



Sharda Cropchem Limited



**Widening** Global Reach.  
**Expanding** Portfolio.

ANNUAL REPORT **FY2020-21**

## Widening Global Reach. Expanding Portfolio.

We are a fast-growing global agrochemicals company with a peer position in the generic crop protection chemicals industry. Our vast and growing library of dossiers and IPRs provide us solid foundations for growth in the global marketplace, especially in Advanced Markets such as Europe, North America and Latin America. It equips us with the ability to operate in a diversified range of formulations and generic active ingredients space globally.

We have the core capability to pick out interesting and hard-to-enter molecules to make a generic entry into. Once identified carefully, we have the strength to make the requisite investment in line with our growth strategy and go through the arduous journey towards obtaining registrations in advanced, regulated markets with critical entry barriers. Once filed and launched in the key target market, we then focus on widening our geographic access for each of our molecules and leverage economies of scale. Our presence in multiple geographies has helped us diversify our revenue sources and possess critical regional knowledge to compete and cater to the needs of our customers. A key strength of our Company has been our rich and deep network of distributors and an experienced direct sales-force across multiple markets.

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

farmer approach and to become a one-stop solution provider to our customers globally.

During FY21, we grew our business with precision; increased our profitability astutely; expanded our IP portfolio as planned and advanced key strategic initiatives and priorities, despite navigating through many challenges. We were able to grow our business and leverage our leading market position. This growth was on the back of our unique asset-light business model; core competency in seeking registrations; a diversified product portfolio and a solid global distribution network.

The global population is set to increase by 1.2 billion by 2030 and 2 billion by 2050, while the middle class will more than double to 4.9 billion by 2030. The need for global food security will always need specialists like us to ensure the world's demand for food is met.

*Making deeper inroads into the evolving global markets has enabled us to improve our relevance, competitiveness and create value in an unstoppable world.*

# CONTENTS

## CORPORATE OVERVIEW

2	Widening Global Reach. Expanding Portfolio.
3	Corporate Information
4	At a Glance
6	Financial & Operational Overview
8	Chairman and MD's Message
10	Growth Stability From a Rich Portfolio
12	The World's Most Essential Industry
14	Rising from Globalisation
16	Board of Directors

## STATUTORY REPORTS

18	Management Discussion and Analysis
29	Notice
36	Directors' Report
67	Corporate Governance Report
84	Business Responsibility Report

## FINANCIAL STATEMENTS

90	Standalone Financial Statements
156	Consolidated Financial Statements

# CORPORATE INFORMATION

## BOARD OF DIRECTORS:

**Ramprakash V. Bubna**  
Chairman & Managing Director

**Sharda R. Bubna**  
Whole-time Director

**Ashish R. Bubna**  
Whole-time Director

**Manish R. Bubna**  
Whole-time Director

**M. S. Sundara Rajan**  
Independent Director

**Shitin Desai**  
Independent Director

**Shobhan Thakore**  
Independent Director

**Sonal Desai**  
Independent Director

## KEY MANAGERIAL PERSONNEL:

**Ashok Vashisht**  
Chief Financial Officer

**Jetkin N. Gudhka**  
Company Secretary & Compliance Officer

## CORPORATE IDENTITY NUMBER (CIN):

L51909MH2004PLC145007

## REGISTERED OFFICE:

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

## AUDITORS:

B S R & Associates LLP

## REGISTRAR AND TRANSFER AGENT:

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

## BANKER:

Union Bank of India

www.shardacropchem.com



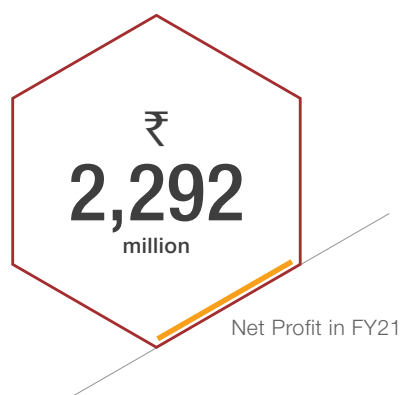
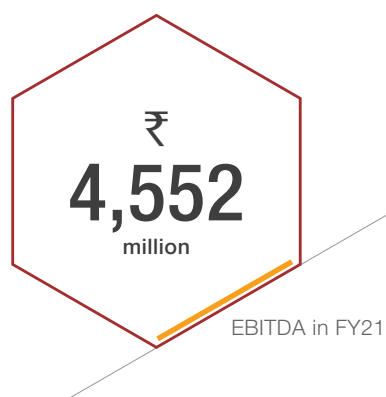
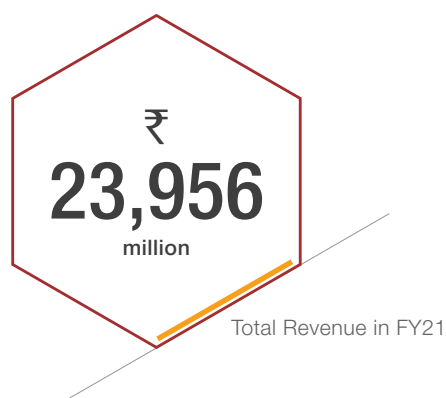
To view Annual Report 2020-21 online, visit:  
<http://www.shardacropchem.com>

or scan QR Code below:



## AT A GLANCE

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



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

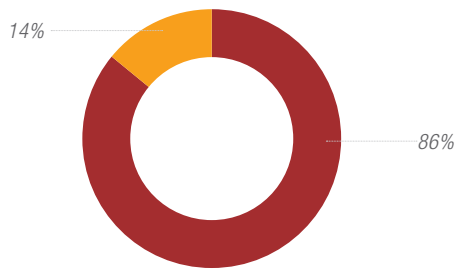
With our decades-old sectoral experience, we are continuously adapting to new challenges and opportunities in the market. In particular, we have focused on widening our presence, underpinned by our efforts on product registration, that are conducive to countering geographic risks and improving our growth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

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



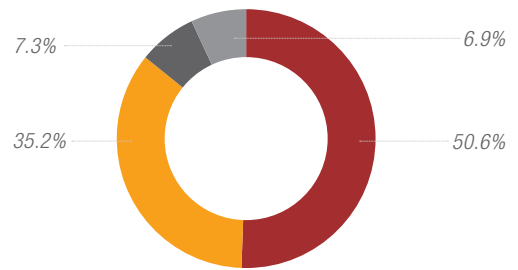
OVERVIEW

Revenue Breakup: Divisionwise  
(in %)



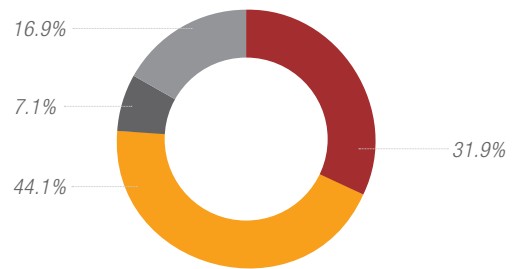
- Agrochemical
- Non Agrochemical

Revenue Breakup: Region wise  
(Agrochemical Business) (in %)



- Europe
- NAFTA
- LATAM
- RoW

Revenue Breakup: Region wise  
(Non Agrochemical Business) (in %)



- Europe
- NAFTA
- LATAM
- RoW

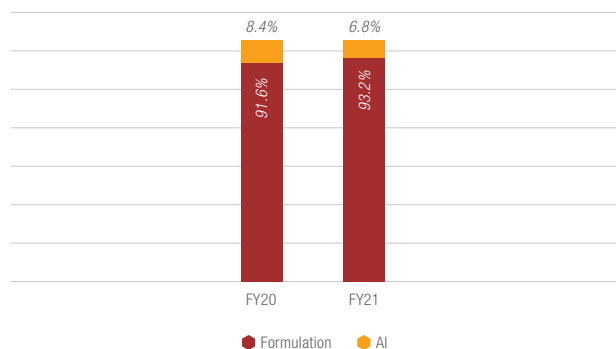
**2,543**  
Registrations

**80+**  
Countries of presence

**400+**  
Number of employees

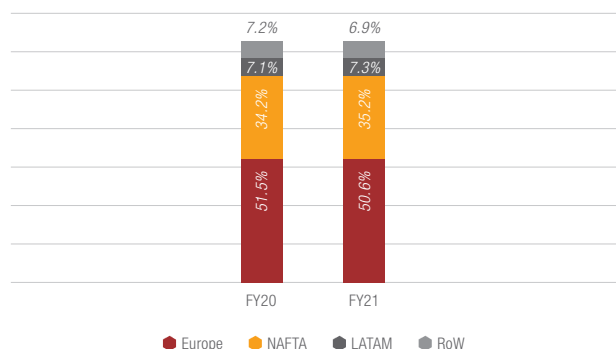
# FINANCIAL & OPERATIONAL OVERVIEW

Revenue Breakup: Formulations Vs. AI  
(in %)

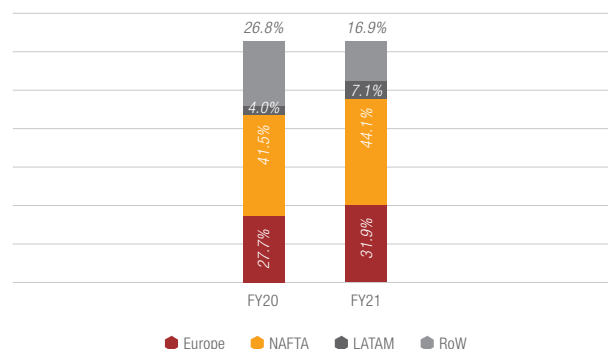


FY21 revenues grew by 19.6% YOY, backed by strong demand for our various products across the globe.

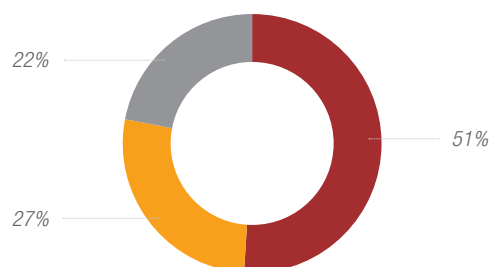
Agrochemical Business: Revenue Breakup  
(in %)



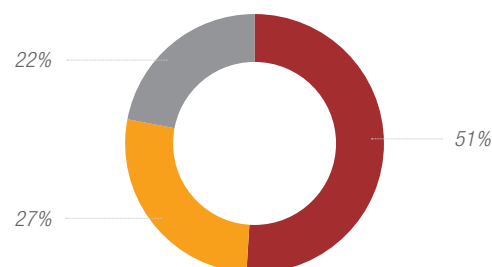
Non-Agrochemical Business: Revenue Breakup  
(in %)



FY20  
Revenue Breakup: Product Type



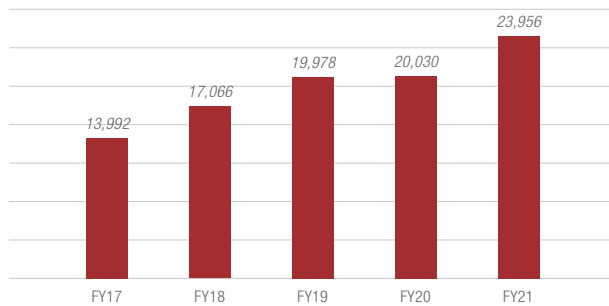
FY21  
Revenue Breakup: Product Type



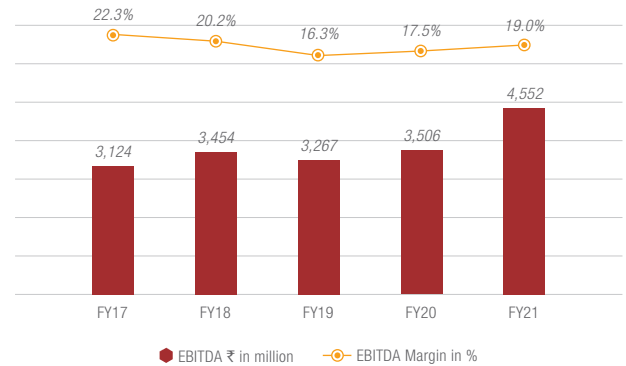
OVERVIEW



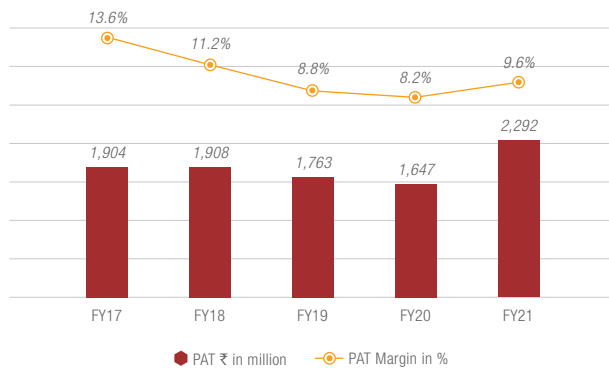
**Revenues**  
(₹ in million)



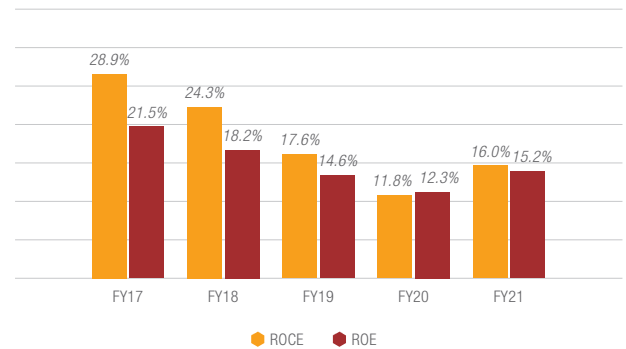
**EBITDA and EBITDA Margin**



**PAT and PAT Margin**



**ROCE and ROE**  
(in %)



## CHAIRMAN AND MD'S MESSAGE



“We have the rights of passage for augmented evolution, aided by our disciplined commitment to deliver value to our customers in the depth of our product portfolio; in our global market reach across all 5 continents; and in our virtuous cycle of free cash generation contributing to uninterrupted investments.”

**R. V. BUBNA**

*Chairman & Managing Director*

### **Dear Shareholders,**

Fiscal FY21 will be remembered as the year of COVID-19. For Sharda Cropchem, it was a tale of resilience in terms of our team's hard work and determination in facing the challenges; which were met to deliver the performance. We closed FY21 with revenues growth by 19.6% YOY, backed by strong demand for our various products across the globe. Our ability to rapidly respond to the challenges demonstrates the unique value we bring to our global clients and the resilience of our business across geographies. We are proud that during fiscal FY21, “Team Sharda Cropchem” continued to deliver on our commitments. And at one of the most challenging times in world history, we have emerged stronger. We enter fiscal FY22 with the same disciplined commitment and passion to perform and are ready to navigate through new challenges.

