangements and accountability
4	Business & Marketing	Knowledge of and experience in marketing services and public promotion campaigns. Experience in, or a thorough understanding of, communication with industry groups and/or end users through a range of relevant communication channels.
5	Commercial Experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.
6	Legal	Qualification and experience in legal practice with emphasis on: ● Applicable Industries laws ● Employment law ● Health & Safety legislation
7	Information Technology / Digital Skills	Qualification and experience in IT and/or Digital industries with ability apply new technology to the business.

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 2018-19	Attendance at the AGM held on August 30, 2018
Mr. Ramprakash V. Bubna	5	Yes
Mrs. Sharda R. Bubna	5	Yes
Mr. Ashish R. Bubna	2	No
Mr. Manish R. Bubna	5	Yes
Mr. M. S. Sundara Rajan	2	Yes
Mrs. Urvashi Saxena*	3	Yes
Mr. Shitin Desai	4	Yes
Mr. Shobhan Thakore	3	No
Mr. P. R. Srinivasan	3	Yes

*Note: Mrs. Urvashi Saxena has resigned w.e.f. October 23, 2018

The Board of Directors met Five (5) times during the Financial Year 2018-19 and the gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. Board Meetings were held on May 09, 2018, June 25, 2018, July 30, 2018, October 31, 2018 and January 24, 2019.

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.

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.

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.

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 Directors' 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	1
Mr. P. R. Srinivasan	Member	Independent Director	2*
Mr. Ramprakash V. Bubna	Member	Managing Director	4
Mrs. Urvashi Saxena	Member	Independent Director	2*

The Audit Committee met Four (4) times during the Financial Year 2018-19 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 09, 2018, July 30, 2018, October 31, 2018 and January 24, 2019.

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 Mrs. Urvashi Saxena has resigned w.e.f October 23, 2018 and Mr. P. R. Srinivasan has been appointed as member of Audit Committee w.e.f October 30, 2018.

The Chairman of the Audit Committee, Mr. Shitin Desai was present at the 15th Annual General Meeting of the Company held on August 30, 2018.

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;
- 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 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	0
Mr. P. R. Srinivasan	Member	Independent Director	1*
Mr. Shitin Desai	Member	Independent Director	2
Mr. Ramprakash V. Bubna	Member	Chairman & Managing Director	2
Mrs. Urvashi Saxena	Member	Independent Director	1*

The Nomination and Remuneration Committee met twice during the Financial Year 2018-19. The necessary quorum was present for the meeting on May 09, 2018 and January 24, 2019.

*During the year Mrs. Urvashi Saxena has resigned w.e.f October 23, 2018 and Mr. P. R. Srinivasan has been appointed as member of Nomination Remuneration Committee w.e.f October 30, 2018.

The Chairman of the Nomination & Remuneration Committee, Mr. M. S. Sundara Rajan was present at the 15th Annual General Meeting of the Company held on August 30, 2018.

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 as 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.

Remuneration Policy

The Company has a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. There is no change in the Policy in FY 2018-19.

The objective of the 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.

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 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, 2019

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

Name of the Director	Name of the Executive Director							
	Ramprakash V. Bubna		Sharda R. Bubna		Ashish R. Bubna		Manish R. Bubna	
	1st April, 2018 to 31st December, 2018	1st January, 2019 to 31st March, 2019	1st April, 2018 to 31st December, 2018	1st January, 2019 to 31st March, 2019	1st April, 2018 to 31st December, 2018	1st January, 2019 to 31st March, 2019	1st April, 2018 to 31st December, 2018	1st January, 2019 to 31st March, 2019
Gross Salary (₹)	1,12,50,000	45,00,000	22,50,000	7,50,000	93,75,000	37,50,000	93,75,000	37,50,000
Commission for the FY 2017-18, paid in FY 2018-19 (₹)	3,16,07,583		-		2,11,77,081		2,11,77,081	
Date of Agreement	01-Jan-14	01-Jan-19	01-Jan-14	01-Jan-19	01-Jan-14	01-Jan-19	01-Jan-14	01-Jan-19
No. of Years	5	5	5	5	5	5	5	5
Period of Agreement	31-Dec-18	31-Dec-23	31-Dec-18	31-Dec-23	31-Dec-18	31-Dec-23	31-Dec-18	31-Dec-23
Notice Period	3 months		3 months		3 months		3 months	
Stock Options	-		-		-		-	

Details of Sitting Fees paid to the Independent Directors for 2018-19:

Name of the Director	Sitting fees (₹)
Mr. M. S. Sundara Rajan	1,20,000
Mr. Shitin Desai	3,60,000
Mr. Shobhan Thakore	1,50,000
Mr. P. R. Srinivasan	2,40,000
Mrs. Urvashi Saxena	1,80,000

Note: Mrs. Urvashi Saxena has resigned w.e.f. October 23, 2018

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 Meetings attended
Mr. P. R. Srinivasan	Chairman	Independent Director	1
Mr. Shobhan Thakore	Member	Independent Director	1
Mr. Manish R. Bubna	Member	Executive Director	1

The Stakeholders' Relationship Committee met once during the Financial Year 2018-19. The necessary quorum was present for the meeting held on January 24, 2019.

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 6 complaints were received from the Shareholders during the Financial Year 2018-19 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, 2019.

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.

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 Meetings 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
Mrs. Urvashi Saxena	Member	Independent Director	-*

*During the year Mrs. Urvashi Saxena has resigned w.e.f October 23, 2018.

The Corporate Social Responsibility Committee met once during the Financial Year 2018-19. The necessary quorum was present for the meeting held on January 24, 2019

7. GENERAL BODY MEETINGS

Details of Last Three Annual General Meetings (AGM)

Financial Year	Date	Time	Venue
2015-16	September 03, 2016	3.00 p.m.	National Stock Exchange Auditorium, Plot No. C/1, G Block, Bandra-Kurla Complex, BKC Road, Bandra (East), Mumbai – 400 051.
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.

Further, one special resolution was passed by the Company in the AGM for FY 2017-18 for re-appointment of Mr. Ramprakash V. Bubna (DIN: 00136568) as Chairman & Managing Director of the Company.

The Company has proposed four (4) special resolutions for which company has sought approval from the shareholders. Details of those resolutions are provided by the company in its Notice for ensuing Annual General Meeting.

Extra Ordinary General Meeting

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

Postal Ballot

During the year, one Special Resolution was passed by way of postal ballot for obtaining shareholders approval for raising of additional capital by way of one or more public or private offerings to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding ₹ 400 Crores.

The Consolidated Scrutinizer's Report for E-voting & Ballot Voting was issued by M. D. Parmar & Associates, Practising Company Secretaries. The details of the postal ballot including voting pattern are available on the Company's website (http://www.shardacropchem.com/announcement.html).

The Company complied with all the procedure for Postal Ballot as specified under Companies Act, 2013 & SEBI Regulations.

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

8. 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

9. 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.
- 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 2016-17, 2017-18 and 2018-19 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 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 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.
- 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 ₹ 7,78,158/- & ₹ 37,47,535/- was paid by the Company and its subsidiaries, on a consolidated basis, for all the services to S R B C & Co LLP, our Statutory Auditors till last AGM i.e. August 30, 2018 and B S R & Associates LLP, our Statutory Auditors post AGM and all entities in the network firm / network entityof 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 (Preservation, Prohibition & Redressal) Act, 2013. The Company has not received any complaints during the FY 2018-19.
- M/s. KJB & CO LLP, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the Financial Year 2018-19. 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.

10. 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 2018-19

Date	:	August 27, 2019
Time	:	3.00 p.m.
Venue	:	Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai - 400 056

As required under Regulation 36(3) of the SEBI Regulations, particulars of Director seeking appointment / re-appointment at the ensuing AGM are given in the Annexure to the Notice of the AGM to be held for FY 2018-19.

Financial Year:	:	1st April to 31st March
Interim Dividend (2018-19) Payment date	:	February 06, 2019
Final Dividend (2017-18) Payment Date:	:	September 11, 2018
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

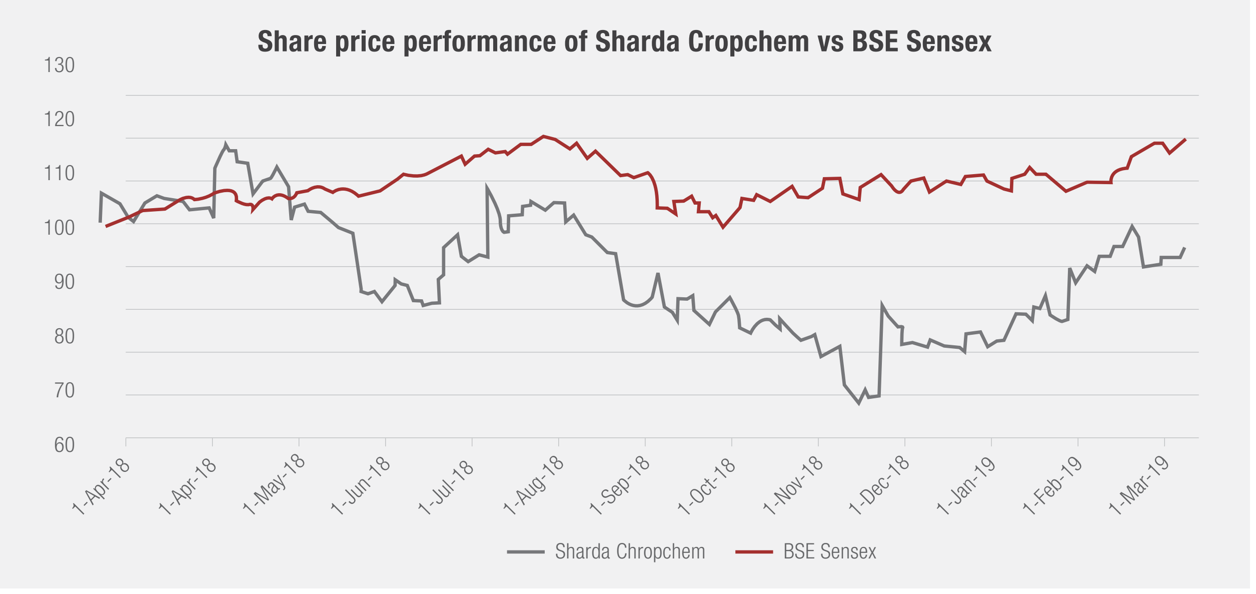
The Company has paid Annual Listing Fees for the Financial Year 2018-19.

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-18	424.60	380.00	576,040	430.00	384.05	1,25,795
May-18	464.70	388.00	22,70,532	464.40	383.00	14,01,913
Jun-18	440.00	338.45	18,64,353	435.00	338.00	8,11,339
Jul-18	383.50	322.45	13,42,095	424.00	325.00	3,98,850
Aug-18	422.00	357.95	6,87,897	422.00	358.40	90,360
Sep-18	409.90	315.00	4,30,458	405.00	316.00	1,12,365
Oct-18	364.00	306.95	8,65,617	362.80	308.15	2,39,093
Nov-18	334.75	290.00	2,23,007	328.00	290.45	70,167
Dec-18	332.95	255.00	6,24,468	333.00	259.95	188,420
Jan-19	323.00	292.30	9,48,705	322.00	290.00	134,852
Feb-19	378.00	314.10	3,34,085	398.00	315.10	107,598
Mar-19	390.00	342.45	2,71,518	389.90	350.00	26,502

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



Share Registrar and Transfer Agent:

Karvy Fintech Private Limited

(Formerly known as Karvy Computershare 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@karvy.com
Website: www.karvycomputershare.com

Share Transfer System

The transfer of shares in physical form are processed and completed by Karvy Fintech Private Limited (Formerly known as Karvy Computershare 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, 2018 and March 31, 2019 and files a copy of the same with the Stock Exchanges.

Distribution of shareholding as on March 31, 2019

Range	Holders	% to Total Holders	Holding	Amount (₹)	% to Capital
1-5000	16365	95.77	13,37,287	1,33,72,870	1.48
5001- 10000	343	2.01	2,69,490	26,94,900	0.30
10001- 20000	195	1.14	2,83,831	28,38,310	0.31
20001- 30000	46	0.27	1,17,716	11,77,160	0.14
30001- 40000	20	0.12	70,014	7,00,140	0.08
40001- 50000	19	0.11	86,635	8,66,350	0.09
50001- 100000	47	0.27	3,51,330	35,13,300	0.39
100001& Above	53	0.31	8,77,04,192	87,70,41,920	97.21
Total	**17,088**	**100.00**	**9,02,20,495**	**90,22,04,950**	**100.00**

Shareholding pattern as on March 31, 2019

Sr. No.	Category of Shareholders	Total Holding	% to Total Holding
1	Promoter Individuals	6,74,65,371	74.78
2	Mutual Funds	1,49,72,687	16.60
3	Resident Individuals	20,95,332	2.31
4	Bodies Corporates	2,27,389	0.25
5	HUF	1,40,772	0.16
6	Non Resident Indians	1,78,301	0.20
7	Indian Financial Institutions	6,651	0.01
8	Clearing Members	4,235	0.00
9	Banks	18,520	0.02
10	Foreign Portfolio Investors	49,68,346	5.51
11	Non Banking Financial Institutions (NBFC)	1,13,994	0.13
12	Trusts	300	0.00
13	Alternative Investment Fund	28,597	0.03
	Total	**9,02,20,495**	**100.00**

Top ten equity shareholders of the Company as on March 31, 2019:

Sr. No.	Category of Shareholders	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	Ramprakash Vilasrai Bubna	1,40,52,686	15.58
4	Sharda Ramprakash Bubna	1,40,52,685	15.58
5	HDFC Small Cap Fund	54,23,029	6.01
6	Anisha Manish Bubna	45,00,000	4.99
7	Seema Ashish Bubna	45,00,000	4.99
8	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	28,22,295	3.12
9	DSP Small Cap Fund	26,09,128	2.89
10	HDFC Trustee Company Ltd - A/C HDFC Hybrid Equity Fund	23,10,396	2.56

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, 2019, 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, 2019, 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, 2019.

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

Date : May 14, 2019
Place : Mumbai

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

We, Ramprakash V. Bubna, Chairman & Managing Director and Ashish Lodha, Chief Financial Officer do hereby certify to the Board that in respect to the Financial Year ended on March 31, 2019.

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

ASHISH LODHA
Chief Financial Officer

Date : May 14, 2019
Place : Mumbai

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, 2019, 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
Proprietor
C. P. No. – 49008
Mem No. - 20120

Date : May 14, 2019
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	2018-19
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 Lakhs)	9022.05
2	Total Turnover (Revenue from operations) (₹ in Lakhs)	1,60,706.52
3	Total profit after taxes (₹)	14,402.60
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	4.83
5	List of activities in which expenditure in 4 above has been incurred.	Education Healthcare Medical Relief Skill Development

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 Number	:	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 & Manging Director
4	Telephone Number	+91 22 6678 2800
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.

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 1 against any principle, is 'No', please explain why:**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

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 2018-19.

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

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 166 employees as on March 31, 2019

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 103 permanent women employees as on March 31, 2019.

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 2018-19	No of complaints pending as on March 31, 2019
1	Child labour / forced labour / involuntary labour	Nil	None
2	Sexual harassment	Nil	None
3	Discriminatory employment	Nil	None

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

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.

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, 2019, the Company has spent an amount of ₹ 6,95,96,785 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 Auditor's Report

To the Members of
Sharda Cropchem Limited

Report on the Audit of 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 31st March, 2019, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, 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

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 year. 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.

Description of Key Audit Matters:

Key Audit Matters	How the matter was addressed in our audit
Revenue recognition Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts, incentives (scheme allowances) and estimated sales returns. As disclosed in Note 2 (e) to the standalone financial statements, 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. **Sales return estimation** As disclosed in Note 2 (e) to the standalone financial statements, revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates due to its dependency on various internal and external factors. Estimation of sales return amount together with the level of judgement involved makes its accounting treatment a significant matter for our audit. **Accrual for rebates and schemes** Revenue is recognised net of rebates, discounts, incentives (scheme allowances) and estimated sales returns owed to the customers based on the arrangement with customers. The recognition and measurement of rebates, discounts and schemes allowances, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers. The value of rebates, discounts and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.	Our audit procedures included following: - Understanding the process followed by the management for the purpose of identifying and determining the amount of provision of sales returns and accrual for rebates and schemes; - Checking of completeness and accuracy of the data used by the management for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy; - Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the management estimation process; - Considering the appropriateness of the Company accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and scheme allowances; - Testing the Company's process and controls over the calculation of rebates, discounts and scheme allowance; - Selecting a samples of revenue transactions and scheme circular to re-check that rebates, discounts and scheme allowance were calculated in accordance with the eligibility criteria mentioned in the scheme; - Selecting a sample of claims submitted by customers along with claim form and verifying it with the accrual made in the books of account; and - Considering the assumptions and judgements used by the Company in calculating rebates, discounts and schemes allowances, including the level of expected claims, by reviewing historical trends of claims.

Key Audit Matters	How the matter was addressed in our audit
Impairment testing of Other intangible assets and intangible assets under development The Company's intangible assets comprised product registrations and licenses. The carrying amount of the intangible assets and intangible assets under development represents 28.31% of the Company's total assets. The Company applies for product registrations in different countries to sell its products and capitalises costs incurred to apply for product registrations. The value of intangible assets and intangible assets under development was identified as a key audit matter as the Company's annual impairment assessment contains significant judgments involving forecasting and discounting future cash flows. It also involves likelihood of obtaining product registration. The impairment assessment is based on each product registrations value in use. This impairment test is significant to our audit because the assessment process is complex and judgement is based on assumptions, such as expected growth rate, expected profitability and future market or economic conditions. Due to significance and magnitude of the costs capitalised this was considered a key audit matter.	Our audit procedures included following: - Inquired with management about its intention and probability to obtain product registrations in the respective geographies; - Compared management's assessment with the past trend product registrations awarded; and - Testing the mathematical accuracy of the discounted cash flow model and evaluation of the assumptions and methodologies used by the Company.

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 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 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 /(loss) 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial Ind AS statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management 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.

Auditors' Responsibilities for the Audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Other Matters

The Standalone financial statements of the Company for the year ended 31st March, 2018 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 09 May 2018. Our opinion is not modified in respect of this matter.

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.

(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;

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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 31st March, 2019 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

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 31st March, 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, 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

Mumbai
May 14, 2019

Annexure A to the Independent Auditors' report

31st March, 2019 (Referred to in our report of even date)

i.

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(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.

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. In our opinion, the frequency of such verification is reasonable. 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.

iii.

(a) The Company had in the past, granted a loan to one subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans were not prejudicial to the company's interest. However, the Company has written off loan given to that subsidiary of ₹ 140 Lakhs (31st March, 2018: ₹ 510 Lakhs) during the year.

(b) The principal and interest for the above referred loan 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.

(c) In respect of the loans referred to in para (iii)(a) above, and the interest thereon, there are no amounts which are overdue for more than ninety days.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any party covered under the section 185 of the Act and hence not commented upon. In respect of loans granted to, and investments made by the Company in companies/bodies corporate Company, the provisions of section 186 of the Act have been complied with. According to the information and explanations given to us, the Company has not given guarantees or provided security in connection with loans to any person / bodies corporate, and hence are not commented upon.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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.

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 Service Tax, Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

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 Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, and Service tax, which have not been deposited as at 31st March, 2019 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates (Assessment Year)	Amount* (₹ In Lakhs
Finance Act, 1994	Service Tax,	Commissioner CESTAT	2007-08 to 2012-13	785.14
Income Tax Act, 1961	Income Tax,	Deputy Commissioner of Income Tax	2015-16	565.94
	Income Tax, and Interest	Deputy Commissioner of Income Tax	2016-17	1,994.65

*net of amounts paid under protest

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of the borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/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. 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 the applicable accounting standards.