### **Our financial performance underscoring our resilience**

We delivered strong performance in fiscal FY21, reflecting continued growth ahead of the market, strong profitability and record free cash flow, driving superior shareholder value.

During the fiscal year of FY21, our revenues grew by 19.6% YoY, from ₹2,003 crores in FY20 to ₹2,396 crores in FY21. This was the result of our strong overall volume growth of 21.5%. Regionally speaking, we saw solid performance from Europe which grew by 20.2%, from the NAFTA region which grew by 23.6%, and from the LATAM region which grew by 30.6%. In contrast, we saw a modest decline in RoW regions by 3.7%. Exchange gain was favourable during the year by 6.1% which was negated by product mix and price impact to the extent of 8%.



## OVERVIEW

Our Agrochemicals to Non-Agrochemicals mix stood at 86:14. The Agrochemicals business grew by 22.2%. Europe grew by 20.0%, NAFTA grew by 26.0%, LATAM grew by 24.6% and RoW grew by 17.1%. The Formulation to AI mix stood at 93:7 in FY21. The Non-Agrochemicals business grew by 6.0%. Europe grew by 22.4%, NAFTA grew by 12.7% and LATAM grew by 87.1%. On the other hand, RoW degrew by 33.4%.

In terms of contributions, our Gross profit grew by 23.6% YoY from ₹614 crores in FY20 to ₹760 crores in FY21. Our Gross margin expanded by 104 bps from 30.7% in FY20 to 31.7% in FY21 due to a favourable product mix. Our EBITDA too grew by 29.8% YoY from ₹351 crores in FY20 to ₹455 crores in FY21. The EBITDA margin expanded by 150 bps to 19.0% in FY21 predominantly led by favourable product mix and various cost efficiencies. In terms of our net contribution, our Profit after Tax grew by 39.2% YoY from ₹165 crores in FY20 to ₹229 crores in FY21. I am pleased to inform you that our PAT margin expanded by 135bps YoY to 9.6% in FY21. Our Cash Profit stood at ₹400 Crores in FY21 as compared to ₹302 Crores in FY20, and our Net working capital days stood at 86 days in FY21 as against 74 days in FY20.

During the year, Board of Directors have declared interim dividend of ₹2 per equity share and recommended final dividend of ₹3 per equity share subject to approval of shareholders. The aggregate amount of dividend including final dividend is ₹4,511.02 lakhs, subject to TDS as applicable.

### Resilience from having a rich portfolio

At Sharda, we use market driven systematic approach in creating product variants in the pursuit of growth and delivering added value to our esteemed customers. We continue to build on our core capability to pick out interesting and hard-to-enter molecules to make a generic entry into advanced and regulated markets with critical entry barriers.

Despite the COVID 19 disruption, your Company has not let up in its investment commitments for their product registrations, and we have continued to strengthen our product portfolio by prudently investing in new registrations. We almost doubled our capex in FY21 to ₹309 Crores, vis-à-vis ₹162 Crores in FY20. As of March 31, 2021, the company has obtained 2,543 product registrations.

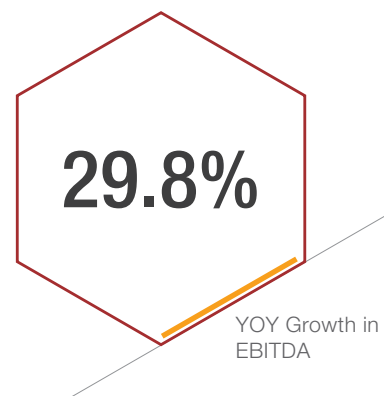
Our vast and growing library of dossiers and IPRs provide us foundations for growth in the global marketplace, especially in Advanced Markets such as Europe and North America. It equips us with the ability to operate in a diversified range of formulations and generic active ingredients space globally.

Your Company continues to embark on its Product Portfolio expansion journey, with a firm registration pipeline and as at March 31, 2021, we have 1,128 new applications at different stages made globally.

### A stakeholder to mission-critical global food security

We continue to pursue our strategy of further penetrating of existing markets and entering new markets. As a global player taking part in markets across all continents, your Company continues to expand and strengthen its relationships with its customers & business partners. Today, we are a fast-growing global agrochemicals company with a peer position in the generic crop protection chemicals industry. Making deeper inroads into the evolving global markets has enabled us to improve our relevance, competitiveness and create value in an unstoppable world.

We are blessed by the fact that we belong to one of the world's most essential industry which is indirectly contributing towards the essential food security for the world's population. This fact also provides us another form of resilience from being part of the evergreen agriculture industry, which must play the lead role in increasing the world's food production by around 70% to support the population by 2050.



Given these fundamentals, we stand on firm ground to keep growing to support food security for the world.

### Rising stronger from the crisis

Our culture is differentiated by shared success, based on our commitment to make a positive difference together with our clients, our people, our shareholders, our partners and our communities. Our formula for market influence is enduring, as we continually improve our business and embrace change to create more value for our customers. We view fiscal FY22 as turning a page - we are no longer navigating a crisis - we are facing a new reality, and we are ready.

Throughout our history, the people of Sharda Cropchem have embraced change. Today is no different. I want to thank all our people for their dedication, perseverance and commitment. I also want to thank all our shareholders for their continued trust and support. We expect your similar support in future as well, which helps us perform better.

Stay safe stay healthy.

Sincerely

**R. V. BUBNA**  
Chairman & Managing Director

WIDE AND GROWING PRODUCT RANGE

# GROWTH STABILITY FROM A RICH PORTFOLIO

Foundations for consistent organic growth

Managing a product portfolio is a high-end skill set that we have mastered at Sharda Cropchem Limited. Buoyed by our long history of IP investment management and expansion, we have strongly grown our product portfolio. Our ability to deliver profits and free cash flows consistently over the years, enable us to make requisite investments to expand our portfolio in line with our strategy and build economies of scale in our offerings to the global marketplace.

## 2,543

Total active registrations

With our smart IP management over the years, we have strategically identified generic molecules going off-patent and focused on seeking registrations to strengthen our portfolio of formulations and generic active ingredients across key markets. Since inception, the Company has procured 2,543 registrations, including 2,270 registrations in Formulations and 273 registrations in Active Ingredients (AIs). With these kinds of numbers, Sharda Cropchem continues to embark on its IP Portfolio expansion with a firm registration pipeline for the future. In addition to its existing portfolio, the Company has filed for 1,128 new applications for registrations globally, pending at different stages. Despite the COVID 19 disruption, Sharda Cropchem Limited has not let up in its investment commitments for their IP registrations.

Sharda Cropchem uses incremental and disruptive augmentation in creating product variants in the pursuit of growth and delivering added value to our esteemed customers. It uses a two-fold strategy of further penetrating existing markets and entering new markets. As a global player participating in markets across all continents, the Company continues to expand and strengthen its distribution presence in tandem with its continual investment in obtaining registrations.

*Going forward, the Company continues to identify interesting generic molecules going off-patent, and invest in preparing dossiers and seeking registrations in its own name. It is placing special focus on expanding its Biocide registrations, while scaling up its marketing and distribution capabilities across geographies.*

1,128

New applications for registrations globally, pending at different stages

WIDENING GLOBAL REACH.  
EXPANDING PORTFOLIO.

SECURING ESSENTIAL GLOBAL FOOD SECURITY

# THE WORLD'S MOST ESSENTIAL INDUSTRY

We are part of a resilient and evergreen Agriculture Industry





With 3 people per second born every day, more than 9.7 billion people will live on earth by 2050. Consequently, there will be a need to increase the world's food production by around 70% to support the population by 2050. Most of the world's suitable farmland is already being used.

Populations are growing and need land to live and work, while agriculture faces the challenge of not only growing enough in the next 30 years, but doing so on less land than it uses today. This means that we need to make better use of the land that we do have, while ensuring that we safeguard biodiversity and our natural resources.

Despite persistent challenges, the agrochemicals market is expected to grow, largely due to increasing demand for products that protect against crop losses and increase yields. One key way to achieve this objective will be to improve the world's farmers' ability to produce their crops successfully. Agricultural chemicals directly contribute to increased crop yields and therefore help in increasing resource efficiency. Through our wide basket of herbicides, fungicides, insecticides, and agricultural products, we are playing a much-needed role in helping to ensure a consistent, nutritious and stable food supply for communities around the world.

Sharda Cropchem Limited is one of India's leading agriculture innovation companies, with roots going back more than 34 years and its wings spread over across more than 80 countries. It strives to transform agriculture through essential products and technologies that play a vital role in enabling the food chain to feed the world safely, sustainably and with respect for our planet.

*Both developed and developing countries are gaining significantly from economic and social benefits using agrochemicals that have contributed for food security and have made it more affordable. Our breadth, depth, insights and logistical expertise give us unparalleled capabilities to meet needs for agricultural solutions.*

WIDENING GLOBAL REACH.  
EXPANDING PORTFOLIO.

OUR ADVANTAGE - A WORLD-WIDE FOOTPRINT

# RISING FROM GLOBALISATION

Building from specialised sales and global marketing talent

500+

Third-party distributors  
globally selling our  
products



Sharda Cropchem has gained a great deal from globalisation, including new customers and diverse geocentric revenue streams. Over the years, we have mastered flexibility and adopted innovative ways to grow our business overseas. In addition to newer markets, our wide global presence has allowed us to find new, specialised sales and local marketing talent. We have successfully adopted a factory-to-farmer approach to become a one-stop solution provider to our global customers.



**80+**

Country of Presence

Today, the Company has one of the most widespread presence within the global agrochemical value chain, with 500+ third-party distributors. With 400+ direct sales force serving the Company's esteemed clientele in 80+ countries, the Company is amongst the most forward integrated companies in the marketplace.

At Sharda Cropchem, we have targeted specific segments across the key geographies of Europe, NAFTA, Latin America and the Rest of the World. With our diversified range of formulations and generic active ingredients in fungicide, herbicide, insecticide and biocide segments, we are expanding our business operations across Europe, NAFTA, Latin America and Rest of the World. Currently, we have on ground market activation in process within Mexico, Colombia, Hungary, Spain, Poland, Italy, Portugal, Canada, USA & India.

Globalisation has also allowed us to leverage best possible global supply chains options for the most efficient ways to produce quality products.

*Over the years, we've built a strong brand franchise within our global markets; we are benefiting through the economies of scale in our portfolio and leveraging value of our supply chain to deliver value to our customers across geographies.*

## BOARD OF DIRECTOR'S



**Mr. Ramprakash V. Bubna**

*Chairman & Managing Director*

Holds a Bachelor's Degree of Technology in Chemical Engineering from IIT, Bombay. He has over 53 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 30 years of experience in marketing of chemicals, agrochemicals and related businesses. He has been instrumental in strategizing early investment in product registrations and building the library of product dossiers. He is responsible for marketing, procurement, registrations and logistics functions of the agrochemical business. He is one of the Founders and Promoter of the Company.



**Mr. Manish R. Bubna**

*Whole-time Director*

Holds a Bachelor's Degree in Chemical Engineering from the Department of Chemical Technology, Bombay University. He has over 28 years of experience in chemicals, agrochemicals and related businesses. He has spearheaded the Company's foray into the conveyor belt and general chemicals business. He also oversees the information technology, logistics and documentation functions of the Company. He is one of the Founders and Promoter of the Company.



## OVERVIEW



**Mr. M. S. Sundra Rajan** *Independent Director*

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



**Mr. Shitin Desai**  
*Independent Director*

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



**Mr. Shobhan Thakore**  
*Independent Director*

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



**Ms. Sonal Desai**  
*Independent Director*

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

# MANAGEMENT DISCUSSION & ANALYSIS



---

The global economy is estimated to grow at 6% in CY2021 and moderate to 4.4% in CY2022.

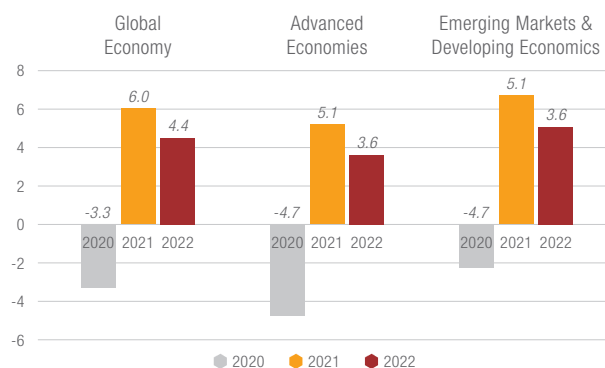


### ECONOMIC OVERVIEW

The last fiscal year has been an unprecedented one. It was dominated by the COVID-19 pandemic which began to impact the global economy towards the last quarter of FY20 and continued to impact the full year of FY21. According to IMF's World Economic Outlook April 2021, after witnessing a contraction of 3.3% in CY2021, the global economy is estimated to grow at 6% in CY2021 and moderate to 4.4% in CY2022. As the more vulnerable segments of the population get vaccinated, contact-intensive activities are expected to steadily resume.

#### World Economic Outlook April 2021

Growth projections



Source: IMF's World Economic Outlook April 2021

More than a year into the arrival of the COVID-19 pandemic, the world's population is gradually being vaccinated, thanks to the discovery and production ingenuity of the global scientific community. Notwithstanding the resurgence of second and third waves, coupled with more infectious variants of the COVID-19 virus, the steady progress in gradual immunisation is expected to lessen the need for social restrictions and power recoveries in many countries during the latter half of CY2021.

The global growth forecast remains uncertain due to factors that are difficult to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, supply disruptions, the repercussions of the dramatic tightening in global financial market conditions and shift in spending patterns. Moreover, although recent vaccination drives have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus could cause a reassessment of this outlook. The IMF also highlights that the strength of the recovery projected may vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country.

OVERVIEW

REPORTS

FINANCIALS

## GLOBAL CROP PROTECTION INDUSTRY

### Overview

Crop protection chemicals control pests that compete with crops for nutrients or consume the crop itself. Government-approved and highly regulated chemicals improve the financial returns of growers (farmers) by increasing the value of the crop for a given chemicals cost.

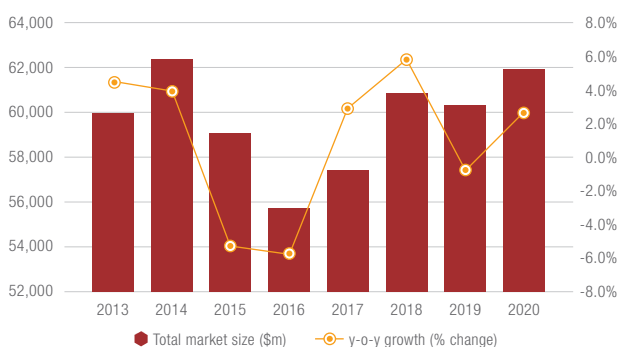
Pests come in many forms: weeds, insects (both visible and microscopic), and diseases. The tools supplied by chemical producers include herbicides (weed killer), insecticides (bug killers), and fungicides (disease killers). While pesticides are toxic to bugs, and must be applied safely because they can be toxic to humans, they have increased the affordability of food and the quality of life.

### Crop chemical 2020 sales forecast by region

Region	2020E (\$bil)
Asia Pacific	19.1
Latin America	17.3
Europe	12.2
North America	11.4
Middle East & Africa	2.4
<b>World</b>	<b>62.4</b>

Source: IHSM, UBS

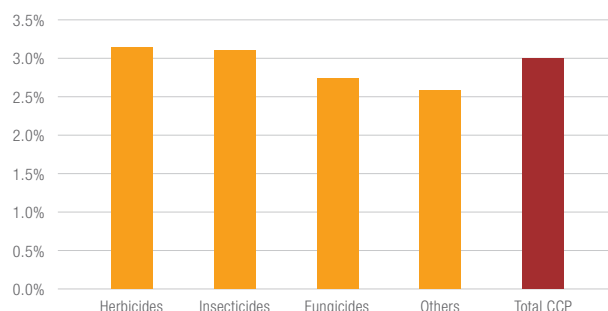
### Global crop protection market revenues (\$m) and growth rate (RHS)



Source: Philips McDougall, Agriservice, UBS

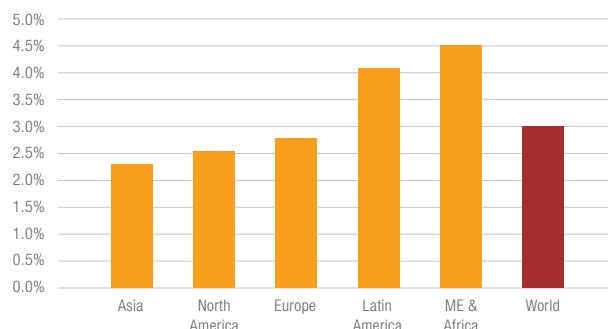
According to a Morgan Stanley Research paper published in December 2021, the crop science market is estimated to grow at a 3.0% CAGR from 2018 to 2023. Globally, herbicides and insecticides are expected to record the strongest growth at a 3.1% CAGR, followed by fungicides at 2.7% and other crop protection products at 2.6%. By region, Asia is expected to grow at a 2.3% CAGR, North America and Europe at ~2.7%, and Latin America and the Middle East/Africa at 4.1% and 4.5%, respectively.

### Crop protection forecasts by product (2018-23 CAGR)



Source: Philips McDougall, Morgan Stanley Research estimates (E)

### Crop protection forecasts by region (2018-23 CAGR)



Source: Philips McDougall, Morgan Stanley Research estimates (E)

### Sustainability

The global Agri-Food System is transforming itself to meet world demand that is asking for ~50%<sup>1</sup> more food commodities by 2050 due to population growth and increased wealth. From a sustainability perspective, fertilisers increase yields, thus reducing the need to cultivate new land, which may include deforestation. However, application rates have already plateaued in the US and Europe, with limited upside in other regions too. In addition, there is a regulatory headwind, with the EU aiming to reduce fertiliser consumption by 20% by 2030, Organic food is steadily gaining popularity, and is grown without the use of synthetic fertilisers, pesticides, herbicides or fungicides. As such, it helps to protect biodiversity, reduces greenhouse gas emissions and enhances soil quality and growth is only expected to be 1-2% for nitrogen and ~2% for potash. Two new areas to watch will be green ammonia and biofertilisers<sup>2</sup>.

### Industry Drivers

According to Morgan Stanley's Research report<sup>3</sup>, the following key factors are driving the crop protection industry:

1. A growing population: the global population is set to increase by 1.2 billion by 2030 and 2 billion by 2050, while the middle class will more than double to 4.9 billion by 2030.

<sup>1</sup> World Resources Institute, OECD, Morgan Stanley Research (Pg 82 Morgan Stanley Report)

<sup>2</sup> Morgan Stanley Report on "Sustainability: The Future of Food: Complexities and Compromises", Dec 6, 2021

<sup>3</sup> Morgan Stanley Report on "Sustainability: The Future of Food: Complexities and Compromises", Dec 6, 2021

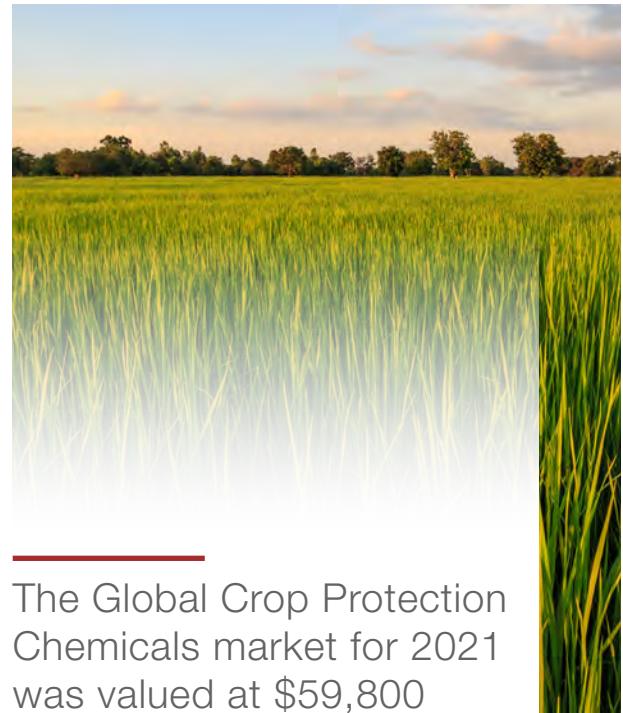
## MANAGEMENT DISCUSSION & ANALYSIS

2. A growing middle class fuels demand for increased food and protein production, which in turn drives demand for grain to support growth.
3. Fewer arable acres per capita means that products need to continue to maximise farmer yields; arable land is expected to decrease from half an acre per person today to less than one-third of an acre per person by 2050.
4. Estimated 17% of harvest losses from climate change through to 2050.
5. Ongoing disruption from biotech traits.

### Outlook

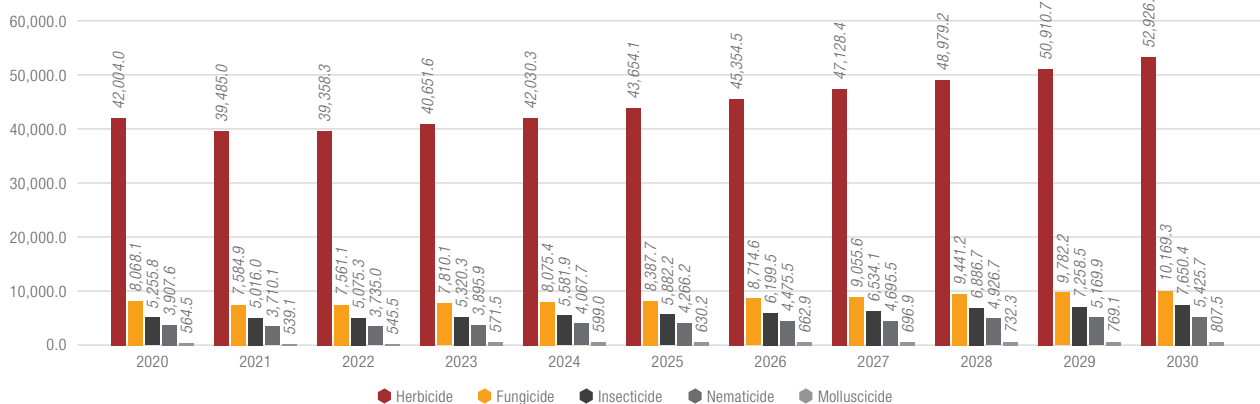
Crop protection products such as fungicides, herbicides and insecticides improve agricultural yields, thus helping with the need to produce more food for a growing and increasingly wealthy population. However, as with fertilisers, the EU wants to reduce the use of chemical pesticides. Annual growth for the crop protection market is expected to be ~3%<sup>4</sup>, and companies that focus on building bio-based products would be at a relative advantage.

In recent years, low crop prices and adverse weather conditions have had a negative impact on market development. Price improvement was limited, primarily due to elevated levels of distributor inventory in many markets, as well as oversupply. Looking forward, the global crop protection market is set to move into more positive territory, since firm and steady commodity prices and inventories that are not too high look set to lay a solid path ahead.



The Global Crop Protection Chemicals market for 2021 was valued at \$59,800 Million.

### Global crop protection chemicals market value, by type 2020-2030 Million USD



Source: Primary Research, Secondary Research, Magna Information Centre

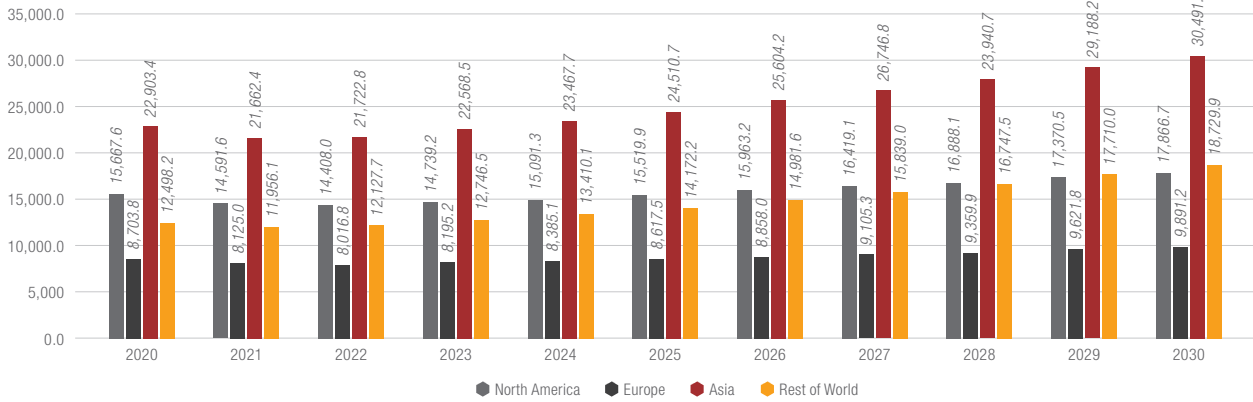
According to Magna Information Centre's report on Global Crop Protection Chemicals Market, the Crop Protection Chemicals market was valued at \$59,800.0 Million in 2021, and is projected to reach \$76,979.6 Million by 2030 growing at a CAGR of 3.53% from 2021 to 2030. Herbicide segment is expected to be the highest contributor to this market, with \$42,004.0 Million in 2021, and is anticipated to reach \$52,926.7 Million by 2030, registering a CAGR of 3.31%. Insecticide segment is anticipated to reach \$7,650.4 Million by 2030 with the highest CAGR of 4.80%. Herbicide and Fungicide

segments collectively expected to account for about 83.7% share of the Crop Protection Chemicals market in 2021, with the former constituting around 70.2% share. Insecticide and Molluscicide segments are expected to witness significant growth rates at a CAGR of 4.80% and 4.59% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 9.7% in the overall Crop Protection Chemicals market in 2021, and is anticipated to reach 11.0% by 2030.

<sup>4</sup> Morgan Stanley Report on "Sustainability: The Future of Food: Complexities and Compromises", Dec 6, 2021

**CROP PROTECTION MARKET BY REGION**

Global crop protection chemicals market value, by region 2020-2030 Million USD



Source: Primary Research, Secondary Research, Magna Information Centre

**North America**

According to Magna Information Centre's report on Global Crop Protection Chemicals Market, the North American Crop Protection Chemicals market was valued at \$15,667.6 Million in 2021, and is projected to reach \$17,866.7 Million by 2030 growing at a CAGR of 2.28% from 2021 to 2030. Herbicide segment is expected to be the highest contributor to this market, with \$10,905.5 Million in 2021, and is expected to reach \$12,074.1 by 2030, registering a CAGR of 1.97%. Molluscicide segment is expected to reach \$506.5 Million by 2030 with the highest CAGR of 5.34%. Herbicide and Fungicide segments collectively expected to account for about 82.9% share of the North America Crop Protection Chemicals market in 2021, with the former constituting around 69.6% share. Molluscicide and Insecticide segments are expected to see significant growth rates at a CAGR of 5.34% and 3.51% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 10.7% in the overall North America Crop Protection Chemicals market in 2021, and is anticipated to reach 12.6% by 2030.

**Europe**

As per Magna Information Centre's report on Global Crop Protection Chemicals Market, the Europe Crop Protection Chemicals market was valued at \$8,730.8 Million in 2021, and is projected to reach \$9,891.2 Million by 2030 growing at a CAGR of 2.21% from 2021 to 2030. Herbicide segment is expected to be the highest contributor to this market, with \$6,150.7 Million in 2021, and is expected to reach \$6,852.7 by 2030, registering a CAGR of 2.04%. Insecticide segment is expected to reach \$987.1 Million by 2030 with the highest CAGR of 3.43%. Herbicide and Fungicide segments collectively expected to account for about 84.0% share of the Europe Crop Protection Chemicals market in 2021, with the former constituting around 70.4% share. Insecticide and Nematicide segments are expected to see significant growth rates at a CAGR of 3.43% and 2.97% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 15.4% in the overall Europe Crop Protection Chemicals market in 2021, and is expected to reach 17.0% by 2030.



Europe crop protection chemicals market valued at \$8,731 million in 2021 and projected to grow at a CAGR of 2.21% till 2030.