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 non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. 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
Membership No: 100060

Mumbai
May 14, 2019

Annexure B to the Independent Auditors' report

on the standalone financial statements of Sharda Cropchem Limited for the year ended 31st March, 2019

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

(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 standalone financial statements of the Sharda Cropchem Limited ('Company') as of and for the year ended 31 March, 2019, we have audited the internal financial controls with reference to standalone financial statements of the Company as of that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2019, based on the internal financial controls with reference to 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 financial controls with reference to 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 reference to 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 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 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 reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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
Membership No: 100060

Mumbai
May 14, 2019

Standalone Balance Sheet
as at March 31, 2019

(₹ in Lakhs)

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	1,335.11	1,037.30
Other intangible assets	4	35,784.27	21,521.65
Intangible assets under development	4A	21,975.83	35,994.94
Financial assets			
Investments	5	106.39	169.40
Loans	6	340.29	615.50
Non current tax assets (net)	7	4,796.45	3,934.59
Other non-current assets	8	738.25	2,607.28
Total non-current assets		**65,076.59**	**65,880.66**
Current assets			
Inventories	9	32,833.94	48,931.21
Financial assets			
Investments	5	21,194.80	2,206.94
Trade receivables	10	73,936.33	83,014.88
Cash and cash equivalents	11	1,264.75	2,878.36
Bank balance other than cash and cash equivalents	11	6,881.95	3,762.97
Loans	6	0.09	-
Other financial assets	12	159.28	-
Other current assets	8	2,674.38	793.42
Total current assets		**138,945.52**	**141,587.78**
Total Assets		**204,022.11**	**207,468.44**
Equity and Liabilities			
Equity			
Equity share capital	13	9,022.05	9,022.05
Other equity	14	108,292.29	97,492.22
Total equity		**117,314.34**	**106,514.27**
Liabilities			
Non-current liabilities			
Financial liabilities			
Trade payables	18		
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		286.06	301.43
Other financial liabilities	15	31.01	32.18
Provisions	16	206.91	185.41
Deferred tax liability (net)	7	9,099.27	6,704.24
Total non-current liabilities		**9,623.25**	**7,223.26**
Current liabilities			
Financial liabilities			
Borrowings	17	-	16,954.97
Trade payables	18		
total outstanding dues of micro enterprises and small enterprises		26.25	347.54
total outstanding dues of creditors other than micro enterprises and small enterprises		59,428.53	58,061.69
Other financial liabilities	15	10,376.39	10,431.16
Other current liabilities	19	5,254.10	4,859.37
Provisions	16	1,999.25	750.39
Current tax liabilities (net)	7	-	2,325.79
Total current liabilities		**77,084.52**	**93,730.91**
Total Equity and Liabilities		**204,022.11**	**207,468.44**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

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 : May 14, 2019

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Sharda Cropchem Limited

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
Revenue from operations	20	160,706.52	146,997.69
Other income	21	5,131.24	2,477.94
Total Income		**165,837.76**	**149,475.63**
Expenses			
Cost of materials consumed	22	70,777.40	63,284.35
Purchase of traded goods		32,947.58	50,570.91
Changes in Inventories of finished goods and stock in trade	23	5,039.23	(18,277.11)
Employee benefits expense	24	2,587.50	2,611.01
Finance costs	25	822.39	482.53
Foreign exchange (gain) / loss (net)		(174.67)	(860.50)
Depreciation and amortisation expense	26	9,925.64	6,979.72
Other expenses	27	22,249.53	15,662.90
Total expenses		**144,174.60**	**120,453.81**
Profit before tax		**21,663.16**	**29,021.82**
Tax expense			
Current tax	7	4,688.65	9,710.24
Adjustment of tax relating to earlier years	7	180.25	-
Deferred tax	7	2,391.66	(27.14)
Total tax expense		**7,260.56**	**9,683.10**
Profit for the year		**14,402.60**	**19,338.72**
Other Comprehensive Income			
Items that will not be reclassified to the statement of profit or loss			
Re-measurement gains/(losses) on defined benefit plans		9.66	(5.39)
Income tax relating to items that will not be reclassified to profit or loss		(3.37)	1.80
Total Comprehensive Income for the year		**14,408.89**	**19,335.13**
Earnings per share (₹ per share)			
Basic and diluted (Face value per share of ₹ 10 each)	28	**15.96**	**21.43**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital (Note 13)

(₹ in Lakhs)

As at April 01, 2017	**9,022.05**
Changes in equity share capital	-
As at March 31, 2018	**9,022.05**
Changes in equity share capital	-
As at March 31, 2019	**9,022.05**

B. Other equity

(₹ in Lakhs)

	Other Equity					
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserves (Note 14)	General reserves (Note 14)	Other item of other comprehensive income	Total
As on April 01, 2017	**2,148.55**	**75,677.71**	**1,491.29**	**664.93**	**(20.98)**	**79,961.50**
Profit for the year	-	19,338.72	-	-	-	19,338.72
Other comprehensive Income	-	-	-	-	(3.59)	(3.59)
Total comprehensive Income	**-**	**19,338.72**	**-**	**-**	**(3.59)**	**19,335.13**
Dividends (including tax on dividend)	-	(1,804.41)	-	-	-	(1,804.41)
As on March 31, 2018	**2,148.55**	**93,212.02**	**1,491.29**	**664.93**	**(24.57)**	**97,492.22**

(₹ in Lakhs)

	Other Equity					
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserves (Note 14)	General reserves (Note 14)	Other item of other comprehensive income	Total
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**
Dividends (including tax on dividend)	-	(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**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Sharda Cropchem Limited

Standalone Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	**21,663.16**	**29,021.82**
Adjustment to reconcile profit before tax to cash generated by operating activities:		
Depreciation and amortisation expense	9,925.64	6,979.72
Impairment of investments in subsidiaries (unquoted)	69.00	-
Profit on sale of assets	(0.07)	(2.61)
Unrealized exchange loss/(gain)	371.97	(434.65)
Discard / Write-off of intangible assets and intangible assets under development	4,221.53	786.40
Profit on sale of investments in mutual funds (unquoted)	(411.88)	(260.39)
Provision for gratuity	31.47	93.17
Allowances for doubtful debts	487.33	-
Liabilities/ provisions no longer required written back	(335.37)	(158.87)
Finance costs	822.39	482.53
Interest income	(440.94)	(264.08)
Dividend income	(4,278.34)	(1,950.45)
Bad debts	9.50	63.86
Impairment of loan to subsidiary	140.00	510.00
Operating profit before working capital changes	**32,275.39**	**34,866.45**
Movements in working capital:		
(Increase)/decrease in trade receivables	5,772.65	(19,446.21)
(Increase)/decrease in inventories	16,097.27	(23,369.02)
(Increase)/decrease in loans	(0.09)	5.75
(Increase)/decrease in other assets	(1.66)	(1,309.56)
(Increase)/decrease in other financial assets	(159.28)	90.14
Increase/(decrease) in trade payables	3,790.43	14,903.98
Increase/(decrease) in provisions	1,248.55	3.80
Increase/(decrease) in other financial liabilities and other liabilities	226.09	681.57
Cash generated from operations	**59,249.35**	**6,426.90**
Income taxes paid (net of refunds)	(7,970.44)	(7,888.63)
Net cash flows from / (used) in operating activities (A)	**51,278.91**	**(1,461.73)**
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital working progress)	(518.54)	(987.60)
Purchase of intangible assets (including intangible assets under development and capital advances)	(13,808.33)	(19,163.04)
Proceeds from sale of property, plant and equipment	0.08	2.71
Investment in subsidiaries	(5.98)	(24.09)
Investments in mutual fund	(39,977.07)	(17,079.28)
Proceeds from sale of investments in mutual fund	21,401.09	21,201.04
Investment of bank deposit	(7,027.61)	(472.78)
Redemption of bank deposits	3,954.53	166.51
Interest from fixed deposit	176.74	124.92
Loans to Subsidiaries - Principal received	138.13	251.69
Loans to Subsidiaries - Interest received	38.81	97.57
Dividends from subsidiary	4,242.47	1,950.45
Dividends from mutual fund	35.87	-
Net cash flows (used) in investing activities (B)	**(31,349.81)**	**(13,931.90)**

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Cash flows from financing activities		
Proceeds from borrowings	2,750.00	18,191.46
Repayment of borrowings	(19,633.15)	(1,308.31)
Finance costs paid	(1,040.63)	(36.44)
Dividend paid	(3,608.82)	(3,608.82)
Net cash flows (used) in / from financing activities (C)	**(21,532.60)**	**13,237.89**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(1,603.50)**	**(2,155.73)**
Cash and cash equivalents at the beginning of the year	2,878.36	5,009.54
Exchange differences on translation of foreign currency cash and cash equivalents	(10.11)	24.55
Cash and cash equivalents at the end of the year	**1,264.75**	**2,878.36**
Components of cash and cash equivalents		
Cash on hand	0.77	0.50
With banks	1,263.98	2,877.86
Total cash and cash equivalents as per the cash flows statement (refer note 11)	**1,264.75**	**2,878.36**

Notes:

1) 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 Act.

2) Reconciliation of net debts

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	16,954.97	-
Add: Loan taken during the year	2,750.00	18,191.46
Less: Repayment made during the year	19,633.15	1,308.31
Less: Non cash adjustments	71.82	(71.82)
Closing balance	**-**	**16,954.97**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Notes

to Standalone Financial Statements for the year ended March 31, 2019

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. Its shares are listed on two recognised stock exchanges in India.

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

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 May 14, 2019

2.1 Basis of preparation and presentation

The financial statements have been prepared on a 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)

(iii) Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The 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 stated.

2.2 Summary of significant accounting policies

a. 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 realisation 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.

b. 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 financial statements, are recognised as income or expenses in the year in which they arise.

c. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments- forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

d. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 37)
- Financial instruments (including those carried at amortised cost) (Note 37)

e. Revenue Recognition

Sale of goods

Revenue from sale of goods is recognized on the bases of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of consideration which an entity expects to be entitled in exchange for transferring promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods. The Company operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. It is reassessed at the end of each reporting period.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

f. Export Incentives

An export incentive 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.

g. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

h. Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

i. Property, Plant and Equipment ("PPE") and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. All items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

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.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 fixed assets

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

j. 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

k. Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

l. 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 in the financials.

m. Impairment of 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.

n. 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.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. 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.

o. 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 will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the 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 financial statements.

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

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on Projected Unit cost method made at the end of each financial year. Actuarial gains/(losses) are recognised directly in other comprehensive income. This benefit is presented according to present value after deducting the fair value of the plan assets. The Company determines the net interest on the net defined benefit liability (asset) in respect of a defined benefit by multiplying the net liability (asset) in respect of a defined benefit by the discount rate used to measure the defined benefit obligation as they were determined at the beginning of the annual reporting period.Accumulated leave is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

q. 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.

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 consolidated 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 financial statements)

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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- 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, financial guarantee contracts 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 recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and 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.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated 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.

s. 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 anit-dilutive.

t. 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.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3. Property, plant and equipment

(₹ in Lakhs)

	Office equipments	Furniture & fixtures	Motor cars	Computers	Leasehold Improvements	Electrical Installation	Total
Cost							
At April 01, 2017	15.86	38.89	37.37	28.16	-	-	**120.28**
Additions	171.30	437.22	22.99	9.94	347.08	131.88	**1,120.41**
Disposals	-	-	(14.86)	(0.69)	-	-	**(15.55)**
At March 31, 2018	**187.16**	**476.11**	**45.50**	**37.41**	**347.08**	**131.88**	**1,225.14**
Accumulated depreciation							
At April 01, 2017	9.09	26.09	12.14	20.72	-	-	**68.04**
Depreciation charge during the year	28.71	39.70	7.01	6.67	38.51	14.63	**135.23**
Disposals	-	-	(14.75)	(0.68)	-	-	**(15.43)**
At March 31, 2018	**37.80**	**65.79**	**4.40**	**26.71**	**38.51**	**14.63**	**187.84**
Net carrying value							
At April 01, 2017	6.77	12.80	25.23	7.44	-	-	**52.24**
At March 31, 2018	**149.36**	**410.32**	**41.10**	**10.70**	**308.57**	**117.25**	**1,037.30**

(₹ in Lakhs)

	Office equipments	Furniture & 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**

4. Intangible assets

(₹ in Lakhs)

	Computer Software	Product Registration and Licences	Total
Cost			
At April 01, 2017	58.94	29,298.95	**29,357.89**
Additions *	-	8,041.02	**8,041.02**
Disposals	-	(792.72)	**(792.72)**
At March 31, 2018	**58.94**	**36,547.25**	**36,606.19**
Accumulated amortisation			
At April 01, 2017	28.63	8,479.09	**8,507.72**
Amortisation during the year	12.09	6,832.39	**6,844.48**
Disposals	-	(267.66)	**(267.66)**
At March 31, 2018	**40.72**	**15,043.82**	**15,084.54**
Net carrying value			
At April 01, 2017	30.31	20,819.86	20,850.17
At March 31, 2018	**18.22**	**21,503.43**	**21,521.65**

(₹ in Lakhs)

	Computer Software	Product Registration and Licences	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)**
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)**
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**

* The data compensation elements of product registration was initially capitalised based on management estimates. The gross block of product registration and licenses have been increased / (reduced) as an outcome of negotiations / arbitration with contracting parties by ₹ 203.10 lakhs (March 31, 2018: ₹ 651.94 Lakhs)

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.

5. Investments

Non Current Investments

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Investment carried at cost		
Investment in subsidiaries (Unquoted) Investment in equity instruments		
-Axis Crop Science Private Limited (refer note a and b below) 50,00,000 (31st March 2018: 50,00,000) equity shares of ₹ 10 each fully paid-up	69.00	69.00
-Impairment of Investment in Axis Crop Science Private Limited	(69.00)	-
	-	69.00
-Nihon Agro Service Kabushiki Kaisha 10 (31st March 2018: 10) equity shares of JPY 10,000 each fully paid	0.59	0.59
-Sharda Polska SP. ZO.O. 20 (31st March 2018: 20) equity shares of PLN 1,000 each fully paid-up	2.99	2.99
-Sharda Ukraine LLC 62,500 (31st March 2018: 62,500) equity shares of UAH 1 each fully paid-up	4.25	4.25
-Sharda Del Ecuaudor CIA. LTDA. 398 (31st March 2018: 398) equity shares of US$ 1 each fully paid-up	0.20	0.20
-Sharda Peru SAC 1,999 (31st March 2018: 1,999) equity share of PEN 1 each fully paid-up	0.33	0.33
-Sharda Swiss SARL 20 (31st March 2018: 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 (31st March 2018: 30,690) equity shares of BRL 1 each fully paid-up	8.20	8.20
-Sharda Hellas Agrochemicals Limited 150 (31st March 2018: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Sharda Balkan Agrochemicals Limited 150 (31st March 2018: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Shardaserb DO.O. 1 (31st March 2018: 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 (31st March 2018: 1) equity share of Euro 5,000 each fully paid-up	3.67	3.67
-Sharda Spain, S.L. 3,050 (31st March 2018: 3,050) equity shares of EURO 1 each fully paid-up	1.96	1.96
-Sharda Costa Rica S.A.* 99 (31st March 2018: 99) equity shares of COLON 20 each fully paid-up	0.00	0.00
-Sharda De Guatemala S.A. 49 (31st March 2018: 49) equity shares of GTQ 100 each fully paid-up	0.34	0.34
-Sharda International DMCC 2 (31st March 2018: 2) equity shares of AED 1,00,000 each fully paid-up	27.68	27.68
-Sharda Italia SRL 9,900 (31st March 2018: 2,475) equity shares of EURO 1 each fully paid-up	7.74	1.75
-Sharda Hungary Kft 1 (31st March 2018: 1) equity share of HUF 30,00,000 each fully paid-up	7.23	7.23

Sharda Cropchem Limited

Current investments (contd.)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
-Sharda Cropchem Espana, S.L. 61 (31st March 2018: 61) equity shares of EURO 50 each fully paid	2.59	2.59
-Sharda Poland SP. ZO.O. 100 (31st March 2018: 100,) equity shares of PLN 50 each fully paid	0.98	0.98
-Sharda Taiwan Limited 10,000 (31st March 2018: 10,000) equity shares of Taiwan $ 10 each fully paid	2.04	2.04
-Sharda Private (Thailand) Limited 8,300 (31st March 2018: 8,300) equity shares of THB 100 each fully paid	17.29	17.29
-Sharda Private (Thailand) Limited 1,500 (31st March 2018: 1,500) Preferential shares of THB 100 each fully paid	3.13	3.13
-Sharda Cropchem Tunisia SARL 99 (31st March 2018: 99) equity shares of EURO 10 each fully paid	0.75	0.75
Total	**106.39**	**169.40**

* Amount rounded off in Lakhs hence not appearing. The actual amount of investment is ₹ 206 (March 31,2018: ₹ 206).

Current investments

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Investments carried at fair value through statement of profit or loss		
Investments in mutual funds (Unquoted)		
-Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan 3,60,147 (31st March 2018: Nil) units of ₹ 100 each	1,076.86	-
-Aditya Birla Sun Life Arbitrage Fund - Dividend - Regular Fund 47,28,607 (31st March 2018: Nil) units of ₹ 10 each	506.77	-
-Axis Banking & PSU Debt Fund 64,363 (31st March 2018: Nil) units of ₹ 1,000 each	1,124.86	-
DSP Liquidity Fund - Regular Plan- Growth 47,065 (31st March 2018: Nil) units of ₹ 1,000 each	1,251.26	-
DSP Corporate Bond Fund Growth 66,69,070 (31st March 2018: Nil) units of ₹ 10 each	716.69	
DSP Banking and PSU Debt Fund- Reg-Growth 32,20,446 (31st March 2018: Nil) units of ₹ 10 each	508.16	-
-DSP Saving Fund - Regular Plan - Growth 6,84,436 (31st March 2018: Nil) units of ₹ 100 each	250.89	-
-HDFC Liquid Fund - Regular Plan - Growth 34,744 (31st March 2018: Nil) units of ₹ 1000 each	1,271.73	-
-HDFC Corporate Bond Fund - Regular Growth 49,13,680 (31st March 2018: Nil) units of ₹ 10 each	1,022.56	-
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 79,93,005 (31st March 2018: 3,31,991) units of ₹ 100 each	1,526.69	80.60
-ICICI Prudential Liquid - Regular - Growth 2,94,347 (31st March 2018: Nil) units of ₹ 100 each	810.69	-
-ICICI Prudential Equity Arbitrage Fund - Dividend 37,26,675 (31st March 2018: Nil) units of ₹ 10 each	507.60	-

Current investments (contd.)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
-IDFC Cash Fund - Growth - (Regular Plan) 36,624 (31st March 2018: Nil) units of ₹ 1,000 each	826.77	-
-IDFC Banking & PSU Debt Fund - Regular 70,39,878 (31st March 2018: Nil) units of ₹ 10 each	1,131.92	-
-IDFC Corporate Bond Fund Regular Plan - Growth 1,43,81,465 (31st March 2018: Nil) units of ₹ 10 each	1,831.09	-
-IDFC Ultra Short Term Fund Regular Plan - Growth 77,00,441 (31st March 2018: Nil) units of ₹ 10 each	815.55	-
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) 47,44,265 (31st March 2018: Nil) units of ₹ 10 each	508.03	-
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 24,11,114 (31st March 2018: Nil) units of ₹ 10 each	1,018.84	-
-Kotak Liquid Regular Plan Growth 32,898 (31st March 2018: Nil) units of ₹ 1,000 each	1,241.14	-
-Reliance Arbitrage Fund - Dividend Plan Reinvestment 41,65,849 (31st March 2018: Nil) units of ₹ 10 each	508.04	-
-Reliance Liquid Fund - Growth Plan - Growth Option 16,766 (31st March 2018: Nil) units of ₹ 1,000 each	761.04	-
-SBI Liquid Fund - Regular Growth 48,980 (31st March 2018: Nil) units of ₹ 1,000 each	1,428.44	-
-Union KBC Asset Allocation Fund - Moderate Plan Growth Nil (31st March 2018: 4,39,499) units of ₹ 10 each	-	66.46
-Union KBC Dynamic Bond Fund - Growth * 50,995 (31st March 2018: 1,35,10,226) units of ₹ 10 each	8.08	2,033.41
-Union Value Discovery Fund - Regular Growth 10,00,000 (31st March 2018: Nil) units of ₹ 10 each	106.60	-
-Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth 2,50,000 (31st March 2018: 2,50,000) units of ₹ 10 each	28.70	26.47
-Union Arbitrage Fund Regular Plan Growth 30,01,141 (31st March 2018: Nil) units of ₹ 10 each	301.90	-
-Union Equity Savings Fund Growth - Regular Plan 9,99,990 (31st March 2018: Nil) units of ₹ 10 each	103.90	-
Total	**21,194.80**	**2,206.94**

* Lien marked on the units of Union KBC Dynamic Bond Fund for financial year 2018-19 INR Nil (financial year 2017-18: 2,033.41 Lakhs) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Aggregate amount of unquoted investments	21,301.19	2,376.34
Investments carried at cost	106.39	169.40
Investments carried at fair value through statement of profit or loss	21,194.80	2,206.94
Investments impaired	69.00	-

6. Loans

Non-current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
- Loans to related party	340.29	615.50
Unsecured, doubtful		
- Loans to related party	140.00	510.00
Less: Impairment of asset*	(140.00)	(510.00)
	-	-
Total	**340.29**	**615.50**

* Impairment due to the subsidiaries inability to repay the loan on account of accumulated losses and liquidity issues.

Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good (carried at cost)		
Others loans		
Loans to employees	0.09	-
Total	**0.09**	**-**

7. Income taxes

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Income tax expenses in the statement of profit and loss comprises of

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax:		
Current income tax charge	4,688.65	9,710.24
Adjustments in respect of current income tax of previous year	180.25	-
Deferred taxes :		
Relating to origination and reversal of temporary differences	2,391.66	(27.14)
Income tax expense reported in the statement of Profit & Loss	**7,260.56**	**9,683.10**

Income tax (expense) / benefit recognized in OCI

Deferred tax relating to items recognised in OCI during the year:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Net (gain)/loss on remeasurement of defined employee benefit plans	(3.37)	1.80
Total	**(3.37)**	**1.80**

Reconciliation of effective tax rate (ETR)

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit from operations before income taxes	21,663.16	29,021.82
Tax @34.944% (March 31, 2018: 34.608%) (Indian statutory income tax rate)	7,569.97	10,043.87
Tax effect on income not taxable for tax purposes:		
Dividend received in investment in subsidiary	741.24	337.51
Others	20.56	62.69
	761.80	**400.20**
Tax effect on non-deductible expenses for tax purposes:		
Interest on Income Tax	16.91	62.11
Corporate social responsibility (CSR) expenditure	128.26	65.08
Discard / write-off of intangible assets and intangible assets under development	78.47	73.14
Others	51.87	(162.70)
	275.51	37.63
Income tax expense	**7,083.68**	**9,681.30**

Non current tax assets(net)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance tax [Net of provision for income tax of ₹ 31,158.92 Lakhs (March 31, 2018: ₹ 23,551.28 Lakhs)]	4,796.45	3,934.59
Total	**4,796.45**	**3,934.59**

Current tax liabilities(net)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Other provisions		
Provision for income tax [Net of advance tax ₹ Nil (March 31, 2018: ₹ 7,563.91 Lakhs)]	-	2,325.79
Total	**-**	**2,325.79**

Deferred tax liability (net)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Provision for gratuity	78.03	69.86
Impairment of investment in subsidiary	190.10	109.59
Others	18.77	345.06
Minimum Alternate Tax (MAT) credit	2,929.06	-
Gross deferred tax asset	**3,215.96**	**524.51**
Deferred tax liability		
Tangible and intangible assets	12,315.23	7,228.75
Gross deferred tax liability	**12,315.23**	**7,228.75**
Net deferred tax (liability)	**(9,099.27)**	**(6,704.24)**

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, 2019 and March 31, 2018

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Net deferred income tax assets / (liability) at the beginning of the year	(6,704.24)	(6,733.19)
Credit / (charge) relating to temporary differences	(2,391.66)	27.14
Temporary differences on other comprehensive expenses	(3.37)	1.80
Net deferred tax asset/ (liability) at the end of the year	**(9,099.27)**	**(6,704.24)**

8. Other assets

(₹ in Lakhs)

Non-current (Unsecured, considered good)

	As at March 31, 2019	As at March 31, 2018
Statutory receivable	498.58	2,375.33
Prepaid expenses	0.55	0.39
Export incentive receivable	235.91	227.96
Security deposit	3.21	3.60
Total	**738.25**	**2,607.28**

Current (Unsecured, considered good)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Payment to vendors for supply of goods and services	156.10	150.27
Right of recoveries against expected sales return	1,253.92	429.22
Statutory receivable	823.68	-
Prepaid expenses	295.95	132.58
Interest accrued on fixed deposits with bank	76.26	37.43
Export incentive and other receivables	68.47	43.92
Total	**2,674.38**	**793.42**

9. Inventories (valued at lower of cost and net realisable value)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Raw materials including packing materials [Stock in transit ₹ 2,953.55 Lakhs (March 31, 2018 ₹ 1,326.56 Lakhs]	13,465.31	24,523.35
Finished Goods [Stock in transit ₹ 1,667.21 Lakhs (March 31, 2018: ₹ 1,181.47 Lakhs)]	18,606.34	23,535.94
Traded goods	762.29	871.92
Total	**32,833.94**	**48,931.21**

Note:

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 ₹ 428.08 Lakhs (March 31, 2018: ₹ 83.13 Lakhs)

10. Trade receivables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Related parties (refer note 36)	14,603.75	15,702.52
Others	59,332.58	67,312.36
Significant increase in credit risk		
Others	487.33	-
	74,423.66	83,014.88
Less: Allowances for credit losses	(487.33)	-
Total	**73,936.33**	**83,014.88**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For explanations on the Company's credit risk management process, refer note 39.

11. Cash and bank balances

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks		
in current accounts	1,260.37	2,472.69
in unpaid Dividend accounts	3.61	3.17
Fixed deposit account		
with original maturity of less than three months *	-	402.00
Cash in hand	0.77	0.50
	1,264.75	**2,878.36**
Other bank balances		
Fixed deposit account		
with original maturity of more than three months but less than twelve months *	6,881.95	3,762.97
	6,881.95	**3,762.97**
Total	**8,146.70**	**6,641.33**

* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 6,881.95 Lakhs (March 31, 2018: ₹ 4,202.41 Lakhs) for availment of working capital facilities in the form of Letters of Credit and Bank Guarantees.

12. Other Financial Assets

Current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Derivative instrument - foreign currency forward contracts	159.28	-
Total	**159.28**	**-**

13. Equity share capital

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
10,50,00,000 (Previous year: 10,50,00,000) equity shares of ₹ 10/- each	10,500.00	10,500.00
Issued, subscribed and fully paid-up		
9,02,20,495 (Previous year: 9,02,20,495) equity shares of ₹ 10/- each	**9,022.05**	**9,022.05**

(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, 2019		As at March 31, 2018	
	No. of Shares	₹ Lakhs	No. of Shares	₹ 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 shareholders	As at March 31, 2019		As at March 31, 2018	
	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	14,052,685	15.58%	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	8,031,425	8.90%	1,414,700	1.57%
DSP Blackrock Mutual Fund	2,609,128	2.89%	5,884,245	6.52%
HDFC Trustee Company Limited	2,608,396	2.89%	5,525,096	6.12%
Total	**71,714,320**	**79.50%**	**71,289,412**	**79.03%**

* 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, 2019

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

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Cash dividends on equity shares declared and paid:		
Interim dividend on equity shares (For the year ended March 31, 2019 ₹ 2.00 (March 31, 2018: ₹ 2.00) per share	1,804.41	1,804.41
Proposed dividends on equity shares:		
Final cash dividend for the year ended March 31, 2019 ₹ 2.00 (March 31, 2018: ₹ 2.00)	1,804.41	1,804.41

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2019.

14. Other equity

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
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	93,187.45	75,656.73
Add: Profit for the year	14,402.60	19,338.72
Add: Other comprehensive income	6.29	(3.59)
Less: Dividends (including tax on dividend)	3,608.82	1,804.41
Balance at the end of the year	**103,987.52**	**93,187.45**
Total	108,292.29	97,492.22

Capital Reserve -

The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company'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 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. Other financial liabilities (carried at cost)

Non-current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital creditors	31.01	32.18
Total	**31.01**	**32.18**

Current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial liability carried at fair value through profit and loss		
Foreign currency forward contracts	-	286.11
Financial liability carried at amortised cost		
Unclaimed dividend	3.61	3.17
Interest accrued on borrowings	-	238.91
Other payables		
Capital creditors	9,718.60	9,180.79
Directors' commission	392.01	476.79
Salaries and bonus	262.17	245.39
Total	**10,376.39**	**10,431.16**

16. Provisions

Non-current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity (refer Note 29)	206.91	185.41
Total	**206.91**	**185.41**

Current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity (refer Note 29)	25.22	24.92
Provision for leave encashment	36.74	32.60
Expected return from customers	1,937.29	692.87
Total	**1,999.25**	**750.39**

17. Borrowings (carried at cost)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Buyer's credit (Secured) *	-	3,594.97
Loan from director (Unsecured) (refer note 36) **	-	13,360.00
Total	**-**	**16,954.97**

*Buyer's credit was secured against hypothecation of stocks meant for exports and book debts. Buyer's credit is further secured by personal guarantees of four directors of the Company and by a lien on fixed deposits. Buyer's credit carries interest @ LIBOR plus 100 basis points p.a.

**Loans taken are short term unsecured and carries an interest rate 10% p.a. and are repayable on demand.

18. Trade payables (carried at cost)

Non-current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 36)	-	-
Others	286.06	301.43
Total	**286.06**	**301.43**

Current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises *	26.25	347.54
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 36)	68.42	447.97
Others	59,360.11	57,613.72
Total	**59,454.78**	**58,409.23**

* 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.

19. Other current liabilities

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance from customers	573.19	320.34
Others payables		
Deferred revenue	377.97	181.69
Book overdraft	747.78	166.81
Bank interest	-	28.16
Provision for discount on sales	157.92	1,114.43
Incentive payable on sales	340.21	105.35
Sales promotion payable	231.57	290.46
Statutory liabilities	2,825.46	2,652.13
Total	**5,254.10**	**4,859.37**

20. Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of goods (refer note 35)	160,196.42	146,615.86
Other operating revenue		
Export incentives	148.70	222.96
Share of income from task force	23.78	-
Liabilities/ provisions no longer required written back	335.37	158.87
Miscellaneous receipts	2.25	-
Total	**160,706.52**	**146,997.69**

21. Other income

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income on financial assets		
On bank deposits	261.47	166.51
On income tax refund of earlier year	134.50	-
On sales tax refund of earlier year	-	0.16
On loan employee	0.01	0.25
On loan to subsidiary	42.06	97.57
Others	2.91	-
Dividend received on investments		
On mutual fund units	35.87	-
On investment in subsidiary	4,242.47	1,950.45
Profit on sale of assets	0.07	2.61
Fair value gain on financial instruments at fair value through statement of profit or loss	411.88	260.39
Total	**5,131.24**	**2,477.94**

22. Cost of materials consumed

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year	24,523.35	19,431.44
Add: Purchases	59,719.36	68,376.26
	84,242.71	87,807.70
Less: Inventory at the end of the year	(13,465.31)	(24,523.35)
Total	**70,777.40**	**63,284.35**

23. Changes in inventories of finished goods and stock in trade

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
-Traded goods	762.29	871.92
-Finished goods	18,606.34	23,535.94
Total	**19,368.63**	**24,407.86**
Inventories at the beginning of the year		
-Traded goods	871.92	564.40
-Finished goods	23,535.94	5,566.35
Total	**24,407.86**	**6,130.75**
Changes in inventories of finished goods and stock in trade	**5,039.23**	**(18,277.11)**

24. Employee benefit expense

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	2,538.37	2,499.21
Contribution to provident and other funds (refer note 29)	10.71	13.00
Gratuity expenses (refer note 29)	31.47	93.17
Staff welfare expenses	6.95	5.63
Total	**2,587.50**	**2,611.01**

25. Finance costs

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on loan from director (refer note 36)	732.40	273.46
Interest on Borrowing from bank	-	28.70
Interest on Income tax	48.39	179.46
Interest on fair value measurement	17.48	-
Interest on late payment of statutory dues	24.12	0.91
Total	**822.39**	**482.53**

26. Depreciation and amortisation expense

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipments	220.75	135.24
Amortisation of intangible assets	9,704.89	6,844.48
Total	**9,925.64**	**6,979.72**

27. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Freight and forwarding expenses	2,312.96	2,380.95
Rent (refer note 30)	540.00	460.13
Rates and taxes	68.09	77.76
Insurance	279.24	317.51
Repairs and maintenance		
Buildings	1.78	8.56
Others	21.70	22.89
Advertising and sales promotion	336.89	298.73
Sales commission	449.40	506.87
Travelling and conveyance	997.12	863.29
Communication expenses	221.06	308.20
Office expenses	610.83	536.51
Legal and professional fees	9,636.92	7,164.18
Directors sitting fees	10.50	12.36
CSR expenditure (refer note 43)	714.03	345.57
Payment to auditor (refer note 'a' below)	45.26	49.36
Impairment of investment (refer note 5)	69.00	-
Bad debts	9.50	63.86
Provision for doubtful debts	487.33	-
Impairment of loan to subsidiary (refer note 6)	140.00	510.00
Bank charges	1,048.91	935.06
Discard / write-off of intangible assets and intangible assets under development	4,221.53	786.40
Miscellaneous expenses	27.48	14.71
Total	**22,249.53**	**15,662.90**

Note a:

Details of payment to auditor:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
As auditors		
Audit fees	39.25	44.75
Reimbursement of expense	3.11	1.61
In other capacities		
Other services - certification	2.90	3.00
Total	**45.26**	**49.36**

28. Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax attributable to equity shareholders	14,402.60	19,338.72
Weighted average number of equity shares outstanding during the year	90,220,495	90,220,495
Earnings per Share		
Face value per equity share (₹)	10.00	10.00
Basic and diluted earnings per share (₹)	15.96	21.43

29. Employee benefits - Post-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 24 under "Contribution to provident and other funds":

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Contribution to employees provident fund	8.27	9.38
Contribution to ESI	2.44	3.63
Total	**10.71**	**13.01**

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.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Changes in benefit obligations		
Benefit obligations at the beginning	231.47	134.45
Current service cost	24.92	18.34
Interest cost	16.96	8.70
Actuarial (gains)/ losses	(10.25)	5.67
Past service cost	(8.59)	67.39
Benefits paid	(10.04)	(3.08)
Benefit obligations at the end	**244.47**	**231.47**
Change in plan assets		
Fair value of plan assets at the beginning of the year	21.14	22.69
Interest income	1.82	1.26
Return on plan assets excluding amounts included in interest income	(0.59)	0.27
Benefits paid	(10.03)	(3.08)
Fair value of plan assets at the end of the year	**12.34**	**21.14**
Net benefit obligation at the end of the year	**232.13**	**210.33**

Amounts recognised in the Statement of Profit and Loss under employee benefit expenses

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Current service cost	24.92	18.34
Net interest cost	15.14	7.44
Past service cost and loss / (gain) on curtailment and settlement	(8.59)	67.39
Net gratuity cost charged to statement of profit and loss	**31.47**	**93.17**

Amounts recognised in Statement of Other Comprehensive Income

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	(10.25)	5.66
(Return)/ loss on plan assets excluding amounts included in the net interest	0.59	(0.27)
	(9.66)	**5.39**

Plan assets comprise of the following

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Policy of Insurance	100%	100%

Actuarial assumptions as at the Balance Sheet date:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.35%	7.65%
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%

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 significant 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

(₹ in Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	235.56	254.14	223.13	240.49
Future salary growth rate varied by 0.5%	248.35	239.46	236.37	226.95
Withdrawal rate varied by 10%	247.57	241.23	234.02	228.23

30. Leases

Operating lease commitment: Company as lessee

The Company has certain operating leases for office facility which are non cancellable. Such leases are generally with the option of renewal depending on the rent prevailing at the time of renewal. The lease term is 3 years (previous year 3 years) . There is no escalation clause in the lease agreement. There are no sub leases. The company paid ₹ 540.00 Lakhs (March 31, 2018: ₹ 460.13 Lakhs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Within one year	540.00	540.00
After one year but not more than five years	360.00	2,340.00

31. Capital and other Commitments

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account not provided for	33,605.88	30,726.01

32. Contingent liabilities

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Income tax matters	4,401.57	-
Service tax matter (refer note below)	785.14	785.14
Total	**5,186.71**	**785.14**

Note:

i) 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

ii) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against the decision has been filed and is pending before the SC for disposal.

Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

33. Capitalisation of Expenditures

During the year, the Company capitalised the following expenses of revenue nature to the cost of Intangible Asset / Intangible Asset Under Development (IAUD), since these expenditures relate to such development. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy for registration	1,513.08	1,638.93
Total	**1,513.08**	**1,638.93**

34. 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

(₹ in Lakhs)

	Agrochemicals		Belts		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue						
External sales	160,055.26	146,671.59	651.26	326.10	160,706.52	146,997.69
Total revenue	**160,055.26**	**146,671.59**	**651.26**	**326.10**	**160,706.52**	**146,997.69**
Results						
Segment results	18,648.90	28,195.41	(1.42)	(34.27)	18,647.48	28,161.14
Other income (Unallocated)					5,131.24	2,477.93
Unallocated expenses					(1,317.29)	(1,164.33)
Operating profit					**22,461.43**	**29,474.74**
Finance costs					(798.27)	(452.92)
Profit before tax					**21,663.16**	**29,021.82**
Income taxes					(7,260.56)	(9,683.10)
Profit after tax					**14,402.60**	**19,338.72**
Other segment information						
Segment assets	167,914.50	192,787.33	80.44	5.36	167,994.94	192,792.69
Unallocated assets					36,027.17	14,675.75
Total assets	**167,914.50**	**192,787.33**	**80.44**	**5.36**	**204,022.11**	**207,468.44**
Segment liabilities	76,700.29	77,998.70	67.66	51.21	76,767.95	78,049.91
Unallocated liabilities					9,939.82	22,904.26
Total liabilities	**76,700.29**	**77,998.70**	**67.66**	**51.21**	**86,707.77**	**100,954.17**
Capital expenditure:						
Tangible assets (Unallocated)					518.57	1,120.41
Intangible assets (Including IAUD*) (Allocated)	15,732.34	26,983.00	-	-	15,732.34	26,983.00
Intangible assets (Unallocated)					14.25	32.66
Depreciation (Tangible) (Unallocated)					220.75	135.23
Amortisation (Allocated)	9,704.85	6,844.45	0.04	0.03	9,704.89	6,844.48
Capital employed	91,214.21	114,788.63	12.78	(45.85)	91,226.99	114,742.78
Capital employed (Unallocated)	-	-	-	-	26,087.35	(8,228.51)

* IAUD - Intangible Asset Under Development

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:

a) Agrochemicals – This is the main area of the Company's operation and includes the trading of agrochemical products.

b) 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:

a) Revenue within India includes sales to customers located within India.

b) 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 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.