## MANAGEMENT DISCUSSION & ANALYSIS

### Asia

According to Magna Information Centre's report on Global Crop Protection Chemicals Market, the Asia Crop Protection Chemicals market was valued at \$22,903.4 Million in 2021, and is projected to reach \$30,491.7 Million by 2030 growing at a CAGR of 3.87% from 2021 to 2030. Herbicide segment is expected to be the highest contributor to this market, with \$16,169.2 Million in 2021, and is anticipated to reach \$21,089.7 by 2030, registering a CAGR of 3.66%. Insecticide segment is anticipated to reach \$3,063.5 Million by 2030 with the highest CAGR of 5.18%. Herbicide and Fungicide segments collectively expected to account for about 84.2% share of the Asia Crop Protection Chemicals market in 2021, with the former constituting around 70.6% share. Insecticide and Nematicide segments are expected to witness significant growth rates at a CAGR of 5.18% and 4.66% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 15.4% in the overall Asia Crop Protection Chemicals market in 2021, and is anticipated to reach 17.1% by 2030.

### Brazil

As per Magna Information Centre's report on Global Crop Protection Chemicals Market, the Brazil Crop Protection Chemicals market was valued at \$3,587.0 Million in 2021, and is projected to reach \$4,568.8 Million by 2030 growing at a CAGR of 3.41% from 2021 to 2030. Herbicide segment is expected to be the highest contributor to this market, with \$2,529.2 Million in 2021, and is anticipated to reach \$3,119.4 Million by 2030, registering a CAGR of 3.08%. Molluscicide segment is anticipated to reach \$81.4 Million by 2030 with the highest CAGR of 11.42%. Herbicide and Fungicide segments collectively expected to account for about 84.0% share of the Brazil Crop Protection Chemicals market in 2021, with the former constituting around 70.5% share. Molluscicide and Insecticide segments are expected to witness significant growth rates at a CAGR of 11.42% and 4.69% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 9.5% in the overall Brazil Crop Protection Chemicals market in 2021, and is anticipated to reach 11.6% by 2030.



### BUSINESS OVERVIEW

We are a fast-growing global agrochemicals company with a peer position in the generic crop protection chemicals industry. With a unique asset-light business model, our vast and growing library of dossiers and IPRs provide us solid foundations for growth in the global marketplace, especially in Advanced Markets such as Europe, North America and Latin America. It equips us with the ability to operate in a diversified range of formulations and generic active ingredients space globally.

The Company has a strong foothold in the advanced economies of European countries and US markets. Additionally, the Company has penetrated the regulated markets of LATAM and the Rest of the World. The Company's revenues are geographically segmented into 4 markets namely Europe, NAFTA, LATAM and RoW.

### Our Business Verticals

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

#### Agrochemicals

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

#### Non-Agrochemicals

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

We are one of India's leading agriculture innovation companies, with roots going back more than 34 years, with our wings spread over across more than 80 countries.

OVERVIEW

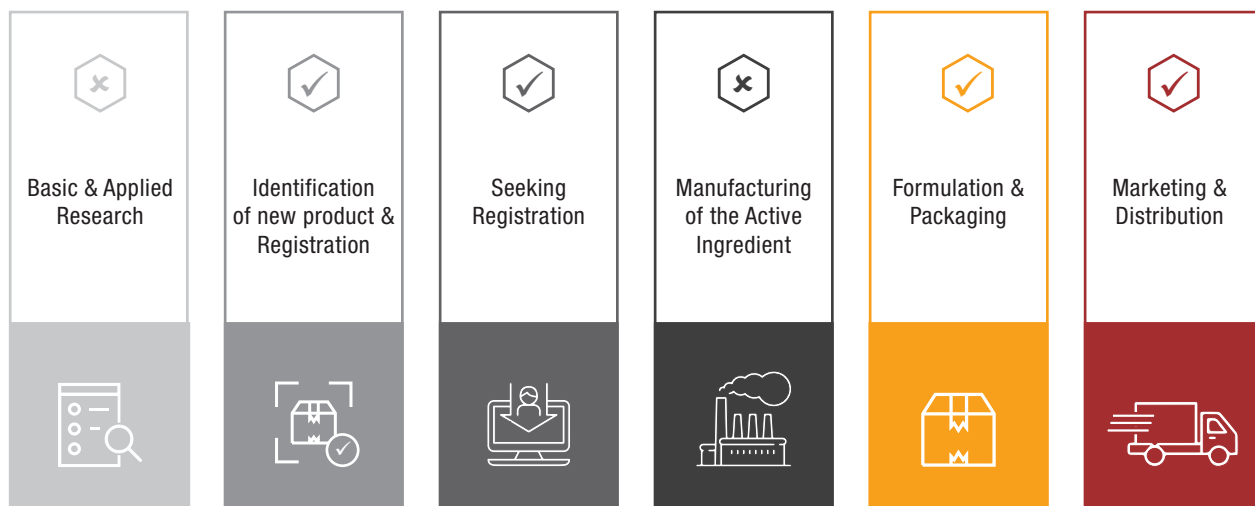
REPORTS

FINANCIALS

**A differentiated Business Model**

The highly regulated agrochemical industry across the globe makes a strong case high entry barrier for obtaining registrations. We have the core capability to pick out interesting and hard-to-enter molecules to make a generic entry into. Once identified carefully, we have the strength to make the requisite investment in line with our growth strategy and go through the arduous journey towards obtaining registrations in advanced, regulated markets with critical entry barriers. Once filed and launched in the key target market, we then focus on widening our geographic access for each of our molecules and leverage economies of scale.

Our presence in multiple geographies has helped us diversify our revenue sources and possess critical regional knowledge to compete and cater to the needs of our customers. A key strength of our Company has been our rich and deep network of distributors and an experienced direct salesforce across multiple markets. Sharda Cropchem has made its presence felt following a strong framework in the agrochemical value chain. Adhering to our asset-light business model, we offer a diversified range of formulations, without incremental manufacturing capex. It serves the fungicide, herbicide and insecticide segments, which protect different kinds of crops; the turf and specialty markets; as well as disinfectants in the biocide segment.



Sharda Cropchem's asset-light business model facilitates the management to focus on the identification of generic molecules and registration opportunities, preparing dossiers and securing registrations for formulations and generic active ingredients.

The Company sources formulations and generic active ingredients in their finished form from third-party manufacturers for sale and

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

**COMPETITIVE STRENGTHS**

**Key Business Differential**







## MANAGEMENT DISCUSSION & ANALYSIS

### An Agile & Asset-Light Business Model

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

### Building Global Growth on Registrations

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

### Investing in a deep Registrations Pipeline

With its smart product registrations management over the years, the Company has strategically identified generic molecules going off-patent and focused on seeking registrations to strengthen our portfolio of formulations and generic active ingredients across key markets. As of March 31 2021, the Company has obtained 2,543 registrations. With these kinds of numbers, Sharda Cropchem continues to embark on its IP Portfolio expansion with a firm registration pipeline for the future. In addition to its existing portfolio, the Company has filed for 1,128 new applications for registrations globally, pending at different stages. Our ability to deliver profits and free cash flows consistently over the years, enable us to make requisite investments to expand our portfolio in line with our strategy and build economies of scale in our offerings to the global marketplace.

### De-Risking Sourcing Capabilities

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

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

### Widespread Global Distribution Network

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

### Diversified Geography and Product Portfolio

Sharda Cropchem uses incremental and disruptive augmentation in creating product variants in the pursuit of growth and delivering added value to our esteemed customers. It uses a two-fold strategy of further penetrating existing markets and entering new markets. As a global player participating in markets across all continents, the Company continues to expand and strengthen its distribution presence in tandem with its continual investment in obtaining registrations. Backed by rich experience in multiple geographies and products, Sharda Cropchem has developed knowledge about the local weather and soil conditions which aids to predict and meet the local demand. Additionally, the Company's rich library of dossiers gives an opportunity to enter untapped markets.

### Prudent and Professional Management

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

---

Sharda Cropchem continues to embark on its IP Portfolio expansion with a firm registration pipeline for the future. In addition to its existing portfolio, the Company has filed for 1,128 new applications for registrations globally, pending at different stages.



## FINANCIAL OVERVIEW

The total revenue of Sharda Cropchem grew by 19.6%, from ₹20,030 million in FY20 to ₹23,956 million in FY21. The agro-chemicals division of the Company surged by 22.2% from ₹16,850 million in FY20 to ₹20,585 million in FY21. The revenues from non-agro division grew by 6% from ₹3,180 million in FY20 to ₹3,372 million in FY21.

The revenue contribution in agro-business is driven primarily by European Union region constituting 50.6% of the agro revenues, followed by NAFTA region, LATAM and rest of the world with 35.2%, 7.3% and 6.9%, respectively. The total Agro business revenue grew by 22.2%. The region wise Agro business revenue in Europe, NAFTA, LATAM and Rest of the world grew by 20%, 26%, 24.6% and 17.1% respectively. The agrochemicals business contributed 86% and non-agrochemicals contributed 14% to the revenues in FY21. EBITDA excluding foreign exchange gain / loss and write off of intangible assets and intangible assets under development, grew by 29.8% from ₹3,506 million in FY20 to ₹4,552 million in FY21. Net profit after tax increased by 39.2% YoY from ₹1,647 million to ₹2,292 million. PAT margin stood at 9.6% in FY21.

The total number of product registrations stood at 2,543 as of March 31, 2021. The Company has another 1,128 product registrations in pipeline across geographies. The Company has a strong net cash position of ₹2,757 million as of March 31, 2021.

The total number of product registrations stood at 2,543 as of March 31, 2021.

## BUSINESS STRATEGY AND OUTLOOK

### Sales Force Expansion

Sharda Cropchem aims to strengthen its own sales forces network. The Company believes that marketing and distribution play a key role in the agrochemical value chain. The Company is continuously expanding its sales force and minimizing dependency on third-party distributors.

### Scaling our Biocides Portfolio

The Company continues to focus its Biological crop protection portfolio, also known as 'biologicals', representing a broad category of plant protection products that are derived.

Biological products, such as agricultural biologicals, are the fastest-growing segments in the agricultural input market. The key developer of this industry is the growing demand for eco-friendly, chemical-free products for better yield. According to Research and Markets' report on "Agricultural Biologicals Market - Forecasts from

<sup>5</sup> [https://www.researchandmarkets.com/reports/5317983/agricultural-biologicals-market-forecasts-from?utm\\_source=BW&utm\\_medium=PressRelease&utm\\_code=hdb65z&utm\\_campaign=1534694+-+Insights+on+the+Agrochemical+Biologicals+Global+Market+to+2026+-+Growing+Demand+for+Food+Owing+to+Booming+Population+Growth+is+Driving+the+Industry&utm\\_exec=jamu273prd](https://www.researchandmarkets.com/reports/5317983/agricultural-biologicals-market-forecasts-from?utm_source=BW&utm_medium=PressRelease&utm_code=hdb65z&utm_campaign=1534694+-+Insights+on+the+Agrochemical+Biologicals+Global+Market+to+2026+-+Growing+Demand+for+Food+Owing+to+Booming+Population+Growth+is+Driving+the+Industry&utm_exec=jamu273prd)



## MANAGEMENT DISCUSSION & ANALYSIS

2021 to 2026<sup>15</sup>, the agricultural biologicals market is expected to grow at a compound annual growth rate of 11.02% over the analysed period to reach a market size of US\$19,699.792 million in 2026 from US\$9,477.038 million in 2019. Agricultural biologicals are a distinctive group of natural products, derived from naturally occurring micro-organisms, beneficial insects, plant extracts, and other organic matters.

### Continual Investment in Obtaining Registrations

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

### One Stop-Solution provider Approach

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

## KEY RISKS AND CONCERNS

Sharda Cropchem continues to mitigate key risks across all levels of operations through structuring and continuously identifying, assessing and deciding on responses.

### Exchange rate fluctuations

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

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

### Extension of Patents

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

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

### Changes in government policies

The Company complies with the laws, rules and regulations of multiple countries due to global presence, which might affect the decision-making process. Any modifications in the governmental policies related to agriculture and any adverse alterations in policies relating to the agro-sector — like government's cutdown in agricultural expenditure, contraction of incentives and subsidy systems, new export policy for crops, fluctuation of commodities prices — will impact the Company's business. The stated factors could lower the farmers' ability to obtain a minimum support price for the crop-output which might reduce their ability to spend on agrochemical, thereby impacting the Company's market demand and sales.

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

### Adverse Climate or Weather conditions and reduced pest attacks can lower demand for agrochemicals

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

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

### Developing Resistance - Contracting the Product Lifecycle

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

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

## INTERNAL CONTROLS

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

## MANAGEMENT DISCUSSION & ANALYSIS

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. Bathiya & Associates LLP, to provide guidance in smooth functioning of risk management policies, building an 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 CAPITAL

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

### CAUTIONARY STATEMENT

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





## NOTICE

# NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of M/s. Sharda Cropchem Limited will be held on Thursday, July 29, 2021 at 12.00 noon IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Auditors thereon.
3. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares of the Company for the Financial Year 2020-21.
4. To appoint a Director in place of Mrs. Sharda R. Bubna (DIN: 00136760), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**  
  
"RESOLVED THAT Mrs. Sharda R. Bubna (DIN: 00136760), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company and being eligible offers herself for re-appointment, be and is hereby re-appointed as the Director of the Company."
5. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Shareholders on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more Shareholding), Promoters, Institutional Investors, Directors, Key Management Personnel, Auditors, etc, who are allowed to attend the AGM without restriction on account of first come first basis.
6. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules made there under, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) intending to attend the AGM through their authorised representatives are requested to send a scanned copy of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at **co.sec@shardaintl.com** and / or to KFin Technologies Private Limited ("RTA") at **evoting@kfintech.com / raghu.vedha@kfintech.com** respectively.
9. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed to this Notice.
10. The Company has fixed **Thursday, July 22, 2021** as the **"Record Date"** for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM. The Register of Members and the Share Transfer Books of the Company will remain closed on Friday, July 23, 2021.

**NOTES**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular dated May 12, 2020 and January 15, 2021 (collectively referred to as "SEBI Circulars") permitted convening the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the SEBI circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for AGM shall be the registered office of the Company.

8. Members holding shares in dematerialised form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to RTA / Company at their email addressed given above.
9. 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.
10. In case of joint holders attending the AGM, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote provided the votes are not already cast by remote e-voting by the first holder.
11. The Notice of AGM and Annual Report is being sent in electronic mode to Members whose e-mail address is registered with the Company or the DP. Members (Physical / Demat) who have not registered their e-mail addresses with the Company can get the same registered by requesting our RTA at e-mail addresses given above.
12. Notice of AGM along with Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website **www.shardacropchem.com**, website of stock exchanges i.e BSE Ltd at **www.bseindia.com** and National Stock Exchange of India Limited at **www.nseindia.com**.
13. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding', 'Register of Contracts and Arrangements' and 'Register of Members' maintained as per the Companies Act, 2013 shall be accessible to the members.
14. M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the AGM of the Members held on August 30, 2018. Their appointment was subject to ratification by Members at every subsequent AGM. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been dispensed with.  
  
In view of the above, ratification by the Members for their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.
15. During the year 2020-21, the Company declared and paid an Interim Dividend of Rs. 2.00 each per equity share. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made within Thirty (30) days from the AGM date to all the shareholders holding shares as on the record date.
16. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Members w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Kfintech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
18. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@kfintech.com by 11.59 p.m. IST on 22<sup>nd</sup> July, 2021. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
19. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent establishment and Beneficial

## NOTICE

Ownership Declaration, Tax Residency Certificate Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11.59 p.m. IST on 22<sup>nd</sup> July, 2021.

20. The Company has made special arrangements with RTA for registration of e-mail addresses of those Members who wish to receive Notice and cast vote electronically. Members may directly register their e-mail address and mobile number through <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> for receiving soft copy of Notice and Annual Report along with e-voting user ID and password. In case of any query, Members may contact Mr. Raghunath Veedha on (040) 6716 1606 or write mail at [emeetings@kfintech.com](mailto:emeetings@kfintech.com).

### 21. Instructions for attending AGM through VC/OAVM:

- i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below.
  - a. Launch internet browser (chrome / firefox / safari) by typing the URL <http://emeetings.kfintech.com>.
  - b. Enter the login credentials (i.e. user id and password for e-voting).
  - c. After logging in, click on "Video Conference" option.
  - d. Then click on camera icon appearing against AGM event of the Company, to attend the meeting.
- ii. Members who do not have the user id and password for e-Voting or have forgotten the user id and password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- iii. Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.
- iv. Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the Meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. Please note that, Members questions will be answered only, the shareholder continues to hold the shares as of cut-off date benpos. Members may post their queries from 9:00 AM (IST) on Monday, July 19, 2021 till 5:00 PM (IST) on Thursday, July 22, 2021.
- vi. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr. Raghunath Veedha on (040) 6716 1606 or write at [emeetings@kfintech.com](mailto:emeetings@kfintech.com).
- vii. In case of decision to allow the Q&A session in the Meeting, Members may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence from 9:00 AM (IST) on Monday, July 26, 2021 till 5:00 PM (IST) on Wednesday, July 28, 2021.

### 22. Instructions for e-voting during AGM:

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

**23. Instructions for remote e-Voting:**

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Members are provided with the 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 our RTA.
- ii. The Board of Directors of the Company have appointed Mr Alpesh Panchal from M/s. KJB & Co LLP Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinize e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same. The Scrutinizer, after scrutinizing the votes, will, not later than two (2) working days from the 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](http://www.shardacropchem.com) and on the website of RTA <https://evoting.kfintech.com>. The results shall simultaneously be communicated to the Stock Exchanges.

- iii. **The remote e-voting period commences on Monday, July 26, 2021 (9:00 am) and ends on Wednesday, July 28, 2021 (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 Thursday, July 22, 2021**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by RTA for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- iv. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date i.e. Thursday, July 22, 2021**.
- v. Subject to receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the AGM.
- vi. **Information and instructions for remote e-voting by individual shareholders holding shares in demat mode:**

As per the circular of SEBI on e-voting facility provided by Listed Companies dated December 09, 2020, all individual shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participants, is given below:

---

**Procedure to login through websites of Depositories**


---

NSDL	CDSL
<b>1. Users already registered for IDeAS facility of NSDL may follow the following procedure:</b>	<b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b>
i. Click on URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> .	i. Click on URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi</b>
ii. Click on the <b>“Beneficial Owner”</b> icon under <b>‘IDeAS’</b> section.	ii. Enter your User ID and Password for accessing Easi / Easiest.
iii. Enter your User ID and Password for accessing IDeAS,	iii. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.
iv. On successful authentication, you will enter your IDeAS service login.	



## NOTICE

v.	Click on <b>“Access to e-Voting”</b> under <b>Value Added Services</b> on the panel available on the left hand side.
vi.	Click on <b>“Active e-voting Cycles”</b> option under e-voting.
vii.	Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.
<b>2.</b>	<b>Users not registered for IDeAS facility of NSDL may follow the following procedure:</b>
i.	To register, click on URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> .
ii.	Select “Register Online for IDeAS”.
iii.	Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.
iv.	After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
<b>3.</b>	<b>Users may directly access the e-voting module of NSDL as per the following procedure:</b>
i.	Click on URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a>
ii.	Click on the button “Login” available under “Shareholder / Member” section.
iii.	Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen.
iv.	On successful authentication, you will enter the e-voting module of NSDL.
v.	Click on “Active E-voting Cycles / VC or OAVMs” option under e-voting.
vi.	Click on <b>Company name</b> or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.
<b>2.</b>	<b>Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:</b>
i.	To register, click on URL <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a>
ii.	Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.
iii.	After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
<b>3.</b>	<b>Users may directly access the e-voting module of CDSL as per the following procedure;</b>
i.	Click on URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> / <a href="https://www.evotingindia.com">https://www.evotingindia.com</a> .
ii.	Provide demat account number and PAN.
iii.	System will authenticate user by sending OTP on registered mobile & email as recorded in the demat account.
iv.	On successful authentication, you will enter the e-voting module of CDSL.
v.	Click on <b>Company name</b> or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.

### Procedure to login through their demat accounts / website of Depository Participant

Individual shareholders holding shares of the Company in Demat mode can **access e-Voting facility provided by the Company using login credentials of their demat accounts** (online accounts) through their demat accounts / **websites of Depository Participants** registered with NSDL/CDSL. An option for **“e-Voting”** will be available once they have successfully logged-in through their respective logins. Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). **Click on the e-Voting link available against the name of Company or select e-Voting service provider “KFinTech”** and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.

**Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” / “Forgot Password” options available on the websites of Depositories / Depository Participants.**

#### Contact details in case of technical issue on NSDL website

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: **1800 1020 990 and 1800 22 44 30**

#### Contact details in case of technical issue on CSDL website

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at **022- 23058738 or 22-23058542-43.**

vii. **Information and Instructions for remote e-voting by shareholders other than individuals holding shares in demat mode and all other shareholders holding shares in physical mode:**

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

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

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

For CDSL: 16 digits beneficiary ID.

**User ID: For members holding shares in Physical Form:**

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

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

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

- d. After entering the details appropriately, click on LOGIN.
- e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least 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, e-mail address, etc. on first login. It is strongly recommended not to share your

password with any other person and take utmost care to keep your password confidential.

- f. You need to login again with the new credentials.
- g. On successful login, the system will prompt you to select the EVENT number of the Company.
- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- k. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- l. 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. Thursday, July 22, 2021** 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



## NOTICE

Example for Physical:  
MYEPWD <SPACE> XXXX1234567

password for casting the vote through remote e-voting.

- 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 KFinTech's toll free number 1-800-3454-001
- d. A member may send an e-mail request to **evoting@kfintech.com**.
- e. If the member is already registered with KFinTech's e-voting platform then he / she can use his / her existing User ID and
- m. In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections / e-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech website for e-voting: **https://evoting.kfintech.com** or contact KFinTech as per the details given above.

**BY ORDER OF BOARD OF DIRECTORS  
JETKIN GUDHKA  
COMPANY SECRETARY**

**Date : May 26, 2021**

**Place: Mumbai**

## ANNEXURE A

### Details of Directors seeking re-appointment at the Annual General Meeting:

Name of Director	Mrs. Sharda R Bubna
Director Identification Number (DIN)	00136760
Date of Birth (Age)	04-May-1953 (68 Years)
Date of first appointment	12 <sup>th</sup> March, 2004
Category	Executive Director
Qualification	Holds a Bachelor's Degree in Arts from Nagpur University.
Experience & Expertise	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.
Number of shares held in Company	1,40,91,147
Name of other Listed entities in which person holds directorship and membership of committees	Nil
Relationships between Directors inter-se	<ul style="list-style-type: none"> <li>• Wife of Mr. Ramprakash V. Bubna</li> <li>• Mother of Mr. Manish R. Bubna and Mr. Ashish R Bubna</li> </ul>
Chairmanship/Membership of committees of Company	Nil

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

# DIRECTORS' REPORT

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

Your Directors have pleasure in presenting their report and audited financial statements (Standalone & Consolidated) for the year ended March 31, 2021.

## FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
Revenue from operations (net)	203,261.95	161,606.55	239,560.77	200,301.82
Other income	8,092.02	13,032.14	4,593.56	4,311.27
<b>Total Income</b>	<b>211,353.97</b>	<b>174,638.69</b>	<b>244,154.33</b>	<b>204,613.09</b>
Expenses excluding interest, depreciation and amortisation expenses	165,647.41	139,873.67	195,887.67	172,222.16
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>45,706.56</b>	<b>34,765.02</b>	<b>48,266.66</b>	<b>32,390.93</b>
Depreciation and amortization expenses	17,039.34	13,707.89	17,044.00	13,712.28
Finance Cost	199.00	176.69	277.21	191.72
<b>Profit before tax (PBT)</b>	<b>28,468.22</b>	<b>20,880.44</b>	<b>30,945.45</b>	<b>18,486.93</b>
Tax Expense	7,488.88	1,691.91	8,023.68	2,017.76
<b>Net Profit for the year</b>	<b>20,979.34</b>	<b>19,188.53</b>	<b>22,921.77</b>	<b>16,469.17</b>
Other Comprehensive Income	6.10	(2.76)	37.64	835.36
<b>Total Comprehensive Income</b>	<b>20,985.44</b>	<b>19,185.77</b>	<b>22,959.41</b>	<b>17,304.53</b>

## OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:

Your Company achieved an all-time high in terms of performance of operating revenues and profitability despite of many challenges in pandemic situation. The Company's consolidated revenue from operations increased by 19.60% to ₹ 239,560.77 Lakhs in FY 2021. This was possible on account of strong growth in Europe, NAFTA & LATAM regions due to growth in existing business and new business driven by new registrations. Your Company has 2,543 product registrations as at March 31, 2021.

In FY 2021, Gross margins were higher by 23.64 % and EBITDA margins were higher by 49.01 %. Depreciation and amortisation expense were higher due to high capital expenditure on intangible assets. PAT increased by 39.18% from last year. The Company declared a Consolidated PAT of ₹ 22,921.77 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 lies in obtaining early product registrations due to the high entry barrier for new entrants.

## CHANGE IN NATURE OF BUSINESS:

There is no change in the business activity of the Company. The Company continue to focus on agrochemicals & non-agrochemical business.

## MATERIAL CHANGES OR COMMITMENTS:

There are no material changes or commitments that took place after the closure of FY 2020-21 till date which will have any material or significant impact on the financials of the Company.

## TRANSFER TO RESERVE:

We do not propose to transfer any amount to general reserve on declaration of final dividend. The closing balance of the retained earnings of the company for FY-2021, after all appropriation was ₹ 141,245.86 lakhs.

## DIVIDEND:

During the year, the Board of Directors declared an Interim Dividend of ₹ 2.00 per share in their meeting dated 28<sup>th</sup> October, 2020 on the paid-up equity shares of the Company. The Directors have recommended a final dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the



## DIRECTORS' REPORT

Financial Year ended March 31, 2021 which, if approved at the ensuing Annual General Meeting of the Company, will be paid to all those equity shareholders of the Company whose names appear in the register of members as on the record date.

The aggregate gross amount of Interim Dividend Distributed is ₹ 1,804.41 Lakhs subject to TDS as applicable.

The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 2,706.61 Lakhs, subject to TDS as applicable. The total dividend on equity shares for FY 20-21 amounts to ₹ 5.00 per share and would involve a total cash outflow of ₹ 4,511.02 Lakhs, subject to TDS as applicable.

**DIVIDEND DISTRIBUTIION POLICY:**

The Dividend Distribution Policy, in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") is available 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, 2021 was ₹ 9,022.05 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor buy-back nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

Further, during the year under review, Mrs. Sharda R. Bubna acquired 29,615 shares of the Company. None of the other promoters acquired / sold any shares of the Company.

**DEPOSITS:**

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

**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, 2021, the Company's total income is ₹ 989.86 Lakhs (Previous year: ₹ 948.91 Lakhs) and Profit for the year is ₹ 81.52 (Previous year: ₹ 33.97 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, 2021, the Company's total income is ₹ 6.01 lakhs (Previous year: NIL) and Profit for the year is ₹ 3.11 Lakhs (Previous Year: Loss ₹ 0.45 Lakhs).

**Sharda Agrochem Dooel Skopje, Macedonia**

Sharda Agrochem Dooel Skopje is engaged in the business of dealing in agrochemical products in Mececonia. For the year ended December 31, 2020, the Company's total income is Nil (Previous Year: NIL) and Loss for the year is ₹ 0.10 Lakhs (Previous Year: ₹ 0.09 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, 2020, the Company's total income is ₹ 12.73 Lakhs (Previous Year: ₹ 9.86 Lakhs) and Profit for the year is ₹ 0.23 (Previous Year: Loss ₹ 0.43 Lakhs).