(₹ in Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
India	-	7,019.70	1,095.53	6,987.81
Europe	76,455.09	38,646.71	70,067.69	37,157.86
LATAM	11,862.28	2,759.52	16,146.54	3,643.03
NAFTA	60,728.13	8,574.68	49,550.47	10,313.91
ROW	11,661.02	7,628.75	10,137.46	6,992.79
Total	**160,706.52**	**64,629.36**	**146,997.69**	**65,095.40**

* Non-current assets exclude financial instruments.

No customer individually accounted for more than 10% of the revenues in the years ended March 31, 2019 and March 31, 2018

35. 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 product shelf life being short, revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. 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.

A) Reconciliation of revenue recognised from contract liability (Advance from customers)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Opening contract liability	320.34	241.91
Add: Addition to contract liability during the year	813.54	454.58
Less: Recognised as revenue during the year	(517.80)	(374.80)
Less: Other adjustments	(42.89)	(1.35)
Total	**573.19**	**320.34**

B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customer as per contract price	168,123.04	152,520.25
Less: Discounts and incentives	(1,487.44)	(1,994.12)
Less: Sales returns / credits / reversals	(6,253.48)	(3,818.71)
Less: Other adjustments	(185.70)	(91.56)
Total	**160,196.42**	**146,615.86**

C) Disaggregation of revenue from contract with customers

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Agrochemical		
India	-	1,103.50
Europe	76,202.55	69,751.62
Latin America	11,205.87	15,693.83
North America	60,534.62	49,560.51
Rest of the world	11,603.09	10,180.19
Total (A)	**159,546.13**	**146,289.65**
Belt		
India	-	-
Europe	8.94	-
Latin America	620.51	314.56
North America	-	-
Rest of the world	20.84	11.65
Total (B)	**650.29**	**326.21**
Total (A)+(B)	**160,196.42**	**146,615.86**

36. 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, 2019 %	Year ended March 31, 2018 %
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 Produtos 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
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 (from 22.02.2017)	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	-	100.00
Sharpar S.A.	Colombia	90.00	90.00
Sharda Benelux BVBA	Dilbeek	100.00	100.00
Sharda Private (Thailand) Limited (from 10.11.2017) *	Thailand	49.00	49.00
Euroazijski Pesticidi D.O.O.	Croatia	100.00	100.00

* 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, 2019 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.

(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
Mr. Shitin Desai	Independent Director
Mr. Shobhan M Thakore	Independent Director
Mrs. Urvashi Saxena	Independent Director (upto 22.10.2018)
Mr. Conrad Fernandes	Chief Financial Officer (upto 31.12.2018)
Mr. Ashish Lodha	Chief Financial Officer (effective from 18.01.2019)
Mr. Jetkin N. Gudhka	Company Secretary

(c) Enterprises owned or significantly influenced by key managerial personnel or their relatives

Jankidevi Bilasrai Bubna Trust

(d) Name of associate

Sharda Private (Thailand) Limited (upto November 9, 2017)

(B) Transactions during the year

(a) Key managerial personnel compensation:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Short- term employee benefits	1,138.86	1,253.60
Post-employment benefits	61.28	63.72

(b) With subsidiaries:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Repayment of principal: *		
Axis Crop Science Private Limited	138.13	251.69
Interest received: *		
Axis Crop Science Private Limited	38.81	97.57
Interest income / accrual:		
Axis Crop Science Private Limited	42.06	97.57
Sale of finished goods:		
Sharda Cropchem Espana, S.L.	6,423.39	4,529.86
Sharda Hungary Kft	5,512.03	6,234.86
Sharda De Mexico S. De RL DE CV	6,126.86	3,836.41
Sharda Poland SP.ZO.O	2,937.22	6,006.91
Sharda International Africa (PTY) Ltd	176.82	381.47
Sharda Colombia S.A.S	132.87	804.39
Sharda Italia SRL	1,435.73	783.83
Sharda Private (Thailand) Limited	379.18	114.27

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Dividend received		
Sharda International DMCC	4,242.47	1,950.45
Purchase of finished goods:		
Sharda International DMCC	113.96	284.62
Sharda De Mexico S. De RL DE CV	70.39	-

* 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.

(c) With Key managerial personnel and their Relatives

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Rent paid to:		
Mr. Ramprakash V. Bubna	270.00	191.13
Mrs. Sharda R. Bubna	135.00	216.16
Mr. Ashish R. Bubna	43.20	11.13
Mr. Manish R. Bubna	47.25	13.91
Mrs. Seema A. Bubna	44.55	13.91
Mrs. Anisha M. Bubna	-	13.91
Remuneration to Key Managerial Personnel		
Mr. Ramprakash V. Bubna	157.50	150.00
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	131.25	125.00
Mr. Manish R. Bubna	131.25	125.00
Mr. Conrad Fernandes	49.57	69.96
Mr. Ashish Lodha	12.26	-
Mr. Jetkin N. Gudhka	15.66	14.03
Director's Sitting Fees		
Mr. M.S. Sundara Rajan	1.20	2.49
Mr. P. R. Srinivasan	2.40	1.55
Mr. Shitin Desai	3.60	3.39
Mr. Shobhan M Thakore	1.50	1.55
Mrs. Urvashi Saxena	1.80	3.39
Directors' commission		
Mr. Ramprakash V. Bubna	261.27	316.07
Mr. Ashish R. Bubna	175.05	211.77
Mr. Manish R. Bubna	175.05	211.77
Dividend paid		
Mr. Ramprakash V. Bubna	562.11	281.05
Mrs. Sharda R. Bubna	562.11	281.05
Mr. Ashish R. Bubna	607.20	303.60
Mr. Manish R. Bubna	607.20	303.60
Mrs. Seema A. Bubna	180.00	90.00
Mrs. Anisha M. Bubna	180.00	90.00
Mr. Jetkin N. Gudhka	0.0036	0.0018

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Loan taken from Directors		
Mr. Ramprakash V. Bubna	1,175.00	6,560.00
Mrs. Sharda R. Bubna	875.00	4,910.00
Mr. Ashish R. Bubna	400.00	1,390.00
Mr. Manish R. Bubna	450.00	1,300.00
Loan repaid to Directors		
Mr. Ramprakash V. Bubna	6,935.00	800.00
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	137.00
Mrs. Sharda R. Bubna	264.42	93.97
Mr. Ashish R. Bubna	78.83	21.87
Mr. Manish R. Bubna	77.20	20.62
Fixed deposits of directors placed as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	-	203.34
Mrs. Sharda R. Bubna	-	1,891.77
Fixed deposits of directors released as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	203.34	1,347.41
Mrs. Sharda R. Bubna	1,891.77	1,785.96
Post-employment benefits:		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	9.63	9.28
Mr. Manish R. Bubna	9.36	9.18
Mr. Conrad Fernandes	-	3.02
Mr. Ashish Lodha	0.12	-
Mr. Jetkin N. Gudhka	2.17	2.24

*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

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Donations Paid to:		
Jankidevi Bilasrai Bubna Trust	18.01	27.00

(C) Outstanding balance as at Balance Sheet date

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Loan given to subsidiaries		
Axis Crop Science Private Limited	340.29	615.50
Loan taken from directors		
Mr. Ramprakash V. Bubna	-	5,760.00
Mrs. Sharda R. Bubna	-	4,910.00
Mr. Ashish R. Bubna	-	1,390.00
Mr. Manish R. Bubna	-	1,300.00
Interest payable on loan taken from directors		
Mr. Ramprakash V. Bubna	-	116.10
Mrs. Sharda R. Bubna	-	84.57
Mr. Ashish R. Bubna	-	19.68
Mr. Manish R. Bubna	-	18.55
Trade receivables		
Sharda De Mexico S DE RL DE CV - Sale of finished goods	5,223.35	3,407.96
Sharda Cropchem Espana, S. L.	1,959.87	2,373.42
Sharda Colombia S.A.S	410.92	905.85
Sharda Poland SP. ZO. O.	3,285.04	3,760.29
Sharda Hungary KFT	2,331.16	3,724.30
Sharda International Africa (PTY) Ltd	493.12	765.95
Sharda Italia SRL	864.28	738.25
Sharda Private (Thailand) Limited	36.01	26.50
Trade payables		
Sharda International DMCC - Purchase of finished goods	-	447.97
Sharda De Mexico S DE RL DE CV - Purchase of finished goods	68.42	-
Fixed deposits of directors placed / (released) as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	-	203.34
Mrs. Sharda R. Bubna	-	1,891.77

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.

37. 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, 2019 Amount (FCY Mn.)	As at March 31, 2019 Amount (₹ in Lakhs)	As at March 31, 2018 Amount (FCY Mn.)	As at March 31, 2018 Amount (₹ in Lakhs)
Forward contract- Sell	USD	4.48	3,445.16	-	-
	EUR	-	-	7.89	5,845.98
	CAD	-	-	-	-
	GBP	0.10	100.85	0.15	132.34

38. 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, 2019 (₹ in Lakhs)

	Date of Valuation	Carrying Amount FVTPL	Carrying Amount FVTOCI	Carrying Amount Amortised Cost	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total Fair Value
Financial assets								
Financial assets measured at fair value	March 31, 2019							
Investment in mutual funds		21,194.80	-	-	-	21,194.80	-	21,194.80
Derivative financial assets		159.28	-	-	-	159.28	-	159.28
Total Financial Assets		**21,354.08**	**-**	**-**	**-**	**21,354.08**	**-**	**21,354.08**
Financial liabilities measured at fair value	March 31, 2019							
Trade Creditors		286.06	-	-	-	-	286.06	286.06
Total Financial liabilities		286.06	-	-	-	-	286.06	286.06

As at 31 March 2018 (₹ in Lakhs)

	Date of Valuation	Carrying Amount FVTPL	Carrying Amount FVTOCI	Carrying Amount Amortised Cost	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total Fair Value
Financial Assets								
Financial assets measured at fair value	March 31, 2018							
Investment in mutual funds		2,206.94	-	-	-	2,206.94	-	2,206.94
Total Financial Assets		**2,206.94**	**-**	**-**	**-**	**2,206.94**	**-**	**2,206.94**
Financial liabilities measured at fair value	March 31, 2018							
Derivative financial liabilities		286.11	-	-	-	286.11	-	286.11
Trade Creditors		301.43	-	-	-	-	301.43	301.43
Total Financial liabilities		**587.54**	**-**	**-**	**-**	**286.11**	**301.43**	**587.54**

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
Investment in Mutual Funds (Level 2)	The fair value is determined based on NAV as on the reporting date provided by respective Asset Management Companies.
Foreign Currency Forward Contracts (Level 2)	The fair value is determined using quoted forward exchange rates at the reporting date.
Loans (Level 2)	Fair value is devied based on Discounted cash flows. The valuation model considers the present value of expected payment, discounting using a risk adjusted discount rate.

39. 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.

Nature of instrument	Foreign currency	As at March 31, 2019		As at March 31, 2018	
		Amount (FCY Mn.)	Amount (₹ in Lakhs)	Amount (FCY Mn.)	Amount (₹ in Lakhs)
Unhedged currency exposure on:-					
a) Receivables	USD	35.97	24,858.07	47.69	31,083.14
	EUR	49.86	38,645.48	49.33	39,693.97
	HUF	862.41	2,091.86	1,221.36	3,136.34
	CZK	17.90	539.01	30.45	960.79
	PLN	19.93	3,603.37	13.29	2,532.70
	MXN	37.55	1,337.45	23.34	833.67
	GBP	-	-	-	-
	CAD	4.48	2,320.83	7.19	3,626.72
	COP	1,895.41	410.92	3,924.84	905.85
	ZAR	10.07	481.51	10.21	566.05
b) Payables	USD	77.17	53,330.90	82.68	53,886.03
	EUR	19.15	14,844.79	21.38	17,200.41
	HUF	253.10	613.92	373.71	959.65
	CZK	5.12	154.10	7.08	223.41
	PLN	3.00	543.14	2.84	541.56
	CHF	-	0.94	0.01	7.00
	GBP	0.05	46.14	0.17	154.71
	PHP	0.08	1.06	0.09	1.17
	CAD	1.84	951.00	0.28	139.32
	ZAR	0.12	5.51	0.12	6.75
	JPY	19.06	118.90	10.75	65.85
	AUD	0.01	5.25	0.02	9.09
	MXN	0.20	7.15	0.05	1.81
b) Balance in EEFC Accounts	USD	0.85	588.72	2.68	1,745.04
	EUR	0.82	635.01	0.69	554.41
	CAD	0.02	11.48	-	-
	CZK	0.75	22.70	0.50	15.68
	PLN	0.00	0.07	0.82	156.22
	GBP	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.

(₹ in Lakhs)

	Change in USD Rate	Effect on profit and loss	Effect on equity
March 31, 2019	1%	(284.73)	(189.30)
	-1%	284.73	189.30
March 31, 2018	1%	(228.03)	(151.95)
	-1%	228.03	151.95

(₹ in Lakhs)

	Change in EUR Rate	Effect on profit and loss	Effect on equity
March 31, 2019	1%	238.01	158.24
	-1%	(238.01)	(158.24)
March 31, 2018	1%	166.48	110.93
	-1%	(166.48)	(110.93)

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 ₹ 73,936.33 Lakhs and ₹ 83,014.88 Lakhs as of March 31,2019 and March 31,2018, 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 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, 2019:

(₹ in Lakhs)

Particulars	More than 6 months	Less than 6 months	Total
Trade Receivables (net)	367.87	73,568.46	73,936.33

The following table represents ageing of trade receivables March 31, 2018:

(₹ in Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables (net)	885.00	82,129.88	83,014.88

Allowances for doubtful trade receivables

(₹ in Lakhs)

Particulars	Opening	Addition	Reversal	Closing
March 31, 2019	-	487.33	-	487.33
March 31, 2018	-	-	-	-

Credit risk on cash and cash equivalents is limited as we 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

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, 2019, the Company had a working capital of ₹ 61,861.00 Lakhs including cash and cash equivalents of ₹ 1,264.75 Lakhs and current investments of ₹ 21,194.80 Lakhs. As of March 31, 2018, the Company had a working capital of ₹ 47,856.87 Lakhs including cash and cash equivalents of ₹ 2,878.36 Lakhs and current investments of ₹ 2,206.94 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

(₹ in Lakhs)

Particulars	Upto 1 year	1-2 years	More than 2 years	Total
Trade Payables	59,454.78	18.08	267.98	59,740.84
Other financial liabilities	10,376.39	31.01	-	10,407.40

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

(₹ in Lakhs)

Particulars	Upto 1 year	1-2 years	More than 2 years	Total
Trade payables	58,409.23	38.11	263.32	58,710.66
Other financial liabilities	10,431.16	32.18	-	10,463.34
Borrowings	16,954.97	-	-	16,954.97

40. 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-tem and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. 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.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Total debt (bank and other borrowings)	-	16,954.97
Less: Liquid investments and bank deposits	28,076.75	5,969.91
	(28,076.75)	**10,985.06**
Equity	117,314.34	106,514.27
Debt to equity (net)	**(0.24)**	**0.10**

41. 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 and Section 186 of the Companies Act, 2013:

(₹ in Lakhs)

Name of subsidiary	2018-19		2017-18	
	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.))	340.29	615.50	615.50	1,377.19
Total	**340.29**		**615.50**	

Note:

i) Loans given are unsecured and repayable on demand. Loans have been given to meet their working capital requirements.

ii) During the current year, Company has impaired its loan given by ₹ 140.00 lakhs (March 31, 2018: ₹ 510.00 lakhs) due to the subsidiary's inability to repay the loan on account of accumulated losses and liquidity issue.

42. Details of MSME

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	26.25	347.54
The interest due on above	-	-
Total	**26.25**	**347.54**
i) the amount of interest paid by the buyer in terms of section 16 of the Act	-	-
ii) the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
iii) the amounts of interest accrued and remaining unpaid at the end of financial year	-	-
iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
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	**-**	**-**

43. Details of CSR expenditure

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
1) Gross amount required to be spent by the Company		
2) Shortfall from previous year	573.48	467.20
	121.68	-
Total	**695.16**	**467.20**
3) Amount spent		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	695.97	345.57
Total	**695.97**	**345.57**

Note:

1) Gross amount required to be spent by the Company is ₹ 573.48 lakhs (March 31, 2018: ₹ 467.20 lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
2) The Company has spent ₹ 695.97 lakhs including amount of shortfall of previous year of ₹ 121.68 lakhs (March 31, 2018: ₹ 345.57 lakhs) during the current year.

44. Recent Indian Accounting Standards (Ind AS)

Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 “Leases”, which replaces Ind AS 17 “Leases”. The new standard introduces a single on-balance sheet lease accounting model for lessees. This will result in the company recognising right of use assets representing its right to use the underlying asset and lease liability representing its obligation to make lease payments in the books. The Company will recognise new assets and liabilities for certain operating leases of offices, warehouse and plant and machinery. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities as per provisions of Ind AS 17. There are recognition exemptions for short-term leases and leases of low-value items.

The Company is in the process of carrying out a detailed assessment of Ind AS 116 and consequently the quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable presently.

Others

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

i) Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

ii) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

iii) Amendment to Ind AS 12 – Income taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

iv) Ind AS 19 - Plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.

45. Specified Bank Notes

The disclosures 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 the consolidated financial statements since they do not pertain to the financial year ended March 31, 2019.

46. Previous year comparative

The previous year figures have been regrouped and reclassified, wherever required, to conform to current year's classification.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Independent Auditor's 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 31st March, 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and 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.

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 standalone or consolidated financial statements, as applicable, of such subsidiaries as was 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 31st March, 2019, and of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. 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.

Description of Key Audit Matters:

Key Audit Matters	How the matter was addressed in our audit
Revenue recognition Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts, incentives (scheme allowances) and estimated sales returns. As disclosed in Note 2.3 (g) to the consolidated financial statements, 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. **Sales return estimation** As disclosed in Note 2.3 (g) to the consolidated financial statements, revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates due to its dependency on various internal and external factors. Estimation of sales return amount together with the level of judgement involved makes its accounting treatment a significant matter for our audit. **Accrual for rebates and schemes** Revenue is recognised net of rebates, discounts, incentives (scheme allowances) and estimated sales returns owed to the customers based on the arrangement with customers. The recognition and measurement of rebates, discounts and schemes allowances, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers. The value of rebates, discounts and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.	Our audit procedures included following: - Understanding the process followed by the management for the purpose of identifying and determining the amount of provision of sales returns and accrual for rebates and schemes; - Checking of completeness and accuracy of the data used by the management for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy; - Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the management estimation process; - Considering the appropriateness of the Group accounting policies regarding revenue recognition as they relate to accounting for rebates, discounts and scheme allowances; - Testing the Group's process and controls over the calculation of rebates, discounts and scheme allowance; - Selecting a samples of revenue transactions and scheme circular to re-check that rebates, discounts and scheme allowance were calculated in accordance with the eligibility criteria mentioned in the scheme; - Selecting a sample of claims submitted by customers along with claim form and verifying it with the accrual made in the books of account; and - Considering the assumptions and judgements used by the Group in calculating rebates, discounts and schemes allowances, including the level of expected claims, by reviewing historical trends of claims.