**Sharda Costa Rica SA, Costa Rica**

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

**Sharda Cropchem Espana, S.L., Spain**

Sharda Cropchem Espana, S.L. is engaged in the business of distribution of agrochemical products in Spain and abroad. For the year ended March 31, 2021, the Company's total income is ₹ 16,607.46 Lakhs (Previous year: ₹ 10,756.96 Lakhs) and Profit for the year is ₹ 297.30 Lakhs (Previous year: ₹ 41.92 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, 2020, the Company's total income is ₹ 0.47 lakhs (Previous Year: Nil) and Profit for the year is ₹ 0.28 Lakhs (Previous Year: Loss ₹ 0.28 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, 2020, Company's total income is ₹ 32.46 Lakhs (Previous Year: ₹ 27.15 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, 2020, the Company's total income is ₹ 35.78 Lakhs (Previous Year: ₹ 16.06 Lakhs) and Loss for the year is ₹ 4.78 Lakhs (Previous year: Profit ₹ 2.80 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, 2020, the Company's total income is ₹ 4.40 Lakhs (Previous Year: ₹ 4.43 Lakhs) and Profit for the year is ₹ 1.01 Lakh (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, 2021, the Company's total income is ₹ 13,365.53 (Previous year: ₹ 6,896.16 Lakhs) and Profit for the year is ₹ 146.83 Lakhs (Previous year: ₹ 149.32 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, 2021, the Company's total income is ₹ 34,070.71 Lakhs (Previous year: ₹ 32,856.29 Lakhs) and Profit for the year is ₹ 5,728.63 Lakhs (Previous year: ₹ 5,378.30 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, 2021, the Company's total income is ₹ 6,879.64 Lakhs (Previous Year: ₹ 5,098.95 Lakhs) and Profit for the year is ₹ 345.46 Lakhs (Previous year: ₹ 322.84 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, 2020, the Company's total income is ₹ 38.33 Lakhs (Previous Year: ₹ 21.94 Lakhs) and Profit for the year is ₹ 9.13 Lakhs (Previous year: Loss ₹ 6.93 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, 2021, the Company's total income is ₹ 5,876.79 Lakhs (Previous year: ₹ 8,228.98 Lakhs) and Profit for the year is ₹ 187.32 Lakhs (Previous year: ₹ 29.05 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, 2020, the Company's total income is ₹ 29.37 Lakhs (Previous Year: Nil) and Profit for the year is ₹ 19.11 Lakhs (Previous year: Loss ₹ 10.56 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, 2020, the Company's total income is Nil (Previous Year: NIL) and Loss for the year is ₹ 0.16 Lakhs (Previous year: ₹ 0.24 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, 2020, the Company's total income is ₹ 12.44 Lakhs (Previous Year: ₹ 3.55 Lakhs) and Loss for the year is ₹ 0.08 Lakhs (Previous year: was ₹ 0.16 Lakhs).

**Sharda Taiwan Limited, Taiwan**

Sharda Taiwan Limited is engaged in the business of dealing in agrochemical products in Taiwan. For the year ended December 31, 2020, the Company's total income is NIL (Previous Year: NIL) and Loss for the year is ₹ 0.75 Lakhs (Previous year: NIL)

**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, 2020, the Company's total income is ₹ 10.8 Lakhs (Previous Year: ₹ 8.44 Lakhs) and Profit for the year is ₹ 0.01 Lakhs (Previous year: ₹ 0.18 Lakhs).

**Sharda USA LLC, USA**

Sharda USA LLC is engaged in the business of dealing in agrochemical products in USA. For the year ended December



## DIRECTORS' REPORT

31, 2020, the Company's total income is ₹ 2.01 Lakhs (Previous Year: NIL ) and Profit for the year is ₹ 2.01 Lakhs (Previous year: NIL).

**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, 2020, the Company's total income is ₹ 5.10 Lakhs (Previous Year: ₹ 3.86 Lakhs) and Profit for the year is ₹ 0.38 Lakhs (Previous year: Loss ₹ 0.06 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, 2021, the Company's total income is ₹ 562.19 Lakhs (Previous Year: ₹ 368.76 Lakhs) and Profit for the year is ₹ 15.02 Lakhs (Previous year: ₹ 4.43 Lakhs).

**Sharda Maroc SARL, Morocco**

Sharda Maroc 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****Euroazjski Pesticidi d.o.o., Croatia**

Euroazjski Pesticidi d.o.o. is engaged in the business of dealing in agrochemical products in Croatia. For the year ended March 31, 2021, the Company's total income is ₹ 122.14 Lakhs (Previous Year: ₹ 51.93 Lakhs) and Profit for the year is ₹ 8.52 Lakhs (Previous year: ₹ 2.56 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, 2020, the Company's total income is ₹ 3.42 Lakhs (Previous Year: NIL) and Profit for the year is ₹ 3.03 Lakhs (Previous year: Loss ₹ 0.51 Lakhs).

**Sharda Bolivia SRL, Bolivia**

Sharda Bolivia SRL is engaged in the business of dealing in agrochemical products in Bolivia. For the year ended

31<sup>st</sup> December, 2020, the Company's total income is ₹ 85.96 Lakhs (Previous Year: 1.16 Lakhs) and Profit for the year is ₹ 65.55 Lakhs (Previous year Loss: ₹ 0.05 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, 2021, the Company's total income is ₹ 952.26 Lakhs (Previous year: ₹ 362.06 Lakhs) and Profit for the year is ₹ 35.04 Lakhs (Previous year: ₹ 21.35 Lakhs).

**Sharda De Mexico S. De RI De CV, Mexico**

Sharda De Mexico S. De RI De CV is engaged in the business of distribution of agrochemical products in Mexico and abroad. For the year ended March 31, 2021, the Company's total income is ₹ 8,640.36 Lakhs (Previous year: ₹ 7,350.00 Lakhs) and Profit for the year of ₹ 387.61 Lakhs (Previous year: Loss ₹ 232.56 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, 2021, the Company's total income is ₹ 5.21 Lakhs (Previous Year: ₹ 2.24 Lakhs) and Profit for the year is ₹ 2.71 Lakhs (Previous year: ₹ 0.15 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, 2021, the Company's total income is ₹ 1,709 Lakhs (Previous year: ₹ 1,385.47 Lakhs) and Profit for the year is ₹ 19.23 Lakhs (Previous year: ₹ 60.57 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 28 February, 2021, the Company's total income is ₹ 3.24 Lakhs (Previous Year: ₹ 1.40) and Profit for the year is ₹ 0.96 Lakhs (Previous year: ₹ 0.012 Lakhs). Company (Sharda Malaysia SDN BHD) has been dissolved/closed during the year.

**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, 2020, the Company's total income is ₹ 10.73 Lakhs (Previous Year: ₹ 9.92 Lakhs) and Loss for the year is ₹ 0.17 Lakhs (Previous year: Profit ₹ 0.22 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, 2021, the Company's total income is ₹ 6.17 Lakhs (Previous Year: NIL) and Profit for the year is ₹ 3.20 Lakhs (Previous year: Loss ₹ 0.70 Lakhs).

### **Sharda Agrochem Limited, United Kingdom**

Sharda Agrochem Limited is engaged in the business of dealing in agrochemical products in United Kingdom. This Company was formed on 11<sup>th</sup> February, 2021. The Company is yet to start its operations.

### **Sharda Impex Trading LLC, U.A.E**

Sharda Impex Trading LLC is engaged in the business of dealing in agrochemical products in UAE and abroad. This Company was formed on 17<sup>th</sup> March, 2021. The Company is yet to start its operations.

### **MATERIAL SUBSIDIARY**

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

### **RELATED PARTY TRANSACTIONS**

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

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

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

### **DIRECTORS**

As on March 31, 2021, the Company has Eight (8) Directors consisting of Four (4) Independent Directors, Three (3) Executive Directors and One (1) Chairman & Managing Director.

### **Appointment/Resignations from the Board of Directors**

During the year, the Company re-appointed Mr. Ashish Bubna (DIN: 00945147) at Annual General Meeting dated 30<sup>th</sup> September, 2020, as he was retiring by rotation and being eligible, offered himself 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) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations").

### **Woman Director**

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

### **Directors Retiring by Rotation**

In accordance with the provision of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Sharda R. Bubna (DIN: 00136760), Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself 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. Abhinav Agarwal resigned as Chief Financial Officer (CFO) of the Company w.e.f 9<sup>th</sup> January, 2021. The Board, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Ashok Vashisht as Chief Financial Officer (CFO) of the Company w.e.f 27<sup>th</sup> January, 2021.

In terms of Section 2(51) and Section 203 of the Companies Act, the following are the KMPs of the Company as on 31<sup>st</sup> March, 2021:

Mr. Ramprakash V. Bubna, Chairman & Managing Director  
Mrs. Sharda R. Bubna, Whole-time Director





## DIRECTORS' REPORT

Mr. Ashish R. Bubna, Whole-time Director  
 Mr. Manish R. Bubna, Whole-time Director  
 Mr. Ashok Vashisht, 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 Four times during the FY 2020-21 viz, 24<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 28<sup>th</sup> October, 2020 and 25<sup>th</sup> January, 2021.

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

### COMMITTEES OF THE BOARD:

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

The Company has following Committees namely:

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

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

### PERFORMANCE EVALUATION OF THE BOARD:

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

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

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

### FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

As required by Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 5,80,14,736/- towards CSR activities out of which during the year, the Company has spent ₹ 6,44,67,684/- towards CSR activities. The Company had spent more than the amount which is required to pay.

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

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

### **RISK MANAGEMENT POLICY:**

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

### **NOMINATION & REMUNERATION POLICY:**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS AND BUSINESS RESPONSIBILITY:**

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

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

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

The Company has in place a policy for Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. This Policy has been uploaded on the website of the Company at <http://www.shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020. The Company has not received any complaint of sexual harassment during the Financial Year 2020-2021.

### **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 15<sup>th</sup> Annual General Meeting until the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company.

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

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

#### **b) Internal Auditor:**

Pursuant to the provisions of Section 138 of the Companies Act and the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, M/s. Bathiya & Associates LLP, were appointed by the Board of Directors to conduct internal audit reviews of 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 2020-21. The Secretarial Audit Report is annexed to this report as **Annexure – 3**.

#### **Reply to the qualification in Secretarial Report:**

While informing the Stock Exchange on October 19, 2020 that Board Meeting will be held on October 28, 2020, we inadvertently, missed to communicate that the Board will also consider distribution of Interim Dividend, if any.

Later on, we informed the Stock Exchange about the same on October 27, 2020.

This was considered as non – compliance by SE under Regulation 29(2) / 29(3) of SEBI (LODR) Regulations, 2015 and they have imposed a fine of ₹ 10,000/- each and the same was paid to BSE Limited & NSE Limited respectively.

## DIRECTORS' REPORT

### CORPORATE GOVERNANCE:

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

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

### CONSOLIDATED FINANCIAL STATEMENTS:

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

### EXTRACT OF ANNUAL RETURN:

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

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

### PARTICULARS OF EMPLOYEES:

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

### DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the

Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board if of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-2021.

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:

Particulars	₹ in Lakhs)	
	Year ended 31-Mar-21	Year ended 31-Mar-20
Foreign Exchange Earnings	209,043.37	1,71,895.09
Foreign Exchange Outgo	145,310.40	1,18,537.88

**2) Maintenance of Cost Record:**

Pursuant to Section 148 of the Companies Act, the Company has maintained the Cost Accounting Records for FY 2020-21. 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

PLACE : MUMBAI  
DATE : MAY 26, 2021

**RAMPRAKASH V. BUBNA**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN: 00136568)



## ANNEXURE - 1

**Form AOC-1**  
**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures F-Y-2020-2021**  
**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A": Subsidiaries**

Sr. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate Closing	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments (Excluding investment in subsidiary)	Turnover	Profit / (Loss)		Proposed Dividend	% of Shareholding
											before Taxation	after Taxation		
1	Axis Crop Science Private Limited	Apr-Mar	INR	-	500.00	(378.30)	720.76	599.06	-	916.88	81.53	81.53	-	100%
2	Nihon Agro Service Kabushiki Kaisha	Apr-Mar	JPY	0.6605	0.59	1.50	4.36	2.27	-	-	6.01	2.90	3.11	100%
3	Sharda Agrochem Doeel Skopje	Jan-Dec	MKD	1.4506	3.68	0.22	4.46	0.56	-	-	(0.10)	-	(0.10)	100%
4	Sharda Balkan Agrochemicals Limited	Jan-Dec	EURO	89.2270	2.82	(2.30)	0.85	0.33	-	-	0.23	-	0.23	100%
5	Sharda Costa Rica SA*	Apr-Mar	CRC	0.1200	-	-	-	-	-	-	-	-	-	99%
6	Sharda Cropchem Espana, S.L.	Apr-Mar	EURO	85.7522	2.59	489.50	6,501.08	6,008.99	-	16,603.31	512.02	214.71	297.31	100%
7	Sharda Cropchem Israel Limited*	Jan-Dec	NIS	-	-	-	-	-	-	-	-	-	-	100%
8	Sharda Cropchem Tunisia SARL	Jan-Dec	TND	27.0680	0.76	(0.24)	0.89	0.37	-	-	0.41	0.13	0.28	99%
9	Sharda De Guatemala S.A.	Jan-Dec	GTQ	9.3914	0.34	(0.32)	0.05	0.03	-	-	-	-	-	98%
10	Sharda Del Ecuador CIA. Ltda.	Jan-Dec	USD	73.0650	0.20	0.06	0.97	0.71	-	-	-	-	-	99.50%
11	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	Jan-Dec	BRL	14.0800	8.29	(32.09)	-	23.80	-	-	(4.78)	-	(4.78)	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 Heilas Agrochemicals Limited	Jan-Dec	EURO	89.2270	2.82	(1.01)	1.84	0.03	-	-	1.01	-	1.01	100%
15	Sharda Hungary Kft	Apr-Mar	HUF	0.2384	7.23	681.22	9,751.42	9,062.97	-	13,365.53	161.35	14.52	146.83	100%
16	Sharda International DMCC	Apr-Mar	USD	73.1050	39.80	10,332.21	14,196.31	3,824.30	-	32,937.16	5,642.79	-	5,642.79	100%
17	Sharda Italia SRL	Apr-Mar	EURO	85.7522	7.81	679.11	5,728.85	5,041.93	-	6,878.00	480.42	134.95	345.47	99%
18	Sharda Maroc SARL*	Jan-Dec	DHS	8.2305	8.12	0.11	8.23	-	-	-	-	-	-	99.80%
19	Sharda Peru SAC	Jan-Dec	PEN	20.1893	0.33	0.31	0.74	0.10	-	-	9.23	0.10	9.13	99.95%
20	Sharda Poland SP.ZO.O.	Apr-Mar	PLN	18.4389	0.96	366.54	4,893.29	4,525.79	-	5,875.29	257.06	69.74	187.32	100%
21	Sharda Polska SP.ZO.O.	Jan-Dec	PLN	19.7227	2.99	3.19	11.92	5.74	-	-	24.53	5.41	19.12	100%
22	Sharda Spain S.L.	Jan-Dec	EURO	89.2270	1.96	(1.72)	0.24	-	-	-	(0.16)	-	(0.16)	100%