Key Audit Matters	How the matter was addressed in our audit
Impairment testing of Other intangible assets and intangible assets under development The Group's intangible assets comprised product registrations and licenses. The carrying amount of the intangible assets and intangible assets under development represents 26.21% of the Group's total assets. The Group applies for product registrations in different countries to sell its products and capitalises costs incurred to apply for product registrations. The value of intangible assets and intangible assets under development was identified as a key audit matter as the Group's annual impairment assessment contains significant judgments involving forecasting and discounting future cash flows. It also involves likelihood of obtaining product registration. The impairment assessment is based on each product registrations value in use. This impairment test is significant to our audit because the assessment process is complex and judgement is based on assumptions, such as expected growth rate, expected profitability and future market or economic conditions. Due to significance and magnitude of the costs capitalised this was considered a key audit matter.	Our audit procedures included following: - Inquired with management about its intention and probability to obtain product registrations in the respective geographies; - Compared management's assessment with the past trend product registrations awarded; and - Testing the mathematical accuracy of the discounted cash flow model and evaluation of the assumptions and methodologies used by the Group.

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 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.

Responsibilities of Management and Those Charged with Governance 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/(loss) 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 specified under section 133 of the Act. The respective 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 of 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 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 the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/Group 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 are responsible for overseeing the financial reporting process of each Company.

Auditors' 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 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 para (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 ₹. 33,015 lakhs as at 31st March, 2019, total revenues of ₹. 62,842 lakhs and net cash flows amounting to ₹. 544 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 amount 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 subsidiary (including eleven step down subsidiaries) is located outside India whose consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The financial statements of twenty one subsidiaries, whose financial statements reflect total assets of ₹. 41 lakhs as at 31st March, 2019, total revenues of ₹. Nil and net cash flows amounting to ₹. 7 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.

(c) Attention is drawn to the fact that the figures of year ended 31st March, 2018 included in these consolidated financial statements were audited by the predecessor auditor whose Audit Report dated 09 May 2018 expressed an unmodified opinion on those consolidated financial statements.

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 standalone or consolidated financial statements, as applicable, 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 Accounting Standards 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 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 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 companies 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 best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on standalone or consolidated financial statements, as applicable, of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2019 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2019;

iii. There has been do delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31st March, 2019;

iv. The disclosures 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 31st March, 2019.

(C) With respect to the matter to be included in the Audit Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies 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 companies 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

Mumbai
May 14, 2019

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Sharda Cropchem Limited for the year ended 31st March, 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013

(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 the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Sharda Cropchem Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors as mentioned in the Other Matters paragraph, 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 31st March, 2019, 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 Companies Act, 2013 (hereinafter referred to as "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 auditor of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial 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 dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports 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 in so far as it relates to one subsidiary company which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
May 14, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	1,354.59	1,068.10
Goodwill	6	40.21	39.67
Other intangible assets	4	35,784.29	21,521.71
Intangible assets under development	5	21,975.83	35,994.94
Financial assets			
Other financial assets	14	0.15	0.15
Deferred tax asset (net)	9	545.92	732.01
Non current tax assets (net)	9	4,929.49	4,002.75
Other non-current assets	10	945.99	2,930.23
Total non-current assets		**65,576.47**	**66,289.56**
Current assets			
Inventories	11	36,494.21	53,038.36
Financial assets			
Investments	7	21,194.80	2,206.94
Trade receivables	12	81,138.55	89,193.04
Cash and cash equivalents	13	5,066.82	6,125.13
Bank balances other than cash and cash equivalents	13	7,298.29	3,929.16
Loans	8	0.09	-
Other financial assets	14	164.05	-
Other current assets	10	3,401.58	1,839.14
Total current assets		**154,758.39**	**156,331.77**
Total Assets		**220,334.86**	**222,621.33**
Equity and Liabilities			
Equity			
Equity share capital	15	9,022.05	9,022.05
Other equity	16	119,368.89	104,459.90
Equity attributable to equity holders of the Company		**128,390.94**	**113,481.95**
Non-controlling interests		23.84	24.01
Total equity		**128,414.78**	**113,505.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	9.26	9.26
Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		286.06	301.43
Other financial liabilities	18	36.60	32.18
Provisions	19	221.50	205.97
Deferred tax liability (net)	9	9,099.54	8,312.63
Total non-current liabilities		**9,652.96**	**8,861.47**
Current liabilities			
Financial liabilities			
Borrowings	17	-	16,959.81
Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises;		26.25	347.54
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		63,580.32	63,034.24
Other financial liabilities	18	10,498.81	10,615.58
Other current liabilities	21	6,089.09	5,603.83
Provisions	19	2,007.96	1,289.98
Current tax liabilities (net)	9	64.69	2,402.92
Total current liabitliies		**82,267.12**	**100,253.90**
Total Equity And Liabilities		**220,334.86**	**222,621.33**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Sharda Cropchem Limited

Consolidated Statement of Profit and Loss
for the year ended March 31, 2019

(₹ in Lakhs)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
Revenue from operations	22	200,114.28	170,658.86
Other income	23	1,792.27	806.78
Total income		**201,906.55**	**171,465.64**
Expenses			
Cost of materials consumed	24	70,777.40	63,284.35
Purchase of traded goods		62,492.91	70,259.49
Changes in inventories of finished goods and stock-in-trade	25	5,488.54	(19,169.36)
Employee benefits expense	26	3,335.71	3,353.64
Finance costs	27	839.21	486.08
Foreign exchange (gain)/loss (net)		446.01	(849.38)
Depreciation and amortisation expense	28	9,939.38	6,993.93
Other expenses	29	25,084.89	18,387.94
Total expenses		**178,404.05**	**142,746.69**
Profit before tax		**23,502.50**	**28,718.95**
Tax expense			
Current tax	9	4,733.24	9,794.04
Adjustment of tax relating to earlier years	9	164.32	-
Deferred tax charge/(credit)	9	970.61	(152.40)
Total tax expense		**5,868.17**	**9,641.64**
Profit for the year		**17,634.33**	**19,077.31**
Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss			
Re-measurement gains/(losses) on defined benefit plans		14.45	3.60
Income tax relating to items that will not be reclassified to the statement of profit or loss		(3.37)	1.80
Items that will be reclassified to the statement of profit or loss			
Exchange differences on translation of financial statement of foreign operations		872.43	227.40
Total Other Comprehensive Income for the year (net of tax)		**883.51**	**232.80**
Total Comprehensive Income for the year		**18,517.84**	**19,310.11**
Profit for the year		**17,634.33**	**19,077.31**
Attributable to:			
Equity holders of the parent		17,634.30	19,076.52
Non-controlling interest		0.03	0.79
Total Comprehensive Income for the year		**18,517.84**	**19,310.11**
Attributable to:			
Equity holders of the parent		18,518.07	19,309.32
Non-controlling interest		(0.23)	0.79
Earnings per share (₹ per share)			
Basic and diluted (Face value per share of ₹ 10 each)	30	19.55	21.15

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital (Note 15)

(₹ in Lakhs)

As at 01 April , 2017	**9,022.05**
Changes in equity share capital	
As at 31 March, 2018	**9,022.05**
Changes in equity share capital	
As at 31 March, 2019	**9,022.05**

B. Other equity

(₹ in Lakhs)

	Attributable to owners of the Company								
	Reserves & Surplus				Other comprehensive income				
	Securities premium (Note 16)	Retained earnings (Note 16)	Capital reserves (Note 16)	General reserves (Note 16)	Exchange differences on translation of foreign operations	Other item of other comprehensive income	Total other equity	Non-controlling interests	Total
Balance as at April 01, 2017	**2,168.55**	**81,282.51**	**1,581.11**	**664.93**	**1,274.17**	**(9.56)**	**86,961.71**	**1.97**	**86,963.68**
Profit for the year	-	19,076.52	-	0.01	-	-	19,076.53	0.79	19,077.32
Other comprehensive income	-	-	-	-	227.40	5.40	232.80	-	232.80
Total Comprehensive Income	**-**	**19,076.52**	**-**	**0.01**	**227.40**	**5.40**	**19,309.33**	**0.79**	**19,310.12**
Transfer to retained earnings on treating associate as subsidiary	-	(6.73)	-	-	-	-	(6.73)	-	(6.73)
Dividends (including tax on dividend)	-	(1,804.41)	-	-	-	-	(1,804.41)	-	(1,804.41)
Non-controlling interests	-	-	-	-	-	-	-	21.25	21.25
As on March 31, 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**

Sharda Cropchem Limited

(₹ in Lakhs)

	Attributable to owners of the Company								
	Reserves & Surplus				Other comprehensive income				
	Securities premium (Note 16)	Retained earnings (Note 16)	Capital reserves (Note 16)	General reserves (Note 16)	Exchange differences on translation of foreign operations	Other item of other comprehensive income	Total other equity	Non-controlling interests	Total
Balance as at April 01, 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**	**-**	**0.00**	**872.43**	**11.08**	**18,517.81**	**(0.23)**	**18,517.58**
Dividends (including tax on dividend)	-	(3,608.82)	-	-	-	-	(3,608.82)	-	(3,608.82)
Non-controlling interests	-	-	-	-	-	-	-	0.06	0.06
As on 31 March 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**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	**23,502.50**	**28,718.95**
Adjustment to reconcile profit before tax to cash generated by operating activities:		
Depreciation and amortisation expense	9,939.38	6,993.93
Unrealised exchange loss / (gain)	491.47	84.11
Write-off of intangible assets under development	4,221.53	786.40
Write-off of property, plant and equipment	2.64	-
Profit on sale of investments in mutual funds (unquoted)	(411.88)	(260.39)
Profit on sale of assets	(0.07)	(2.61)
Provision for gratuity	35.51	96.48
Bad debts/advances written off	189.80	407.34
Provision for doubtful debts	465.76	297.70
Loss on closure of subsidiary	5.38	-
Liabilities/ provisions no longer required written back	(347.63)	(215.32)
Finance costs	839.21	486.08
Interest income	(405.23)	(169.29)
Dividend income	(35.87)	-
Operating profit before working capital changes	**38,492.50**	**37,223.38**
Movements in working capital:		
(Increase)/decrease in trade receivables	4,506.50	(19,478.12)
(Increase)/decrease in inventories	16,557.64	(24,239.48)
(Increase)/decrease in loans	(0.09)	18.99
(Increase)/decrease in other assets	429.76	(1,609.31)
(Increase)/decrease in other financial assets	(164.05)	92.46
Increase/(decrease) in trade payables	2,938.75	16,948.24
Increase/(decrease) in provisions	710.25	3.90
Increase/(decrease) in other financial liabilities and other liabilities	236.29	709.10
Cash generated from operations	**63,707.55**	**9,669.16**
Income taxes paid (net of refunds)	(8,076.42)	(7,972.42)
Net cash flows from operating activities (A)	**55,631.13**	**1,696.74**
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(518.56)	(989.04)
Purchase of intangible assets (including intangible assets under development and capital advances)	(13,784.95)	(19,189.62)
Proceeds from sale of plant, property and equipment	0.08	2.71
Purchase of mutual fund	(39,977.07)	(17,079.28)
Proceed from sale of investments in mutual fund	21,401.09	21,201.04
Investment of bank deposits	(7,323.66)	(523.58)
Redemption of bank deposits	3,954.53	169.29
Interest from fixed deposits	229.92	124.92
Dividend from mutual funds	35.87	-
Net cash flows (used) in investing activities (B)	**(35,982.75)**	**(16,283.56)**
Cash flows from financing activities		
Proceeds from of borrowings	2,750.00	18,191.46
Repayment of borrowings	(19,638.00)	(1,318.31)
Proceeds from issue of shares to non-controlling interest	0.06	-
Finance costs paid	(1,057.29)	(39.55)
Dividend paid	(3,608.38)	(3,608.82)
Net cash flows (used in) / from in financing activities (C)	**(21,553.61)**	**13,224.78**

Sharda Cropchem Limited

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Exchange difference arising on conversion debited to foreign currency translation reserve (D)	865.32	241.02
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**(1,039.91)**	**(1,121.02)**
Cash and cash equivalents at the beginning of the year	6,125.13	7,222.52
Exchange differences on translation of foreign currency cash and cash equivalent	(18.40)	23.63
Cash and cash equivalents at the end of the year	**5,066.82**	**6,125.13**
Components of cash and cash equivalents		
Cash on hand	2.59	5.43
With banks	5,064.23	6,119.70
Total cash and cash equivalents as per the cash flow statement (Note 13)	**5,066.82**	**6,125.13**

Notes:

1) 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 Act.

2) **Reconciliation of net debts**

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	16,969.07	24.11
Add: Loan taken during the year	2,750.00	18,191.46
Less: Repayment made during the year	19,638.00	1,318.31
Less: Non cash adjustments	71.81	(71.81)
Closing balance	**9.26**	**16,969.07**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Notes
to Consolidated Financial Statements for the year ended March 31, 2019

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, 2019. 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 two recognised stock exchanges in India.

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

2. Significant accounting policies

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 May 14, 2019.

2.1 Basis of preparation and presentation

The financial statements have been prepared on a 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)
(iii) Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The 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. The Group's consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of parent company. Items included in the financial statements of each of the group's entities are rounded off to the nearest lakhs, except when otherwise stated and measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries as at 31st March 2019. 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:

- 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 three elements of control. 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 recognised 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
- Reclassifies the parent's share of components previously recognised 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 which are included in consolidation and the Parent Company's holdings therein are as under:

Sr. No.	Name	Country of incorporation	March 31, 2019	March 31, 2018
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 Dooel 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%
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%	99.00%
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	Sharda Uruguay S.A. (till July 01, 2018)	Uruguay	-	100.00%
39	Sharpar S.A.*	Paraguay	90.00%	90.00%
40	Siddhivinayak International Limited	U.A.E.	100.00%	100.00%
41	Sharda Private (Thailand) Limited (associate till November 09, 2017) **	Thailand	49.00%	49.00%

* The financial statements of these companies are drawn for and audited for the calendar year ended December 31, 2018 in compliance with respective local laws. All material adjustments for the effect of significant transactions or events occurred up to March 31, 2019, 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, 2019.

** 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.

2.3 Summary of significant accounting policies

a. 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. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. 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;

(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 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

(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 realisation 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.

d. 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 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.

e. Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments- forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

f. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 39)
- Financial instruments (including those carried at amortised cost) (Note 39)

g. Revenue Recognition

Sale of goods

Revenue from sale of goods is recognized on the bases of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of consideration which an entity expects to be entitled in exchange for transferring promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods. The Group operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. It is reassessed at the end of each reporting period.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

h. Export Incentives :

An export incentive 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.

i. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

j. Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

k. Property, Plant and Equipment ("PPE") and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

All items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

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.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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, except in respect of certain assets located outside India in whose case the estimated useful life of the assets has been assessed as per the condition of the assets. The Group has used the following rates to provide depreciation on its fixed assets.

Asset class	Estimated useful life adopted by foreign subsidiaries	Schedule II adopted by Indian Subsidiaries
Computers	6-7 years	3 years
Furniture and Fixtures	15-16 years	10 years
Office Equipment	21-22 years	5 years
Motor Cars	10-11years	8 years
Cylinders	6-7 years	15 years
Leasehold Improvements	-	6 years
Electrical Installations	-	6 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

l. 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 or 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

m. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

n. Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

o. 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 in the financials.

p. Impairment of 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.

q. 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.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. 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.

r. 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 will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the 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 financial statements.

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

s. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on Projected Unit cost method made at the end of each financial year. Actuarial gains/ (losses) are recognised directly in other comprehensive income. This benefit is presented according to present value after deducting the fair value of the plan assets. The Group determines the net interest on the net defined benefit liability (asset) in respect of a defined benefit by the discount rate used to measure the defined benefit obligation as they were determined at the beginning of the annual reporting period.

Accumulated leave is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

t. 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

All 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 AS 103 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 group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated 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 recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

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.

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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- 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, financial guarantee contracts 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 recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and 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.

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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.

u. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated 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.

v. Earnings per share

Basic earnings per share are 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.

w. 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.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3. Property, plant and equipment

(₹ in Lakhs)

	Office equipments	Furniture & fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	Total
Cost								
At 01 April 2017	36.10	66.61	40.37	32.01	9.42	-	-	**184.51**
Additions	172.17	439.68	22.99	10.70	0.00	347.08	131.88	**1,124.50**
Disposals	(0.52)	(0.14)	(14.86)	(0.69)	-	-	-	**(16.21)**
Transalation exchange difference	(1.33)	(2.96)	-	0.19	-	-	-	**(4.10)**
At March 31, 2018	**206.42**	**503.19**	**48.50**	**42.21**	**9.42**	**347.08**	**131.88**	**1,288.70**
Accumulated depreciation								
At 01 April 2017	19.63	31.60	13.82	22.36	1.48	-	-	**88.89**
Depreciation charge during the year	31.26	48.61	7.85	7.76	0.75	38.51	14.63	**149.37**
Disposals	(0.41)	(0.06)	(14.75)	(0.68)	-	-	-	**(15.90)**
Transalation exchange difference	(0.91)	(0.98)	0.00	0.13	-	-	-	**(1.76)**
At March 31, 2018	**49.57**	**79.17**	**6.92**	**29.57**	**2.23**	**38.51**	**14.63**	**220.60**
Net carrying value								
At 01 April 2017	16.47	35.01	26.55	9.65	7.94	-	-	**95.62**
At March 31, 2018	**156.85**	**424.02**	**41.58**	**12.64**	**7.19**	308.57	**117.25**	**1068.10**

	Office equipments	Furniture & fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	Total
Cost								
At 01 April 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)	0.00	-	-	(3.70)	-	-	**(4.28)**
Transalation exchange difference	3.08	4.46	-	(0.13)	-	-	-	**7.41**
At 31 March 2019	**283.66**	**729.46**	**48.50**	**46.63**	**5.72**	**497.15**	**199.27**	**1,810.39**
Accumulated depreciation								
At 01 April 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)**
Transalation exchange difference	1.43	1.12	-	(0.16)	-	-	-	**2.39**
At 31 March 2019	**99.80**	**148.52**	**14.78**	**36.86**	**1.83**	**110.88**	**43.13**	**455.80**
Net carrying value								
At 01 April 2018	156.85	424.02	41.58	12.64	7.19	308.57	117.25	**1,068.10**
At 31 March 2019	**183.86**	**580.94**	**33.72**	**9.77**	3.89	386.27	156.14	**1,354.59**

4. Other intangible assets

(₹ in Lakhs)

	Computer Software	Product Registration and Licences	Total
Cost			
At 01 April 2017	60.64	29,299.37	**29,360.01**
Additions *	-	8,041.02	**8,041.02**
Disposals	-	(792.72)	**(792.72)**
Transalation exchange difference	-	0.02	**0.02**
At March 31, 2018	**60.64**	**36,547.69**	**36,608.33**
Accumulated amortisation			
At 01 April 2017	30.24	8,479.46	**8,509.70**
Amortisation during the year	12.13	6,832.43	**6,844.56**
Disposals	-	(267.66)	**(267.66)**
Translation exchange difference	-	0.02	0.02
At March 31, 2018	**42.37**	**15,044.25**	**15,086.62**
Net carrying value			
At 01 April 2017	30.40	20,819.91	20,850.31
At March 31, 2018	**18.27**	**21,503.44**	**21,521.71**

	Computer Software	Product Registration and Licences	Total
Cost			
At 01 April 2018	60.64	36,547.69	**36,608.33**
Additions *	-	24,690.48	**24,690.48**
Disposals *	-	(998.17)	**(998.17)**
Transalation exchange difference	0.08	-	**0.08**
At 31 March 2019	**60.72**	**60,240.00**	**60,300.72**
Accumulated amortisation			
At 01 April 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 31 March 2019	**51.27**	**24,465.16**	**24,516.43**
Net carrying value			
At 01 April 2018	18.27	21,503.44	21,521.71
At 31 March 2019	**9.45**	**35,774.84**	**35,784.29**

* The data compensation elements of product registration are initially capitalised based on management estimates. The Gross Block of Product Registration and licenses have been increased/{reduced} as an outcome of negotiations/aribtration with contracting parties by ₹ 203.10 Lakhs (March 31, 2018 :{ ₹ 651.94 Lakhs})

5. 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.