Sr. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate Closing	Share Capital & Surplus	Reserves	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
23	Sharda Swiss SARL	Jan-Dec	CHF	82.6060	8.62	(1.71)	9.80	2.89	-	-	(0.08)	-	(0.08)	-	100%
24	Sharda Taiwan Limited	Jan-Dec	TWD	2.5988	2.04	(0.16)	1.88	-	-	-	(0.75)	-	(0.75)	-	100%
25	Sharda Ukraine LLC	Jan-Dec	UAH	2.5786	4.25	(3.85)	0.54	0.14	-	-	0.01	-	0.01	-	100%
26	Sharda USA LLC	Jan-Dec	USD	73.0650	-	1.90	1.90	-	-	-	2.01	-	2.01	-	100%
27	Shardaean Limited*	Jan-Dec	CAD	-	-	-	-	-	-	-	-	-	-	-	100%
28	Shardaserb. DO.O.	Jan-Dec	RSD	0.7648	0.17	(0.16)	0.01	-	-	-	0.38	-	0.38	-	100%
29	Sharzam Limited*	Jan-Dec	ZMW	-	-	-	-	-	-	-	-	-	-	-	99.99%
30	Sharda Agrochem Limited (From 11.02.2021)	Apr-Mar	Pound Sterling	1.4368	-	-	-	-	-	-	-	-	-	-	100%
31	Euroazjski Pesticidi d.o.o.	Apr-Mar	HRK	11.3203	2.26	11.63	20.55	6.66	-	-	9.72	1.30	8.42	-	100%
32	Sharda Benelux BVBA ***	Jan-Dec	EURO	89.2270	5.53	(5.34)	2.28	2.09	-	-	3.19	-	3.19	-	100%
33	Sharda Impex Trading LLC *** (From 17.03.2021)	Apr-Mar	AED	19.9065	-	(11.76)	2.80	14.55	-	-	(11.76)	-	(11.76)	-	100%
34	Sharda Bolivia SRL ***	Jan-Dec	BOB	10.6163	1.06	(5.78)	14.15	18.87	-	-	83.72	18.87	64.85	-	99%
35	Sharda Colombia S.A.S ***	Apr-Mar	COP	0.0196	56.55	134.26	612.07	421.26	-	835.06	64.43	30.20	34.23	-	99.48%
36	Sharda De Mexico S. De RI De Cv ***	Apr-Mar	MXN	3.5824	333.61	159.92	6,345.43	5,851.90	-	9,003.52	685.23	281.23	404.00	-	99.99%
37	Sharda Europe BVBA ***	Apr-Mar	EURO	85.7522	5.32	(1.98)	4.39	1.05	-	-	2.69	-	2.69	-	100%
38	Sharda International Africa (PTY) Ltd ***	Apr-Mar	ZAR	4.9531	0.01	98.47	1,759.78	1,661.31	-	1,817.02	21.88	1.00	20.88	-	100%
39	Sharda Malaysia SDN. BHD. *** (Upto 15.12.2020)	Apr-Feb	MYR	18.0416	-	-	-	-	-	-	0.98	-	0.98	-	100%
40	Sharpar S.A. ***	Jan-Dec	PYG	0.0110	3.29	18.05	32.17	10.83	-	-	(0.16)	-	(0.16)	-	90%
41	Siddhivinayak International Limited ***	Apr-Mar	USD	73.1050	517.63	(29.60)	488.03	-	-	-	3.16	-	3.16	-	100%
42	Sharda Private (Thailand) Limited **	Apr-Mar	THB	2.3418	41.67	8.84	149.54	99.03	-	562.19	15.02	-	15.02	-	100%

**Notes:**

\* Sharda Costa Rica SA, Sharda Cropchem Israel Limited, Shardaean Limited, Sharzam Limited, Sharda Dominicana S.R.L., Sharda El Salvador S.A. DE CV, Sharda Maroc SARL, Sharda Impex Trading LLC and Sharda Agrochem Limited are yet to commence business operations.

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

\*\* During the year ended March 31, 2021, the Company entered into a Memorandum of Understanding ("MOU") with other shareholders of Sharda Impex Trading LLC. In terms of the said MOU dated March 17, 2021 the Company has gained 100% control over Sharda Impex Trading LLC 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. March 17, 2021

\*\*\* 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 <a href="http://www.shardacropchem.com/policy.html">http://www.shardacropchem.com/policy.html</a> .
	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:
	<ul style="list-style-type: none"> <li>a. Eradicating hunger and providing water and sanitation facilities;</li> <li>b. Promotion of education including vocational and special education to children and women;</li> <li>c. Empowerment of women;</li> <li>d. Animal welfare;</li> <li>e. Promotion of Olympic sports;</li> <li>f. Rural development projects</li> <li>g. Medical Relief</li> </ul>
2. The Composition of the CSR Committee	<ul style="list-style-type: none"> <li>1. Mr. Ramprakash V. Bubna, Chairman</li> <li>2. Mrs. Sharda R. Bubna</li> <li>3. Mr. Shitin Desai</li> </ul>
3. Average Net Profit of the Company for last three Financial Years	₹ 2,84,17,84,880/-
4. Prescribed CSR expenditure (2% of the amount as in item 3 above)	₹ 5,62,95,698/-
5. Details of CSR spent during the financial year	
a. Total amount spent for the financial year	₹ 6,44,67,684/-
b. Amount Excess, if any	₹ 64,52,948/-
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	NA.
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.

ANNEXURE TO CSR

(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.	Women education & empowerment	Women empowerment	Mumbai Maharashtra	10,00,000	10,00,000	-	10,00,000 DBM India
2.	Sponsorship for operations and surgeries.	Medical Relief	Mumbai Maharashtra	90,000	90,000	-	90,000 Diamond Orthopaediatric Hospital & Nursing Home
3.	Sponsorship and Educational support	Promoting Education	Jhunjhunu Rajasthan	17,22,450	17,22,450	-	17,22,450 Dundlod Vidyapeeth
4.	Animal healthcare	Animal Welfare	Sikar Rajasthan	54,96,400	54,96,400	-	54,96,400 Gausihala Khedi Radan
5.	Food distribution	Eradication of Hunger	Rishikesh Uttarakhand	11,00,000	11,00,000	-	11,00,000 Haridham Sanatan Seva Trust
6.	Sponsorship for Education, Medical Relief & Animal welfare	Promoting Education, Medical Relief & Animal welfare	Mumbai Maharashtra	17,00,000	17,00,000	-	17,00,000 Jankidevi Bilasrai Bubna Trust
7.	Sponsorship and Educational support	Promoting Education	Bhubaneswar Odisha	5,00,000	5,00,000	-	5,00,000 Kalinga Institute of Social Science
8.	Sponsorship and Educational support	Promoting Education	Mumbai Maharashtra	50,000	50,000	-	50,000 Kohinoor College of Hotel and Tourism Management Studies
9.	Sponsorship and Educational support	Promoting Education	Navsari Gujarat	5,00,000	5,00,000	-	5,00,000 Malvi Educational and Charitable Trust
10.	Food distribution	Eradication of Hunger	Rishikesh Uttarakhand	12,51,000	12,51,000	-	12,51,000 Nikhil Bhartiya Niranjani Sadhu Sabha Dridwana
11.	Promoting Sports and Games, sponsorship for Training, Coaching Equipments	Olympic Sports	Mumbai Maharashtra	5,00,000	5,00,000	-	5,00,000 Olympic Gold Quest
12.	Covid-19 support: healthcare relief	Promoting healthcare relief	Mumbai Maharashtra	75,000	75,000	-	75,000 PM Cares Fund
13.	Sponsorship for higher studies	Promoting Education	Mumbai Maharashtra	35,00,000	35,00,000	-	35,00,000 Pacific Medical University
14.	Infrastructure facility for education		Bhayandar, Thane Maharashtra	3,00,000	3,00,000	-	3,00,000 Parhit Seva Sangh
15.	Food distribution drive during Covid-19 pandemic	Eradication of Hunger	Mumbai Maharashtra	5,00,000	5,00,000	-	5,00,000 Parmarth Seva Samiti
16.	Sponsorship for higher studies	Promoting Education	Mumbai Maharashtra	2,75,000	2,75,000	-	2,75,000 Prin. L. N. Welingkar Institute of Management Development & Research



# DIRECTORS' REPORT



Sharda Cropchem Limited

(Amount in ₹)							
(1) Sr. No	(2) CSR Project or activity No identified	(3) Sector in which the project is covered	(4) Location of the Projects	(5) Amount outlay (budget)	(6) Amount spent on the projects or programs Sub-heads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
			Local Area		(1) Direct	(2) Over heads	
			State				
17.	Infrastructure facility for education	Promoting Education	Mumbai	Maharashtra	3,26,23,234	3,26,23,234	Rajasthan Sammelan Education Trust
18.	Infrastructure facility for education	Promoting Education	Mumbai	Maharashtra	61,00,000	61,00,000	RVG Educational Trust
19.	Food distribution drive and healthcare relief during Covid – 19 pandemic.	Eradication of Hunger & Providing sanitation facilities	Mumbai	Maharashtra	1,57,600	1,57,600	Sanskar Nirman Foundation
20.	Food distribution drive and healthcare relief during Covid – 19 pandemic.	Eradication of Hunger & Providing sanitation facilities	Mumbai	Maharashtra	25,000	25,000	Shivsena
21.	Food distribution drive and healthcare relief	Promoting medical relief and Eradication of Hunger	Mumbai	Maharashtra	1,00,000	1,00,000	Shree Shyam Satsang Mandal
22.	Food distribution drive	Eradication of Hunger	Navi Mumbai	Maharashtra	31,000	31,000	Shri Radha Madhava Gaudiya Math Trust
23.	Medical relief and education support	Promoting Animal welfare & health care	Mumbai	Maharashtra	2,51,000	2,51,000	Shri Ranisati Prachar Samiti
24.	Medical relief, Animal welfare and education support	Promoting Education, Medical Relief & Animal Welfare	Mumbai	Maharashtra	7,00,000	7,00,000	Shri Shyam Seva Trust
25.	Healthcare	Animal Welfare	Sikar	Rajasthan	1,35,000	1,35,000	Shri Somolai Gau Seva Samiti
26.	Food distribution drive during Covid – 19 pandemic.	Eradication of Hunger	Mumbai	Maharashtra	1,00,000	1,00,000	Social Organisation Upon Life (SOUL)
27.	Food distribution drive and healthcare relief during Covid – 19 pandemic in rural area.	Eradication of poverty	Raigad	Maharashtra	500,000	500,000	Swades Foundation
28.	Medical reliefs	Promoting Health and medical relief	Nagpur	Maharashtra	28,35,000	28,35,000	Swami Vivekanand Medical Mission
29.	Medical reliefs	Animal Welfare	Thane	Maharashtra	7,50,000	7,50,000	Thane SPCA
30.	Rural Development	Educational Health Care	Mumbai	Maharashtra	5,00,000	5,00,000	The Vatsalya Foundation
31.	Sponsorship and Educational support	Promoting Education	Mumbai	Maharashtra	100,000	100,000	Vellore Institute of Technology
32.	Sponsorship and Educational support	Promoting Education	Ahemdabad	Gujarat	10,00,000	10,00,000	Vimukt Foundation

## ANNEXURE - 3

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021.**

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

To,  
 The Members,  
**Sharda Cropchem Limited,**  
 Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021, complied with the statutory provisions listed hereunder, except for the mentioned below non-compliance 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 31<sup>st</sup> March 2021, 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);
- 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 and amendment made thereto from time to time ("LODR Regulations");
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment made thereto;
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable to the Company for the year under review;**
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company for the year under review;**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable to the Company for the year under review;**
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company for the year under review;
- h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review;**
- i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not applicable to the Company for the year under review;**

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



## DIRECTORS' REPORT

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, except the qualification mentioned below:

1. The Company had conducted a Board Meeting on October 28, 2020 for the quarter ended September 30, 2020 inter alia to consider and declare the interim dividend to the shareholders of the Company. As per Regulation 29(2) of LODR regulations the company was required to intimate the stock exchanges at least two working days in advance, excluding the date of the intimation and date of the meeting, however the Company intimated to the stock exchanges only 1 working day prior to the meeting date, hence the Company was non-compliant with the above-mentioned regulation for which the Bombay Stock Exchange("BSE") and National Stock Exchange("NSE") levied fine on the Company, which has been duly paid.

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.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

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

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

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

Note: We relied on the representation made to us by the management wherever required due to several restrictions imposed by the Central and State government on the travel, movement and transportation considering public health and safety measures due to Covid-19 pandemic, which had impact on the audit assessment due to limited access to information / documents / data as required for audit assessment.

For **KJB & CO LLP**,  
Practicing Company Secretaries  
Firm Unique Identification No.-L2020MH006600  
Peer Review Certificate No.-934/2020

Sd/-  
**Alpeshkumar Panchal**  
Partner  
Mem No. - 49008  
C. P. No. - 20120  
UDIN: A049008C000374696

Date: May 26, 2021 / Jyeshtha 5, 1943  
Place: Vadodara.

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

## ANNEXURE

To,  
The Members,  
**Sharda Cropchem Limited,**  
Mumbai

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

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

For **KJB & CO LLP,**  
Practicing Company Secretaries  
Firm Unique Identification No.-L2020MH006600  
Peer Review Certificate No.-934/2020

Sd/-  
**Alpeshkumar Panchal**  
Partner  
Mem No. - 49008  
C. P. No. - 20120  
UDIN: A049008C000374696

Date: May 26, 2021 / Jyeshtha 5, 1943  
Place: Vadodara.