6. Goodwill

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Carrying value at the beginning	39.67	39.48
Elimination of goodwill on account of closure of subsidiary	(1.86)	-
Foreign currency exchange gain / (loss)	2.40	0.19
Carrying value at the end	**40.21**	**39.67**

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.

7. Current investment

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Investment carried at fair value through profit or loss		
Investments in mutual funds units (Unquoted)		
-Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan 3,60,147 (March 31, 2018: Nil) units of ₹ 100 each	1,076.86	-
-Aditya Birla Sun Life Arbitrage Fund - Dividend - Regular Fund 47,28,607 (March 31, 2018: Nil) units of ₹ 10 each	506.77	-
-Axis Banking & PSU Debt Fund 64,363 (March 31, 2018: Nil) units of ₹ 1,000 each	1,124.86	-
-DSP Liquidity Fund - Regular Plan- Growth 47,065 (March 31, 2018: Nil) units of ₹ 1,000 each	1,251.26	-
-DSP Corporate Bond Fund Growth 66,69,070 (March 31, 2018: Nil) units of ₹ 10 each	716.69	-
-DSP Banking and PSU Debt Fund- Reg-Growth 32,20,446 (March 31, 2018: Nil) units of ₹ 10 each	508.16	-
-DSP Saving Fund - Regular Plan - Growth 6,84,436 (March 31, 2018: Nil) units of ₹ 100 each	250.89	-
-HDFC Liquid Fund - Regular Plan - Growth 34,744 (March 31, 2018: Nil) units of ₹ 1000 each	1,271.73	-
-HDFC Corporate Bond Fund - Regular Growth 49,13,680 (March 31, 2018: Nil) units of ₹ 10 each	1,022.56	-
-ICICI Prudential Liquid - Regular - Growth 2,94,347 (March 31, 2018: Nil) units of ₹ 100 each	810.69	-
-ICICI Prudential Equity Arbitrage Fund - Dividend 37,26,675 (March 31, 2018: Nil) units of ₹ 10 each	507.60	-
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 79,93,005 (March 31, 2018: 3,31,991) units of ₹ 100 each	1,526.69	80.60

Current investments (contd.)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
-IDFC Cash Fund - Growth - (Regular Plan) 36,624 (March 31, 2018: Nil) units of ₹ 1,000 each	826.77	-
-IDFC Banking & PSU Debt Fund - Regular 70,39,878 (March 31, 2018: Nil) units of ₹ 10 each	1,131.92	-
-IDFC Corporate Bond Fund Regular Plan - Growth 1,43,81,465 (March 31, 2018: Nil) units of ₹ 10 each	1,831.09	-
-IDFC Ultra Short Term Fund Regular Plan - Growth 77,00,441 (March 31, 2018: Nil) units of ₹ 10 each	815.55	-
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) 47,44,265 (March 31, 2018: Nil) units of ₹ 10 each	508.03	-
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 24,11,114 (March 31, 2018: Nil) units of ₹ 10 each	1,018.84	-
-Kotak Liquid Regular Plan Growth 32,898 (March 31, 2018: Nil) units of ₹ 1,000 each	1,241.14	-
-Reliance Arbitrage Fund - Dividend Plan Reinvestment 41,65,849 (March 31, 2018: Nil) units of ₹ 10 each	508.04	-
-Reliance Liquid Fund - Growth Plan - Growth Option 16,766 (March 31, 2018: Nil) units of ₹ 1,000 each	761.04	-
-SBI Liquid Fund - Regular Growth 48,980 (March 31, 2018: Nil) units of ₹ 1,000 each	1,428.44	-
-Union KBC Asset Allocation Fund - Moderate Plan Growth Nil (March 31, 2018: 4,39,499) units of ₹ 10 each	-	66.46
-Union KBC Dynamic Bond Fund - Growth * 50,995 (March 31, 2018: 1,35,10,226) units of ₹ 10 each	8.08	2,033.41
-Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth 2,50,000 (March 31, 2018: 2,50,000) units of ₹ 10 each	28.70	26.47
-Union Value Discovery Fund - Regular Growth 10,00,000 (March 31, 2018: Nil) units of ₹ 10 each	106.60	-
-Union Arbitrage Fund Regular Plan Growth 30,01,141 (March 31, 2018: Nil) units of ₹ 10 each	301.90	-
-Union Equity Savings Fund Growth - Regular Plan 9,99,990 (March 31, 2018: Nil) units of ₹ 10 each	103.90	-
Total	**21,194.80**	**2,206.94**

* Lien marked on the units of Union KBC Dynamic Bond Fund for financial year 2018-19 ₹ Nil (financial year 2017-18: ₹ 2,033.41 Lakhs) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Aggregate amount of unquoted investments	21,194.80	2,206.94
Investment carried at fair value through statement of profit or loss	21,194.80	2,206.94

8. Loans

Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good (carried at cost)		
- Other loans		
Loans to employees	0.09	-
Total	**0.09**	**-**

9. Income taxes

The major components of income tax expense for the year's ended March 31, 2019 and March 31, 2018 are :-

Income tax expenses in the statement of profit and loss comprises of :-

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax:		
Current income tax charge	4,733.24	9,794.04
Adjustments in respect of current income tax of previous year	164.32	-
Deferred tax :		
Relating to origination and reversal of temporary differences	970.61	(152.40)
Income tax expense reported in the statement of profit and loss	**5,868.17**	**9,641.64**

Income tax (expense)/benefit recognized in OCI

Deferred tax relating to items recognised in OCI during the year:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Net (gain)/loss on remeasurement of defined employee benefit plans	(3.37)	1.80
Total	**(3.37)**	**1.80**

Reconciliation of tax rate effective (ETR): (₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit from operations before income taxes	21,663.16	29,001.05
Tax @34.944% (March 31, 2018: 34.608%) (Indian statutory income tax rate)	7,569.97	10,043.87
Tax effect on income not taxable for tax purposes:		
Dividend received in investment in subsidiary	741.24	337.51
Others	20.56	62.69
	761.80	**400.20**
Tax effect on non-deductible expenses for tax purposes:		
Interest on Income Tax	16.91	62.11
Corporate social responsibility (CSR) expenditure	128.26	65.08
Discard / write-off of intangible assets and intangible assets under development	78.47	73.14
Others	51.87	(162.70)
	275.51	**37.63**
Profit taxable at higher/ lower/ nil tax rates in certain jurisdictions	44.59	83.80
Effect of deductible temporary differences now recognised as deferred tax assets/ liabilities	(1,421.05)	(125.26)
Income tax expense	**5,707.22**	**9,639.84**

Non current tax assets(net) (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance tax [Net of provision for income tax of ₹ 31,184.74 Lakhs (March 31, 2018: ₹ 23,551.28 Lakhs)]	4,929.49	4,002.75
Total	**4,929.49**	**4,002.75**

Current tax liabilities(net) (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Other provisions		
Provision for income tax [Net of advance tax ₹. Nil Lakhs (March 31, 2018: 7,563.91 ₹ Lakhs)]	64.69	2,402.92
Total	**64.69**	**2,402.92**

Deferred tax assets (net) (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Temporary difference related to profit on stock reserves	535.00	716.50
Other	10.92	15.51
Gross deferred tax asset	**545.92**	**732.01**
Deferred tax liability		
Others	-	-
Gross deferred tax liability	-	**-**
Net deferred tax asset/ (liability)	**545.92**	**732.01**

Deferred tax liability (net) (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Provision for gratuity	78.03	69.86
Impairment of investment	190.10	109.59
Others	18.77	345.06
Minimum Alternate Tax (MAT) credit	2,929.06	-
Gross deferred tax asset	**3,215.96**	**524.51**
Deferred tax liability		
Tangible and intangible assets	12,315.23	7,228.75
Undistributed profit (Refer note b)	-	1,601.30
Others	0.27	7.09
Gross deferred tax liability	**12,315.50**	**8,837.14**
Net deferred tax (liability)	**(9,099.54)**	**(8,312.63)**

Note :

a) 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.

b) Pursuant to the clarification issued by the ICAI, the management has reversed the opening deferred tax liability on undistributed profits of one of its subsidiary amounting to ₹.1,601.30 lacs during the year as it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

The gross movement in the deferred income tax account for the year ended March 31, 2019 and March 31, 2018

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Net deferred income tax asset/ (liability) at the beginning	(7,580.62)	(7,735.43)
Credit / (charge) realating to temporary difference	(970.61)	152.40
Temporary difference on other comprehensive income	(3.37)	1.80
Translation difference	0.97	0.61
Net deferred income tax asset/ (liability) at the end	**(8,553.63)**	**(7,580.62)**

10. Other assets

Non-current (Unsecured, considered good)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Statutory receivable	700.22	2,691.54
Prepaid expenses	0.55	0.39
Export incentive receivable	235.91	227.96
Security deposit	9.31	10.34
Total	**945.99**	**2,930.23**

Current (Unsecured, considered good)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Payment to vendor for supply of goods and services	782.76	697.47
Statutory receivable	823.68	-
Right of recoveries against expected sales return	1,254.00	476.21
Security deposit	11.11	-
Prepaid expenses	312.79	158.32
Interest accrued on fixed deposits with bank	83.44	42.62
Export incentive and other receivable	133.80	464.52
Total	**3,401.58**	**1,839.14**

11. Inventories (valued at lower of cost and net realisable value)

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Finished Goods [Stock in transit ₹ 1,667.21 Lakhs (March 31, 2018: ₹ 1,181.47 Lakhs)]	18,606.34	23,535.94
Traded goods	4,422.56	4,979.07
Raw materials including packing materials [Stock in transit ₹ 2,953.55 Lakhs (March 31, 2018 ₹ 1,326.56 Lakhs)]	13,465.31	24,523.35
Total	**36,494.21**	**53,038.36**

Note

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 ₹ 428.08 Lakhs (March 31, 2018 ₹ 83.13 Lakhs)

12. Trade receivables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	81,138.55	89,193.04
Significant increase in credit risk	561.11	297.93
Total	**81,699.66**	**89,490.97**
Less: - Allowances for credit losses	(561.11)	(297.93)
Total	**81,138.55**	**89,193.04**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. For explanations on the Company's credit risk management process, refer note 40.

13. Cash and bank balances

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks		
- in current account	5,060.62	5,714.53
- in unpaid dividend accounts	3.61	3.17
Fixed deposit account		
–with original maturity of less than three months*	-	402.00
Cash in hand	2.59	5.43
Total	**5,066.82**	**6,125.13**
Other Bank balances		
Fixed deposit account		
–with original maturity of more than three months but less than twelve months*	7,298.29	3,929.16
Total	**12,365.11**	**10,054.29**

* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 6,881.95 Lakhs (March 31, 2018: ₹ 4,202.41 Lakhs) for availment of working capital facilities in the form of Letters of Credit and Bank Guarantees.

14. Other financial assets

Non current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Other Bank balance - Fixed deposit account		
- Deposits with original maturity of more than 12 months	0.15	0.15
Total	**0.15**	**0.15**

Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
- Derivative instrument - foreign currency forward contracts (refer note 39)	164.05	-
Total	**164.05**	**-**

15. Equity share capital

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
10,50,00,000 (March 31, 2018: 10,50,00,000) equity shares of ₹ 10/- each	10,500.00	10,500.00
Issued, subscribed and fully paid-up		
9,02,20,495 (March 31, 2018: 9,02,20,495) equity shares of ₹ 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, 2019		As at March 31, 2018	
	No. of Shares	₹ Lakhs	No. of Shares	₹ 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

	As at March 31, 2019		As at March 31, 2018	
	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	14,052,685	15.58%	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	8,031,425	8.90%	1,414,700	1.57%
DSP Blackrock Mutual Fund	2,609,128	2.89%	5,884,245	6.52%
HDFC Trustee Company Limited - HDFC Prudence Fund	2,608,396	2.89%	5,525,096	6.12%
Total	**71,714,320**	**79.50%**	**71,289,412**	**79.03%**

* 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, 2019:

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

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash dividends on equity shares declared and paid:		
Interim dividend on equity shares (For the year ended March 31, 2019 ₹ 2.00 (March 31, 2018: ₹ 2.00) per share	1,804.41	1,804.41
Proposed dividends on Equity shares:		
Final cash dividend for the year ended March 31, 2019: ₹ 2.00 per share (March 31, 2018: ₹ 2.00 per share)	1,804.41	1,804.41

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2019.

16. Other equity

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
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**
Securities premium account		
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	664.93
Add: Amount transferred from surplus balance in the statement of profit and loss	-	**0.01**
Balance at the end of the year	**664.94**	**664.94**
Foreign currency translation reserve		
Balance at the beginning of the year	**1,501.57**	**1,274.17**
Add: Foreign currency translation reserve for the year	872.43	227.40
Balance at the end of the year	2,374.00	1,501.57
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	98,543.73	81,272.95
Add: Profit for the year	17,634.30	19,076.52
Add: Other comprehesive income	11.08	5.40
Add: Change in profit sharing arrangement **	-	(6.73)
Less: Dividend (inlcuding tax on dividend)	3,608.82	1,804.41
Balance at the end of the year	**112,580.29**	**98,543.73**
Total	**119,368.89**	**104,459.90**

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 account -

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.

** 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.

17. Borrowings (carried at cost)

Non Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
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.

Current

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Buyer's credit (Secured)*	-	3,594.97
Loan from Directors (Unsecured) (refere note no 37) **	-	13,364.84
Total	**-**	**16,959.81**
The above amount includes		
Unsecured borrowings	-	13,364.84

*Buyer's credit was secured against hypothecation of stocks meant for exports and book debts. Buyer's credit is further secured by personal guarantees of four directors of the Company and by a lien on fixed deposits. Buyer's credit carries interest @ LIBOR plus 100 basis points p.a.

** Loans taken are short term unsecured and carries an interest rate 10% p.a. and are repayable on demand.

18. Other financial liabilities

Non-current (carried at cost) (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital creditors	31.01	32.18
Other payables	5.59	-
Total	**36.60**	**32.18**

Current (carried at cost, unless otherwise specified) (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial liability carried at fair value through profit and loss		
- Foreign currency forward contracts (refer note 39)	-	298.91
Financial liability carried at amortised cost		
Unclaimed dividend	3.61	3.17
Interest accrued on borrowings	0.16	238.91
Other payables		
-Capital creditors	9,718.60	9,180.79
-Directors' commission	392.01	476.79
-Salaries and bonus	294.53	320.33
-Others	89.90	96.68
Total	**10,498.81**	**10,615.58**

19. Provisions

Non-current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity (refer note 31)	221.50	205.97
Total	**221.50**	**205.97**

Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity (refer note 31)	32.58	27.08
Provision for leave encashment	36.74	32.60
Expected return from customers	1,938.64	1,230.30
Total	**2,007.96**	**1,289.98**

20. Trade payables (carried at cost)

Non-current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises * (refer note 42)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	286.06	301.43
Total	**286.06**	**301.43**

Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises * (refer note 42)	26.25	347.54
Total outstanding dues of creditors other than micro enterprises and small enterprises *	63,580.32	63,034.24
Total	**63,606.57**	**63,381.78**

* 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.

21. Other liabilities

Current (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance from customers (refer note 44)	879.41	631.48
Other payables		
Deferred revenue	377.97	181.69
Book overdraft	747.78	166.81
Bank interest	-	28.16
Deposit taken	13.40	45.90
Statutory liabilities	3,295.07	2,956.40
Promotional schemes	15.19	2.68
Provision For Discount On Sales	177.99	1,114.43
Incentive Payable On Sales	347.59	180.47
Sales Promotion Payable	231.57	293.80
Others	3.12	2.01
Total	**6,089.09**	**5,603.83**

22. Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of goods * (refer note 44)	199,528.87	170,065.87
Other operating revenue		
- Export incentives	148.70	222.96
- Share of income from task force	23.78	-
- Royalty income	75.31	74.48
- Custom duty received	-	80.23
- Liabilities/ provisions no longer required written back	335.37	215.32
Miscellaneous receipts	2.25	-
Total	**200,114.28**	**170,658.86**

23. Other income

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income on financial assets		
-On bank deposits	270.72	169.29
-On income tax refund of earlier year	134.50	-
-On sales tax refund of earlier year	-	0.16
-On loan to employee	0.01	0.25
-From Customers	-	0.55
- On mutual fund units	35.87	-
Others	2.91	-
Profit on sale of assets	0.07	2.61
Fair value gain on financial instruments at fair value through statement of profit or loss	411.88	260.39
Income from custodian services	382.00	70.62
Liabilities/ provisions no longer required written back	12.26	-
Miscellaneous income	542.05	302.91
Total	**1,792.27**	**806.78**

24. Cost of materials consumed

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year	24,523.35	19,431.44
Add: Purchases	59,719.36	68,376.26
	84,242.71	87,807.70
Less: Inventory at the end of the year	13,465.31	24,523.35
Total	**70,777.40**	**63,284.35**

25. Changes in inventories of finished goods and stock in trade

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
- Traded goods	4,461.38	4,979.07
- Finished goods	18,606.34	23,535.94
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	64.44	-
Total	**23,132.16**	**28,515.01**
Inventories at the beginning of the year		
- Traded goods	4,730.25	3,779.30
- Finished goods	23,535.94	5,566.35
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	354.51	-
Total	**28,620.70**	**9,345.65**
Changes in inventories of traded and finished goods	**5,488.54**	**(19,169.36)**

26. Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	3,278.55	3,221.48
Contribution to provident and other funds (refer note 31)	10.71	13.00
Gratuity expenses (refer note 31)	35.51	101.88
Staff welfare expenses	10.94	17.28
Total	**3,335.71**	**3,353.64**

27. Finance costs

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on loan from directors (refer note 37)	733.10	274.10
Interest on borrowings from bank	16.12	31.61
Interest on income tax	48.39	179.46
Interest on fair value measurement	17.48	-
Interest on late payment of statutory dues	24.12	0.91
Total	**839.21**	**486.08**

28. Depreciation and amortisation expense

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on plant, property and equipments	234.45	149.37
Amortisation of intangible assets	9,704.93	6,844.56
Total	**9,939.38**	**6,993.93**

29. Other expenses

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Freight and forwarding expenses	2,634.50	2,616.93
Rent	662.47	577.91
Rates and taxes	159.53	142.18
Insurance	435.55	407.76
Repairs and maintenance		
- Buildings	1.78	8.56
- Others	26.59	29.10
Advertising and sales promotion	391.57	404.90
Sales commission	1,026.62	1,031.04
Travelling and conveyance	1,116.84	1,025.58
Communication expenses	246.95	336.32
Office expenses	820.42	667.45
Legal and professional fees	10,568.13	8,020.08
Commission on collection	11.41	41.44
Directors sitting fees	11.53	13.75
CSR expendiiture (refer note 43)	714.03	345.57
Payment to auditor (refer note 'a' below)	59.66	67.90
Custodian charges	40.33	32.30
Bad debts/advances written off	189.80	407.34
Provision for doubtful debts	465.76	297.70
Marketing expenses	6.78	7.81
Bank charges	1,183.26	1,039.77
Discard / Write-off of Property, plant & equipment	2.64	
Discard / Write-off of intangible assets and intangible assets under development	4,221.53	786.40
Loss on Closure of Subsidiary	5.38	-
Miscellaneous expenses	81.84	80.15
Total	**25,084.89**	**18,387.94**

Note a:

Details of payment to auditor:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor:		
- Audit fees	53.65	63.29
- Reimbursement of expenses	3.11	1.61
In other capacities: - Other services : Certification	2.90	3.00
Total	**59.66**	**67.90**

30. Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax attributable to equity shareholders	17,634.33	19,077.31
Weighted average number of equity shares outstanding during the year	90,220,495	90,220,495
Earnings per Share		
Face value per equity share (₹)	10.00	10.00
Basic and diluted earning per share (₹)	19.55	21.15

31. Employee benefits - Post-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 26 under "Contribution to provident and other funds":

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Contribution to employees provident fund	8.27	9.38
Contribution to ESI	2.44	3.63
Total	**10.71**	**13.01**

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.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Changes in benefit obligations		
Benefit obligations at the beginning of the year	254.19	158.19
Current service cost	28.18	24.09
Interest expenses	18.65	10.39
Remeasurements - Actuarial (gains)/ lossess	(15.04)	(3.32)
Past service cost	(9.52)	68.67
Benefits paid	(10.04)	(3.83)
Benefit obligations at the end of the year	**266.42**	**254.19**
Change in plan assets		
Fair value of plan assets at the beginning of the year	21.14	22.69
Interest income	1.82	1.26
Return on plan assets excluding amounts included in interest income	(0.59)	0.27
Benefits paid	(10.03)	(3.08)
Fair value of plan assets at the end of the year	**12.34**	**21.14**
Net benefit obligation at the end of the year	**254.08**	**233.05**

Amounts recognised in the Statement of Profit and Loss under employee benefit expenses

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	27.26	25.36
Net interest cost	16.84	9.13
Past service cost and loss / (gain) on curtailment and settlement	(8.59)	67.39
Net gratuity cost charged to statement of profit and loss	**35.51**	**101.88**

Amounts recognised in Statement of other comprehensive income

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	(15.04)	(3.32)
(Return)/ loss on plan assets excluding amounts included in the net interest	0.59	(0.27)

Plan assets comprise of the following

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Policy of Insurance	100%	100%

Actuarial assumptions as at the balance sheet date:

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.35%	7.65%
Expected rate of salary increase (p.a.)	6.50%	6.50%
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%

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 significant 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.

(₹ in Lakhs)

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	256.86	276.81	245.00	264.11
Future salary growth rate varied by 0.5%	270.95	260.79	259.81	248.91
Withdrawal rate varied by 10%	269.55	263.16	256.79	250.88

32. Leases

Operating lease commitment: Company as lessee

The Group has certain operating leases for office facility which are non cancellable. Such leases are generally with the option of renewal depending on the rent prevailing at the time of renewal. The lease term is 3 years (Previous year 3 years). There is no escalation clause in the lease agreement. There are no sub leases.The Group has paid ₹ 540 Lakhs (March 31, 2018: ₹ 460.13 Lakhs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Within one year	540.00	540.00
After one year but not more than five years	360.00	2,340.00

33. Capital and other commitments

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account not provided for	33,605.88	30,726.01

34. Contingent liabilities

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Income tax matter	4,401.57	-
Service tax matter (refer note (i) below)	785.14	785.14
Claims against the Company not acknowledged as debt	351.61	331.56
Total	**5,538.32**	**1,116.70**

Note:

i) 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.

ii) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against the decision has been filed and is pending before the SC for disposal.

iii) Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

35. Capitalisation of Expenditures

During the year, the Company capitalised the following expenses of revenue nature to the cost of Intangible Asset/Intangible Asset Under Development (IAUD), since these expenditures relate to such development. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Consultancy for registration	1,513.08	1,638.93
Total	**1,513.08**	**1,638.93**

36. Segment information

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses or income which are not attributable or allocable to segments have been disclosed as unallocable expenses.

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 and Biocides
Belts	:	Conveyor Belts, V Belts and Timing Belts
Others	:	Dyes and Dye Intermediates and General Chemical

Information about business segments

(₹ in Lakhs)

	Agrochemicals		Belts		Others		Total	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Revenue								
External sales	168,554.93	148,129.80	31,304.49	22,235.47	254.86	293.59	200,114.28	170,658.86
Other income	182.66	297.12	14.55	-	0.28	-	197.49	297.12
Total revenue	**168,737.59**	**148,426.92**	**31,319.04**	**22,235.47**	**255.14**	**293.59**	**200,311.77**	**170,955.98**
Results								
Segment results	19,628.22	25,421.08	4,469.33	3,558.39	(8.20)	60.61	24,089.35	29,040.08
Other income (Unallocated)							1,594.78	509.66
Unallocated expenses							(1,382.10)	(374.32)
Operating profit							**24,302.03**	**29,175.42**
Finance costs							(799.53)	(456.47)
Profit before tax							**23,502.50**	**28,718.95**
Income taxes							(5,868.17)	(9,641.64)
Profit after tax							**17,634.33**	**19,077.31**
Other segment information								
Segment assets	170,637.41	193,712.06	8,901.51	10,113.78	-	174.80	179,538.92	204,000.64
Unallocated assets							40,795.94	18,620.69
Total assets	**170,637.41**	**193,712.06**	**8,901.51**	**10,113.78**	**0.00**	**174.80**	**220,334.86**	**222,621.33**
Segment liabilities	78,566.99	80,010.30	2,732.94	3,933.56	0.95	55.20	81,300.88	83,999.06
Unallocated liabilities							10,619.20	25,116.31
Total liabilities	**78,566.99**	**80,010.30**	**2,732.94**	**3,933.56**	**0.95**	**55.20**	**91,920.08**	**109,115.37**
Capital expenditure:								
Tangible assets (Unallocated)							518.56	1,124.50
"Intangible assets (Including IAUD*) (Allocated)"	15,732.34	26,983.00	-	-	-	-	15,732.34	26,983.00
Intangible assets (Unallocated)							14.25	32.66
Depreciation (Unallocated)							234.45	149.37
Amortization (Allocated)	6,844.49	6,844.49	0.07	0.07	-	-	6,844.56	6,844.56
Amortization (Unallocated)							-	-
Capital employed	92,070.42	113,701.76	6,168.57	6,180.22	(0.95)	119.60	98,238.04	120,001.58
Capital employed (Unallocated)							30,176.74	(6,495.62)

*IAUD-Intangible Asset Under Development

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:

a) Agrochemicals – This is the main area of the Group's operation and includes the trading of agrochemical products.

b) 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:

a) Revenue within India includes sales to customers located within India.

b) 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 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.

Outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).

(₹ in Lakhs)

	March 31, 2019		March 31, 2018	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
India	708.40	7,020.27	2,014.30	7,110.49
Europe	88,489.73	38,683.25	77,517.49	37,218.20
LATAM	14,367.05	2,858.22	17,671.08	3,732.29
NAFTA	73,094.64	8,735.42	58,442.67	10,445.59
ROW	23,454.46	7,676.26	15,013.32	7,050.98
Total	**200,114.28**	**64,973.42**	**170,658.86**	**65,557.55**

* 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, 2019 and March 31, 2018

37. Related party disclosures

(A) Names of related parties and thier 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
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Mrs. Urvashi Saxena	Independent Director (upto 22.10.2018)
Mr. Conrad Fernandes	Chief Financial Officer (upto 31.12.2018)
Mr. Ashish Lodha	Chief Financial Officer (Effective 18.01.2019)
Mr. Jetkin N. Gudhka	Company Secretary

(b) 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:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Short- term employee benefits	1,138.86	1,253.60
Post-employment benefits	61.28	63.72

(b) With Key Managerial Personnel

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Rent paid:		
Mr. Ramprakash V. Bubna	270.00	191.13
Mrs. Sharda R. Bubna	135.00	216.16
Mr. Ashish R. Bubna	43.20	11.13
Mr. Manish R. Bubna	47.25	13.91
Mrs. Seema A. Bubna	44.55	13.91
Mrs. Anisha M. Bubna	-	13.91
Remuneration to Key Management Personnel:		
Mr. Ramprakash V. Bubna	157.50	150.00
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	131.25	125.00
Mr. Manish R. Bubna	131.25	125.00
Mr. Conrad Fernandes	49.57	69.96
Mr. Ashish Lodha	12.26	-
Mr. Jetkin N. Gudhka	15.66	14.03
Consultancy paid:		
Mr. Anil Kumta	24.00	24.90
Director's Sitting Fees paid:		
Mr. M.S. Sundara Rajan	1.20	2.49
Mr. P. R. Srinivasan	2.40	1.55
Mr. Shitin Desai	3.60	3.39
Mr. Shobhan Madhukant Thakore	1.50	1.55
Mrs. Urvashi Saxena	1.80	3.39
Directors' Commission paid:		
Mr. Ramprakash V. Bubna	261.27	316.07
Mr. Ashish R. Bubna	175.05	211.77
Mr. Manish R. Bubna	175.05	211.77
Dividend paid		
Mr. Ramprakash V. Bubna	562.11	281.05
Mrs. Sharda R. Bubna	562.11	281.05
Mr. Ashish R. Bubna	607.20	303.60
Mr. Manish R. Bubna	607.20	303.60
Mrs. Seema A. Bubna	180.00	90.00
Mrs. Anisha M. Bubna	180.00	90.00
Mr. Jetkin Gudhka	0.0036	0.0018
Loan taken from Directors:		
Mr. Ramprakash V. Bubna	1,175.00	6,560.00
Mrs. Sharda R. Bubna	875.00	4,910.00

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Mr. Ashish R. Bubna	400.00	1,390.00
Mr. Manish R. Bubna	450.00	1,300.00
Loan repaid to Directors :		
Mr. Ramprakash V. Bubna	6,935.00	800.00
Mr. Jacques Ryon	5.19	9.98
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	137.00
Mrs. Sharda R. Bubna	264.42	93.97
Mr. Ashish R. Bubna	78.83	21.87
Mr. Manish R. Bubna	77.20	20.62
Interest on loan taken:		
Mr. Anil Kumta	0.74	0.74
Reimbursement of expenses:		
Mr. Anil Kumta (Travel Expenses)	1.12	2.21
Fixed deposits of directors placed as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	-	203.34
Mrs. Sharda R. Bubna	-	1,891.77
Fixed deposits of directors released as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna	203.34	1,347.41
Mrs. Sharda R. Bubna	1,891.77	1,785.96
Post-employment benefits:		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	9.63	9.28
Mr. Manish R. Bubna	9.36	9.18
Mr Conrad Fernandes	-	3.02
Mr. Ashish Lodha	0.12	-
Mr Jetkin Gudhka	2.17	2.24

*Rate of Interest

	Year ended March 31, 2019	Year ended March 31, 2018
Mr. Ramprakash V. Bubna	10%	10%
Mrs. Sharda R. Bubna	10%	10%
Mr. Ashish R. Bubna	10%	10%
Mr. Anil Kumta	8%	8%

(c) With enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Donations paid to:		
Donations paid to Jankidevi Bilasrai Bubna Trust	18.01	27.00

(C) Outstanding balance as at balance sheet date

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Loan taken from directors balance		
Mr. Ramprakash V. Bubna	-	5,760.00
Mrs. Sharda R. Bubna	-	4,910.00
Mr. Ashish R. Bubna	-	1,390.00
Mr. Manish R. Bubna	-	1,300.00
Mr. Anil Kumta	9.26	9.26
Mr. Jacques Ryon	-	4.84
Interest payable on loan taken from directors		
Mr. Ramprakash V. Bubna	-	116.10
Mrs. Sharda R. Bubna	-	84.57
Mr. Ashish R. Bubna	-	19.68
Mr. Manish R. Bubna	-	18.55
Mr. Anil Kumta	0.17	-
Fixed deposits of directors placed as lien with bank for credit facility:		
Mr. Ramprakash V. Bubna (lien given)	-	203.34
Mrs. Sharda R. Bubna (lien given)	-	1,891.77

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.

38. 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, 2019		As at March 31, 2018	
		Amount (FCY Mn.)	Amount (₹ Lakhs)	Amount (FCY Mn.)	Amount (₹ Lakhs)
Forward contract- Sell	USD	4.48	3,445.16	-	-
	EUR	-	-	8.29	6,177.51
	CAD	-	-	-	-
	GBP	8.10	752.44	1.32	1,184.23

39. 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, 2019 (₹ in 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	31-Mar-19	21,194.80	-	-	-	21,194.80	-	21,194.80
Derivative financial assets	31-Mar-19	164.05	-	-	-	164.05	-	164.05
Loans	31-Mar-19	-	-	0.09	-	0.09	-	0.09
Total Financial Assets		**21,358.85**	**-**	**0.09**	**-**	**21,358.94**	**-**	**21,358.94**
Financial Liabilities								
Financial liabilities measured at fair value								
Derivative financial liability	31-Mar-19	-	-	-	-	-	-	-
Trade creditors	31-Mar-19	286.06	-	-	-	-	286.06	286.06
Total Financial liabilities		**286.06**	**-**	**-**	**-**	**-**	**286.06**	**286.06**

As at March 31, 2018 (₹ in 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	31-Mar-18	2,206.94	-	-	-	2,206.94	-	2,206.94
Derivative financial assets	31-Mar-18	-	-	-	-	-	-	-
Loans	31-Mar-18	-	-	-	-	-	-	-
Total Financial Assets		**2,206.94**	**-**	**-**	**-**	**2,206.94**	**-**	**2,206.94**
Financial Liabilities								
Financial liabilities not measured at fair value								
Derivative financial liability	31-Mar-18	298.91	-	-	-	298.91	-	298.91
Trade creditors	31-Mar-18	301.43	-	-	-	-	301.43	301.43
Total Financial liabilities		**600.34**	**-**	**-**	**-**	**298.91**	**301.43**	**600.34**

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
Investment in Mutual Funds (Level 2)	The fair value is determined based on NAV as on the reporting date provided by respective Asset Management Companies.
Foreign Currency Forward Contracts (Level 2)	The fair value is determined using quoted forward exchange rates at the reporting date.
Loans (Level 2)	Fair value is derived based on Discounted cash flows. The valuation model considers the present value of expected payment, discounting using a risk adjusted discount rate.

40. 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

	Foreign currency	As at March 31, 2019		As at March 31, 2018	
		Amount (FCY Mn.)	Amount (₹ Lakhs)	Amount (FCY Mn.)	Amount (₹ Lakhs)
Unhedged currency exposure on:-					
a) Receivables	**USD**	32.53	22,480.19	45.06	29,369.53
	EUR	44.58	34,554.17	35.19	28,809.30
	GBP	1.12	1,009.64	2.59	2,379.16
	AUD	0.70	340.82	0.01	5.90
	PLN	18.20	3,290.79	13.22	2,519.16
	CZK	17.90	539.01	30.45	960.79
	CAD	4.48	2,320.83	7.19	3,626.72
b) Payables	**USD**	82.73	57,173.11	82.02	53,452.38
	EUR	19.15	14,844.79	21.43	17,244.35
	MXN	0.20	7.15	0.05	1.81
	HUF	253.10	613.92	373.71	959.65
	CZK	5.12	154.10	7.08	223.41
	PLN	3.00	543.14	2.84	541.56
	CHF	-	0.94	0.010	7.00
	GBP	0.05	46.14	0.28	259.24
	PHP	0.08	1.06	0.09	1.17
	CAD	1.84	951.00	0.28	139.32
	ZAR	0.12	5.51	0.12	6.75
	AUD	0.01	5.25	0.02	9.09
	AED	-	-	0.16	28.18
c) Bank Balance	**USD**	0.85	589.56	2.71	1,765.44
	EUR	2.07	1,494.59	0.70	565.92
	CAD	0.02	11.48	-	-
	CZK	0.75	22.70	0.50	15.68
	PLN	-	0.07	0.82	156.22
	GBP	0.02	16.35	-	0.60
	AUD	0.19	129.43	-	0.08
	AED	-	-	0.23	40.13
d) Advance received from customers	**AUD**	0.01	4.93	-	1.27
	EUR	-	3.21	0.02	12.44
	GBP	-	-	-	1.83

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.

(₹ in Lakhs)

	Change in USD Rate	Effect on profit and loss	Effect on equity
March 31, 2019	1%	(346.93)	(260.31)
	-1%	346.93	260.31
March 31, 2018	1%	(240.82)	(159.97)
	-1%	240.82	159.97

(₹ in Lakhs)

	Change in EUR Rate	Effect on profit and loss	Effect on equity
March 31, 2019	1%	197.12	147.90
	-1%	(197.12)	(147.90)
March 31, 2018	1%	115.77	76.90
	-1%	(115.77)	(76.90)

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 ₹ 81,138.55 Lakhs and ₹ 89,193.04 Lakhs as of March 31,2019 and March 31,2018, 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 company has established credit policy under which each new customer is analysed individually for credit worthiness before Group's standard payment and delivery terms and conditions are offered. The Group 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 for March 31, 2019

(₹ in Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables	568.03	80,570.52	81,138.55

The following table represents ageing of trade receivables for March 31, 2018

(₹ in Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables	1,053.10	88,139.94	89,193.04

Allowances for doubtful trade receivables

(₹ in Lakhs)

Particulars	Opening	Addition	Reversal	Closing
March 31, 2019	297.93	487.33	224.15	561.11
March 31, 2018	-	297.93	-	297.93

Credit risk on cash and cash equivalents is limited as we 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.

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, 2019, the Company had a working capital of ₹ 72,491.26 Lakhs including cash and cash equivalents of ₹ 5,066.82 Lakhs and current investments of ₹ 21,194.8 Lakhs. As of March 31, 2018, the Company had a working capital of ₹ 56,077.87 Lakhs including cash and cash equivalents of ₹ 6,125.13 Lakhs and current investments of ₹ 2,206.94 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

(₹ in Lakhs)

	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	-	-	9.26	9.26
Trade Payables	63,606.57	18.08	267.98	63,892.63
Other financial liabilities	10,504.40	31.01	-	10,535.41

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

(₹ in Lakhs)

	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	16,959.81	-	9.26	16,969.07
Trade Payables	63,381.78	38.11	263.32	63,683.21
Other financial liabilities	10,577.47	70.29	-	10,647.76

41. Capital management

The Groups 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-tem and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Group is not subject to any externally imposed capital requirements.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total debt (bank and other borrowings)	9.26	16,969.07
Equity	128,414.78	113,505.96
Liquid investments and bank deposits	28,493.09	6,136.10
Debt to equity (net)	**(0.22)**	**0.10**

42. Details of MSME

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	26.25	347.54
The interest due on above	-	-
Total	**26.25**	**347.54**
i) the amount of interest paid by the buyer in terms of section 16 of the Act	-	-
ii) the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
iii) the amount of interest accrued and remaining unpaid at the end of financial year	-	-
iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
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	**-**	**-**

43. Details of CSR expenditure

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
1) Gross amount required to be spent by the Company		
2) Shortfall from previous year	573.48	467.20
	121.68	-
	695.16	**467.20**
3) Amount spent		
i) Construction/ acquisition of any assets		
ii) On purpose other than (i) above	-	-
	695.97	345.57
	695.97	**345.57**

Note:

1) Gross amount required to be spent by the Company is ₹ 573.48 lakhs (March 31, 2018: ₹ 467.20 lakhs) as per the provisions of Section 135 of the Companies Act, 2013.

2) The Company has spent ₹ 695.97 lakhs including amount of shortfall of previous year of ₹ 121.68 lakhs (March 31, 2018: ₹ 345.57 lakhs) during the current year.

44. Revenue from contracts with customer (Ind AS 115)

(a) 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 product shelf life being short, revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. 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.

(b) Reconciliation of revenue recognised from Contract liability (Advance from customers):

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Contract liability	631.48	253.93
Less: Recognised as revenue during the year	827.57	384.13
Add: Addition to contract liability during the year	1,118.38	763.03
Less: Other Adjustments	42.89	1.35
Total	**879.40**	**631.48**

(c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customer as per Contract price	208,738.52	176,863.71
Less: Discounts and incentives	2,029.80	1,998.81
Less:- Sales Returns /Credits / Reversals	6,994.15	4,707.47
Less:- Any other adjustments	185.70	91.56
Total	**199,528.87**	**170,065.87**

(d) Disaggregation of revenue from contract with customers

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Agrochemical		
India	708.40	1,738.66
Europe	78,989.20	68,782.28
LATAM	12,322.41	16,031.43
NAFTA	64,026.48	49,932.68
Rest of the World	11,923.99	11,068.77
Total (A)	**167,970.48**	**147,553.82**
Belt		
Dubai	1,345.21	-
Europe	9,181.64	8,341.95
LATAM	1,753.87	1,280.20
NAFTA	8,874.64	8,367.38
Rest of the World	10,148.17	4228.93
Total (B)	**31,303.53**	**22,218.46**
Others		
LATAM	254.86	293.59
Total (C)	**254.86**	**293.59**
Total (A)+(B)+(C)	**199,528.87**	**170,065.87**

45. Additional information related to the subsidiaries considered in the preparation of Consolidated Financial Statements

(₹ in Lakhs)

Sr. No.	Name of the Entity	Year Ended March 31, 2019								Year Ended March 31, 2018							
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total 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	Amount	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other Comprehensive income	Amount	As % of consolidated other Comprehensive income	Amount
	Parent																
1	Sharda Cropchem Limited	91.37%	117,314.34	81.67%	14,402.60	0.71%	6.29	77.81%	14,408.89	93.86%	106,514.27	101.37%	19,338.72	-1.54%	(3.59)	100.13%	19,335.13
	Indian Subsidiaries																
2	Axis Crop Science Private Limited	0.01%	8.38	(0.04%)	(7.57)	0.54%	4.79	-0.02%	(2.78)	0.01%	11.16	-0.11%	(20.76)	3.86%	8.99	-0.06	(11.77)
											-				-		
	Foreign Subsidiaries										-				-		
3	Euroazijski Pesticide d.o.o	0.00%	2.57	0.11%	19.14	0.16%	1.45	0.11%	20.59	-0.01%	(16.79)	-0.03%	(4.93)	-0.86%	(2.00)	-0.04%	(6.93)
4	Nihon Agro Service Kabushiki Kaisha	0.00%	(0.36)	0.00%	(0.44)	0.00%	-	0.00%	(0.44)	0.00%	0.07	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
5	Sharda Agrochem Dooel Skopje	0.00%	3.66	0.00%	(0.06)	0.00%	(0.04)		(0.10)	0.00%	3.75	0.00%	(0.26)	-0.02%	(0.04)		(0.30)
6	Sharda Balkan Agrochemicals Limited	0.00%	0.69	0.00%	(0.85)	0.01%	0.07	0.00%	(0.78)	0.00%	1.47	0.00%	-	0.03%	0.07	0.00%	0.07
7	Sharda Benelux BVBA	0.00%	(1.87)	0.01%	1.57	0.04%	0.33	0.01%	1.90	0.00%	(3.54)	0.00%	(0.57)	-0.15%	(0.36)	0.00%	(0.93)
8	Sharda Bolivia SRL	-0.05%	(61.77)	-0.01%	(1.05)	0.00%	-	-0.01%	(1.05)	-0.05%	(57.27)	-0.02%	(2.93)	0.02%	0.05	-0.01%	(2.88)
9	Sharda Chile SpA	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
10	Sharda Colombia S.A.S	0.12%	151.55	0.05%	7.95	-2.38%	(21.02)	-0.07%	(13.07)	0.14%	155.12	0.24%	46.15	-13.33%	(31.03)	0.08%	15.12
11	Sharda Costa Rica SA	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12	Sharda Cropchem Espana, S.L.	0.11%	137.49	0.17%	29.26	-0.02%	(0.18)	0.16%	29.08	0.10%	108.40	-0.35%	(66.50)	-0.08%	(0.18)	-0.35%	(66.68)
13	Sharda Cropchem Tunisia SARL	0.00%	0.48	0.00%	(0.10)	0.00%	(0.04)	0.00%	(0.14)	0.00%	0.64	0.00%	0.03	-0.03%	(0.06)	0.00%	(0.03)
14	Sharda De Guatemala S. A.	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-
15	Sharda De Mexico S. De RL DE CV	-0.11%	(138.66)	-3.93%	(693.86)	-3.38%	(29.91)	-3.91%	(723.77)	0.48%	544.60	-3.58%	(683.87)	-11.80%	(27.47)	-3.68%	(711.34)
16	Sharda Del Ecuador CIA. LTDA	0.00%	0.25	0.00%	-	0.00	0.02	0.00%	0.02	0.00%	0.23	0.00%	-	0.01%	0.02	0.00%	0.02

Sharda Cropchem Limited

(₹ in Lakhs)

Sr. No.	Name of the Entity	Year Ended March 31, 2019								Year Ended March 31, 2018							
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total 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	Amount	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other Comprehensive income	Amount	As % of consolidated other Comprehensive income	Amount
17	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	-0.02%	(26.46)	0.08%	14.67	0.27%	2.42	0.09%	17.09	-0.04%	(43.55)	-0.07%	(14.13)	1.04%	2.42	-0.06%	(11.71)
18	Sharda Dominicana S.R.L.	0.00%	-	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%	-	0.00%	-
20	Sharda Europe BVBA	0.00%	0.44	0.02%	4.29	0.03%	0.24	0.02%	4.53	0.00%	(3.80)	0.04%	7.16	-0.60%	(1.40)	0.03%	5.76
21	Sharda Hellas Agrochemicals Limited	0.00%	0.69	0.00%	(0.73)	0.01%	0.06	0.00%	(0.67)	0.00%	1.35	0.00%	-	0.03%	0.06	0.00%	0.06
22	Sharda Hungary Kft	0.31%	395.47	0.06%	9.80	-2.59%	(22.90)	-0.07%	(13.10)	0.36%	408.56	1.45%	276.66	-9.84%	(22.90)	1.31%	253.76
23	Sharda International Africa (PTY) Ltd.	0.01%	14.52	-0.40%	(70.98)	-1.62%	(14.35)	-0.46%	(85.33)	0.08%	93.31	0.85%	161.28	-27.17%	(63.25)	0.51%	98.03
24	Sharda International DMCC	9.62%	12,351.05	31.44%	5,543.77	0.00%	-	29.94%	5,543.77	9.15%	10,384.75	20.34%	3,880.28	0.00%	-	20.10%	3,880.28
25	Sharda Italia SRL	0.04%	48.50	-0.21%	(37.16)	-0.19%	(1.65)	-0.21%	(38.81)	0.07%	81.25	0.39%	74.39	-0.71%	(1.65)	0.38%	72.74
26	Sharda Malaysia SDN. BHD.	0.00%	(0.97)	0.00%	0.17	0.01%	0.06	0.00%	0.23	0.00%	(1.13)	0.00%	(0.32)	-0.06%	(0.13)	0.00%	(0.45)
27	Sharda Peru SAC	0.00%	(1.47)	1.52%	268.76	-1.55%	(13.67)	1.38%	255.09	-0.23%	(256.54)	-0.29%	(54.67)	-5.87%	(13.67)	-0.35%	(68.34)
28	Sharda Poland SP. Z0.0	0.12%	156.10	1.24%	218.16	-0.71%	(6.31)	1.14%	211.85	-0.05%	(55.75)	0.65%	124.90	-2.71%	(6.31)	0.61%	118.59
29	Sharda Polska SP. Z0.O.	0.00%	(2.07)	-0.02%	(2.79)	0.01%	0.08	-0.01%	(2.71)	0.00%	0.64	0.00%	0.11	0.03%	0.08	0.00%	0.19
30	Sharda Spain S.L.	0.00%	0.60	0.02%	3.68	-0.02%	(0.16)	0.02%	3.52	0.00%	(2.92)	0.00%	(0.33)	-0.07%	(0.16)	0.00%	(0.49)
31	Sharda Swiss SARL	0.00%	6.16	0.00%	(0.35)	0.06%	0.50	0.00%	0.15	0.01%	6.01	0.00%	(0.08)	0.21%	0.50	0.00%	0.42
32	Sharda Taiwan Limited	0.00%	2.33	0.00%	-	0.01%	0.13	0.00%	0.13	0.00%	2.20	0.00%	-	0.06%	0.13	0.00%	0.13
33	Sharda Ukraine LLC	0.00%	0.21	0.00%	0.03	0.00%	0.02	0.00%	0.05	0.00%	0.16	0.00%	0.05	0.01%	0.02	0.00%	0.07
34	Sharda Uruguay S.A	0.00%	-	0.00%	(0.06)	0.00%	-	0.00%	(0.06)	0.00%	3.32	0.00%	(0.36)	0.00%	-	0.00%	(0.36)
35	Sharda USA LLC	0.00%	(0.08)	0.00%	-	0.00%	-	-	-	0.00%	(0.07)	0.00%	-	0.00%	(0.01)	0.00%	(0.01)
36	Shardacan Limited	0.00%	-	0.00%	-	0.00%	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Shardaserb DO.O.	0.00%	(0.29)	0.00%	0.26	0.00%	(0.02)	0.00%	0.24	0.00%	(0.52)	0.00%	(0.27)	-0.01%	(0.02)	0.00%	(0.29)
38	Sharpar S.A.	0.02%	22.97	0.00%	0.86	-0.17%	(1.53)	0.00%	(0.67)	0.02%	22.34	0.00%	0.31	0.43%	1.01	0.01%	1.32
39	Sharzam Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-

(₹ in Lakhs)

Sr. No.	Name of the Entity	Year Ended March 31, 2019								Year Ended March 31, 2018							
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total 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	Amount	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other Comprehensive income	Amount	As % of consolidated other Comprehensive income	Amount
40	Siddhivinayak International Limited	0.36%	459.06	-0.07%	(12.21)	0.00%	-	-0.07%	(12.21)	0.39%	444.30	-0.02%	(4.08)	0.00%	-	-0.02%	(4.08)
41	Sharda Private (Thailand) Limited	0.02%	29.12	0.03%	5.29	0.12%	1.06	0.03%	6.35	0.02%	22.77	-0.05%	(8.96)	0.46%	1.06	-0.04%	(7.90)
42	Sharda Morocco SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Consolidation adjustments																
	Adjustment arising out of consolidation	-1.91%	(2,457.87)	-11.73%	(2,067.72)	110.64%	977.77	-5.89%	(1,089.95)	-4.29%	(4,862.85)	-20.81%	3,969.54	168.65%	392.62	-18.52%	(3,576.92)
	Minority Interests in all subsidiaries	-0.02%	(23.84)	0.00%	(0.03)	0.03%	0.26	0.00%	0.23	-0.02%	(24.01)	0.00%	(0.79)	0.00%	-	0.00%	(0.79)
	Total	**100.00%**	**128,390.94**	**100.00%**	**17,634.30**	**100.00%**	**883.77**	**100.00%**	**18,518.07**	**100.00%**	**113,481.95**	**100.00%**	**19,076.52**	**100.00%**	**232.80**	**100.00%**	**19,309.32**

* Net assets = total assets minus total liabilities

46. Recent Indian Accounting Standards (Ind AS)

Ind AS 116 - Leases

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessees. This will result in the company recognising right of use assets representing its right to use the underlying asset and lease liability representing its obligation to make lease payments in the books. The Company will recognise new assets and liabilities for certain operating leases of offices, warehouse and plant and machinery. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities as per provisions of Ind AS 17. There are recognition exemptions for short-term leases and leases of low-value items.

The Company is in the process of carrying out a detailed assessment of Ind AS 116 and consequently the quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable presently.

Others

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

i. Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

ii. Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

iii. Amendment to Ind AS 12 – Income taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

iv. Ind AS 19 - Plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.

47. Specified Bank Notes

The disclosures 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 the consolidated financial statements since they do not pertain to the financial year ended March 31, 2019.

48. Previous year comparative

The previous year figures have been regrouped and reclassified, wherever required, to conform to current year's classification.

As per our report of even date attached
For BSR & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
Chartered Accountants

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 14, 2019

For and on behalf of the Board of Directors of
SHARDA CROPCHEM LIMITED

Ramprakash V. Bubna
Chairman & Managing Director
DIN: 00136568

Ashish R. Bubna
Whole-time Director
DIN: 00945147

Ashish Lodha
Chief Financial Officer

Jetkin Gudhka
Company Secretary

Shareholders are requested to submit this form to Registrar & Transfer Agent

To,
Karvy Computershare Pvt. Ltd
Karvy Selenium Tower B,
6th Floor, Plot No 31 & 32
Financial District,
Nanakramguda, Serilingampally Mandal
Hyderabad – 500 032

UPDATION OF SHAREHOLDER INFORMATION

I/We request you to record the following information against my/our Folio No/DP ID/Client ID:

General Information:	
Folio No./DP ID/Client ID:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel No. with STD Code	
Mobile No.:	
Email Id:	

* Self attested copy of the documents(s) enclosed

Bank Details	
IFSC:	
MICR:	
Bank A/c Type:	
Bank A/c. No.: *	
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank detais

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No./ Beneficiary Account.

Place:
Date:

____
Signature of Sole/First Holder

Sharda Cropchem Limited

Corporate Identity No. 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

ATTENDANCE SLIP

16[TH] ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 27, 2019 AT 3.00 P.M. AT GOLDEN GATE BANQUET PRIME BUSINESS PARK, DASHRATHLAL JOSHI ROAD, VILE PARLE (WEST), MUMBAI – 400 056

Registered Folio / DP ID and Client ID	
Name and Address of the Shareholder(s)	
No. of shares held	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my/our presence at the 16[th] Annual General Meeting of the Company at Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056, on Tuesday , August 27, 2019, 2019 at 3.00 P.M.

____
Member's/Proxy's Signature

Notes:

1. Please complete the Folio/DP ID - Client ID No. and name, sign this Attendance Slip and hand it over at the Entrance of the Meeting Hall.

2. The copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form has been sent to the email ids of the shareholders whose email ids are registered with the Company and physical copies have been posted to those shareholders individually at their registered address, whose email ids are not registered with the Company.

Sharda Cropchem Limited
Corporate Identity No. L51909MH2004PLC145007
Registered Office: 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

PROXY FORM

[Pursuant to Section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s)	
Registered address	
Email Id	
Folio No/ DP ID- Client ID No.	

I/We, being the member(s) of ________ shares of Sharda Cropchem Limited, hereby appoint:

1. Name:______________________________
   Address:______________________________
   Email Id:____________________ Signature:____________________, or failing him;
2. Name:______________________________
   Address:______________________________
   Email Id:____________________ Signature:____________________, or failing him;
3. Name:______________________________
   Address:______________________________
   Email Id:____________________ Signature:____________________, or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the sixteenth Annual General Meeting of the Company, to be held on Tuesday , August 27, 2019 at 3.00 p.m. at Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Auditors thereon.
3.	To declare Final Dividend on the equity shares of the Company for the Financial Year ended March 31, 2019.
4.	To appoint a Director in place of Mr. Manish R. Bubna (DIN: 00137394), who retires by rotation and being eligible, offers himself for re-appointment.
5.	To ratify the appointment of Statutory Auditor of the Company for the Financial Year 2019-20.
Special Business	
6.	To re-appoint Mr. M. S. Sundra Rajan (DIN: 00169775) as an Independent Director of the Company.
7.	To re-appoint Mr. Shitin Desai (DIN: 00009905) as an Independent Director of the Company.
8.	To re-appoint Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company.
9.	To appoint Ms. Sonal Desai (DIN: 08095343) as an Independent Director of the Company.

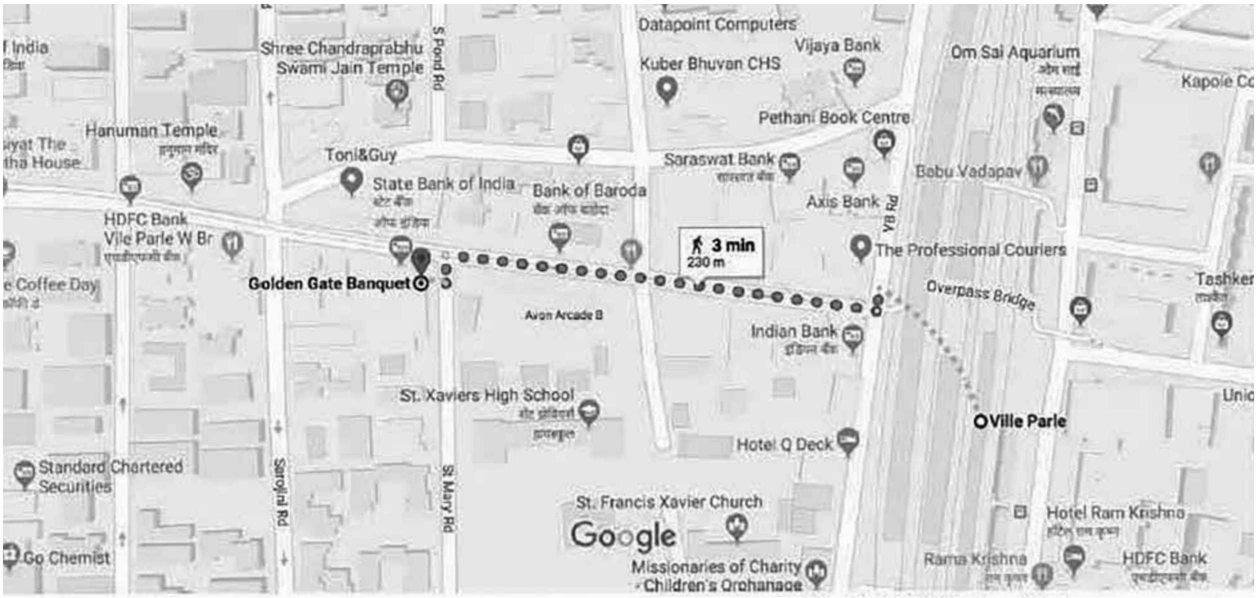
Signed this __________________________ day of _____________, 2019
Signature of shareholder: ____________________________________
Signature of proxy holder(s): _________________________________

Affix Revenue Stamp

Notes:
1. This form of proxy in order to be effective should be duly completed, stamped and deposited at Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056 , not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. For Resolutions and Notes, please refer to the Notice of the 16th Annual General Meeting.
4. Please complete all details including details of member(s) in above box before submission.
5. 5. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

ROUTE MAP

TO THE VENUE OF THE 16TH AGM OF SHARDA CROPCHEM LIMITED



Note: The route provided originates from Vile Parle (West) Railway Station

Date : Tuesday, August 27, 2019

Venue : Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400056

Time : 3.00 p.m.

Notes

Sharda Cropchem Limited

Registered Office:

Prime Business Park,
Dashrathlal Joshi Road, Vile Parle (West),
Mumbai - 400 056
Tel. No.: 91 22 6678 2800
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