# ANNEXURE - 4

**FORM NO. MGT.9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended March 31, 2021**

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

## 1. Registration and Other Details:

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

## 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Agrochemicals	46692	99.78%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
<b>Axis Crop Science Private Limited</b> Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.	U01100MH2009PTC189472	Subsidiary	100	Section 2 (87)
<b>Nihon Agro Service Kabushiki Kaisha</b> Samon Building, 3F, 2-17-2 Higashi- azabu, Minato-ku, Tokyo 106-0044	0200-01-113792	Subsidiary	100	Section 2(87)
<b>Sharda Agrochem Dooel Skopje</b> Gjuro Gjakovik 20/1-10, 1000 Skopje, Macedonia	7074476	Subsidiary	100	Section 2(87)
<b>Sharda Balkan Agrochemicals Limited</b> Thessaloniki, 9 Monastiriou, center, Postal Code-54627, Greece	17627	Subsidiary	100	Section 2(87)
<b>Sharda Costa Rica SA</b> San Jose, Santa Ana, Wells, Forum Business Center, Building C, Costa Rica	3828447-2012	Subsidiary	99	Section 2(87)
<b>Sharda Cropchem Espana, S.L.</b> Carril Condomina Street, 6 Atalayas Business Center, 30006 Murcia, Spain	2014/73	Subsidiary	100	Section 2(87)
<b>Sharda Cropchem Israel Limited</b> Yeffe Nof 12, Shelomi/Israel.	515327674	Subsidiary	100	Section 2(87)
<b>Sharda Cropchem Tunisia SARL</b> 27, Rue Hasdrubal – 1002, Tunisia	D013717204	Subsidiary	99	Section 2(87)
<b>Sharda De Guatemala S.A.</b> 12 Avenida 16-66 Zona 10, Guatemala	35192	Subsidiary	98	Section 2(87)
<b>Sharda Del Ecuador CIA. LTDA.</b> Inglaterra E3-54 and Av. Republica, Ecuador	1792147336001	Subsidiary	99.50	Section 2(87)
<b>Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA</b> 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)
<b>Sharda Dominicana, S.R.L.</b> Av. Abraham Lincoln no. 403, La Julia, Santo Domingo, DN	118728SD	Subsidiary	99	Section 2(87)
<b>Sharda EL Salvador S. A. DE CV</b> Pasaje. Sagrado Corazón, No. 2-28. Entre 83 y 85 Av. Norte, Col. Escalón, San Salvador, El Salvador, Centro América	656241	Subsidiary	99	Section 2(87)



## DIRECTORS' REPORT

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Sharda Hellas Agrochemicals Limited</b> Athens, Greece, Pavlou Mela 1, Chalandri, Postal code 15233, Greece	17628	Subsidiary	100	Section 2(87)
<b>Sharda Hungary Kft</b> 1147, Budapest, Ov utca 182/b, Hungary.	01-09-981090	Subsidiary	100	Section 2(87)
<b>Sharda International DMCC</b> Unit No. 304, Mazaya Business Avenue, BB1, Plot No. JLTE-PH2-BB1, Jumeirah Lake Towers, Dubai, UAE	3123	Subsidiary	100	Section 2(87)
<b>Sharda Italia SRL</b> Gambettola via Don Minzoni 28, Italy	RN-320778	Subsidiary	99	Section 2(87)
<b>Sharda Maroc SARL</b> 427, Angle Avenue And Med Med Diouri V Bureau N ° 13, Kenitra.	46741	Subsidiary	99.8	Section 2(87)
<b>Sharda Peru SAC</b> Calle Las Castanitas No 138, Oficina 5 – D, El Palomar, San Isidro, Peru	12168449	Subsidiary	99.95	Section 2(87)
<b>Sharda Poland SP. ZO.0</b> ul. Bonifraterska 17, 00-203 Warszawa, Poland	511705	Subsidiary	100	Section 2(87)
<b>Sharda Polska SP. ZO.0</b> ul. Bonifraterska 17, 00-203 Warszawa, Poland	322630	Subsidiary	100	Section 2(87)
<b>Sharda Spain, S.L.</b> Avda. Jose Ortiz, 1 <sup>st</sup> floor, 59 Bajo 1, 12550 Almazora, Castellon, Espana	2259	Subsidiary	100	Section 2(87)
<b>Sharda Swiss SARL</b> Bollwerk 21, CH-3011 Bern, Switzerland.	CHE-115.463.668	Subsidiary	100	Section 2(87)
<b>Sharda Taiwan Limited</b> 3 Fl., No. 170, Dun Hua N Road, Taipei, Taiwan.	10389381900	Subsidiary	100	Section 2(87)
<b>Sharda Private (Thailand) Limited</b> No. 324/7, Bangna Residence Tower, 1 <sup>st</sup> Floor, Sanphawut Road, Bangna Subdistrict, Bangna District, Bangkok - 10260, Thailand	0105553057832	Subsidiary	100	Section 2(87)
<b>Sharda Ukraine LLC</b> 17 Sofiyivska Street, suite 4, Kyiv, 01001, Ukraine	36468626	Subsidiary	100	Section 2(87)
<b>Sharda USA LLC</b> 7212, Lancaster Pike, Suite A, P.O. Box 640, Hockessin, De 19707	SRV 060480705-4162187	Subsidiary	100	Section 2(87)

## DIRECTORS' REPORT

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Shardacan Limited</b> 644, Main Street, Suite 601, Moncton, Province of new Brunswick, Canada E1C 1E2	656241	Subsidiary	100	Section 2(87)
<b>Shardaserb DO.O</b> Vasilija Ivanovica 12, Belgrade, Serbia	20797827	Subsidiary	100	Section 2(87)
<b>Sharzam Limited</b> Box 35954 Lusaka, Zambia	101813	Subsidiary	99.99	Section 2(87)
<b>Sharda Agrochem Limited</b> 201, Cervantes House, 5-9, Headstone Road, Harrow, Middlesex, HA1 1PD, United Kingdom.	13194903	Subsidiary	100	Section 2(87)
<b>Euroazijski Pesticidi D.O.O.</b> Savska Cesta 106/3, Zagreb, Croatia	80815071	Indirect Subsidiary	100	Section 2(87)
<b>Sharda Benelux BVBA</b> Heedstraat 58, 1730 ASSE	BE 0818 126 308	Indirect Subsidiary	100	Section 2(87)
<b>Sharda Bolivia SRL</b> 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)
<b>Sharda Colombia S.A.</b> Carera 46 No 22 B 20 Oficina 211, Edificio Salitre Office Empresarial, Bogota- Colombia	1615833	Indirect Subsidiary	99.48	Section 2(87)
<b>Sharda De Mexico S De RL DE CV</b> 115 Aguascalientes Tlacotalpan Chanpoton Romasur, Mexico.	SME0707187AA	Indirect Subsidiary	99	Section 2(87)
<b>Sharda Europe BVBA</b> Heedstraat 58, 1730 ASSE	BE 0461 948 840	Indirect Subsidiary	100	Section 2(87)
<b>Sharpar S.A.</b> Benjamin Constant No. 973 c/ Av. C. Colón. - Edificio Arasa 2 - Oficina 415 -1er. Piso	80029540	Indirect Subsidiary	90	Section 2(87)
<b>Siddhivinayak International Limited</b> 1205, Westburry Commercial Tower, Al Abraj Street Business Bay, P. O. Box 71241, Dubai – UAE	098	Indirect Subsidiary	100	Section 2(87)
<b>Sharda Impex Trading LLC</b> Office No. 195, Mezzanine Floor, Unique World Business Centre LLC, Hamsah Block, Al Karama, Dubai, UAE, P.O. BOX NO. 87556.	1552352	Indirect Subsidiary	49	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, 2020)			No. of Shares held at the end of the year (As on March 31, 2021)			% Change during the year		
	Demat	Physical	Total	% of Total shares	Demat	Physical		Total	% of Total shares
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	6,74,74,218	0	6,74,74,218	74.79	6,75,03,833	0	6,75,03,833	74.82	0.03
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
<b>Sub-total (A) (1):-</b>	<b>6,74,74,218</b>	<b>0</b>	<b>6,74,74,218</b>	<b>74.79</b>	<b>6,75,03,833</b>	<b>0</b>	<b>6,75,03,833</b>	<b>74.82</b>	<b>0.03</b>
<b>i. Category-wise Share Holding</b>									
<b>(2) Foreign</b>									
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
<b>#Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>6,74,74,218</b>	<b>0</b>	<b>6,74,74,218</b>	<b>74.79</b>	<b>6,75,03,833</b>	<b>0</b>	<b>6,75,03,833</b>	<b>74.82</b>	<b>0.03</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	1,53,30,970	0	1,53,30,970	16.99	1,50,25,482	0	1,50,25,482	16.65	(0.34)
b) Banks/ FI	11,375	0	11,375	0.01	133	0	133	0.00	(0.01)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0

Category of Share holders	No. of Shares held at the beginning of the year (As on April 01, 2020)			No. of Shares held at the end of the year (As on March 31, 2021)			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
	% of Total shares	% of Total shares	% of Total shares	% of Total shares	% of Total shares	% of Total shares	
f) Insurance Companies	0	0	0	0	0	0	0
g) Foreign Institutional Investors	44,61,664	0	44,61,664	28,43,189	0	28,43,189	3.15 (1.80)
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>1,98,04,009</b>	<b>0</b>	<b>1,98,04,009</b>	<b>1,78,68,804</b>	<b>0</b>	<b>1,78,68,804</b>	<b>19.81 (2.14)</b>
<b>2. Non-Institutions</b>							
a) Bodies Corporate							
i) Indian	0	0	0	0	0	0	0
ii) Overseas	2,19,108	0	2,19,108	2,57,106	0	2,57,106	0.28 0.04
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹2 lakh	23,18,802	52	23,18,854	37,06,273	52	37,06,325	4.11 1.55
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh.	89,070	0	89,070	4,15,278	0	4,15,278	0.46 0.36
c) Others (Alternative Investment Fund)	40,904	0	40,904	88,432	0	88,432	0.10 0.05
Clearing Members	15,872	0	15,872	80,106	0	80,106	0.09 0.07
Non Resident Individuals	1,82,580	0	1,82,580	3,00,611	0	3,00,611	0.33 0.13
NBFC	75,880	0	75,880	-	-	-	- (0.08)
Trust	-	-	-	-	-	-	-
<b>Sub-Total (B) (2):-</b>	<b>29,42,216</b>	<b>52</b>	<b>29,42,268</b>	<b>48,47,806</b>	<b>52</b>	<b>48,47,858</b>	<b>5.37 2.11</b>
<b>Total Public Shareholding (B) = (B)(1) + B(2)</b>	<b>2,27,46,225</b>	<b>52</b>	<b>2,27,46,277</b>	<b>2,27,16,610</b>	<b>52</b>	<b>2,27,16,662</b>	<b>25.18 (0.03)</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>							
	0	0	0	00	0	0	0
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>9,02,20,443</b>	<b>52</b>	<b>9,02,20,495</b>	<b>9,02,20,443</b>	<b>52</b>	<b>9,02,20,495</b>	<b>100.00 100.00</b>



## DIRECTORS' REPORT

### ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2020)			Shareholding at the end of the year (As on March 31, 2021)			% 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	
<b>Promoters – Individual</b>								
1.	Ramprakash V. Bubna	1,40,52,686	15.58	-	1,40,52,686	15.58	-	-
2.	Sharda R. Bubna	1,40,61,532	15.59	-	1,40,91,147	15.62	-	0.03
3.	Ashish R. Bubna	1,51,80,000	16.83	-	1,51,80,000	16.83	-	-
4.	Manish R. Bubna	1,51,80,000	16.83	-	1,51,80,000	16.83	-	-
5.	Seema A. Bubna	45,00,000	4.99	-	45,00,000	4.99	-	-
6.	Anisha M. Bubna	45,00,000	4.99	-	45,00,000	4.99	-	-

### 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		
<b>1</b>	<b>Ramprakash V. Bubna</b>	At the beginning of the year	01.04.2020	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	31.03.2021	1,40,52,686	15.5759	-	-	-	
<b>2</b>	<b>Sharda R. Bubna</b>	At the beginning of the year	01.04.2020	1,40,61,532	15.58	-	-	-	
		*Date wise Increase / Decrease in Promoters Share holding during the Year	31.03.2020	152	0.00016	Purchase	1,40,91,147	15.62	
			31.03.2020	29,463	0.03	Purchase			
		At the end of the year	31.03.2021	1,40,91,147	15.62	-	1,40,91,147	15.62	
<b>3</b>	<b>Ashish R. Bubna</b>	At the beginning of the year	01.04.2020	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	31.03.2021	1,51,80,000	16.8254	-	-	-	
<b>4</b>	<b>Manish R. Bubna</b>	At the beginning of the year	01.04.2020	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	31.03.2021	1,51,80,000	16.8254	-	-	-	

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	
5	<b>Seema A. Bubna</b>	At the beginning of the year	01.04.2020	45,00,000	4.9878	-	-	-
		Date wise Increase / Decrease in Promoters Share holding during the Year	No Change					
		At the end of the year	31.03.2021	45,00,000	4.9878	-	-	-
6.	<b>Anisha M. Bubna</b>	At the beginning of the year	01.04.2020	45,00,000	4.9878	-	-	-
		Date wise Increase / Decrease in Promoters Share holding during the Year	No Change					
		At the end of the year	31.03.2021	45,00,000	4.9878	-	-	-

\* Mrs. Sharda R. Bubna bought shares on 31.03.2020 but the same were credited in her demat account post 31.03.2020.

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of year		Dates	Reason	Increase / Decrease in Shareholding		Cummulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.			No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LTD.	83,33,807	9.24	17/07/2020	Sale of Shares	(342)	0.0	83,33,465	9.24
				24/07/2020	Sale of Shares	(27,200)	(0.03)	83,06,265	9.21
				09/10/2020	Sale of Shares	(600)	0.00	83,05,665	9.21
				22/01/2021	Sale of Shares	(3,216)	(0.01)	83,02,449	9.20
				05/02/2021	Purchase of Shares	37,364	0.04	83,39,813	9.24
				12/02/2021	Sale of Shares	(10,940)	(0.01)	83,28,873	9.23
				19/03/2021	Sale of Shares	(6,936)	0.00	83,21,937	9.22
				26/03/2021	Sale of Shares	(7,714)	0.00	83,14,223	9.22
				<b>83,14,223</b>	<b>9.22</b>	<b>31/03/2021</b>	<b>At the end of the year</b>		
2	L AND T MUTUAL FUND TRUSTEE LTD	43,88,085	4.86	17/04/2020	Sale of Shares	(27,724)	(0.03)	43,60,361	4.83
				19/02/2021	Sale of Shares	(11,300)	(0.01)	43,49,061	4.82
				26/02/2021	Sale of Shares	(39,298)	(0.04)	43,09,763	4.78
				12/03/2021	Sale of Shares	(52,747)	(0.05)	42,57,016	4.72
				19/03/2021	Sale of Shares	(1,54,835)	(0.17)	41,02,181	4.55
<b>41,02,181</b>	<b>4.55</b>	<b>31/03/2021</b>	<b>At the end of the year</b>						
3	PINEBRIDGE GLOBAL FUNDS	35,40,030	3.92	07/08/2020	Sale of Shares	(1,07,983)	(0.11)	34,32,047	3.80
				14/08/2020	Sale of Shares	(37,017)	(0.04)	33,95,030	3.76
				21/08/2020	Sale of Shares	(9,510)	(0.01)	33,85,520	3.75
				30/10/2020	Sale of Shares	(14,412)	(0.01)	33,71,108	3.74
				06/11/2020	Sale of Shares	(29,237)	(0.03)	33,41,871	3.70



DIRECTORS' REPORT

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of year		Dates	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.			No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Company
				13/11/2020	Sale of Shares	(1,231)	0.00	33,40,640	3.70
				20/11/2020	Sale of Shares	(6,843)	0.00	33,33,797	3.70
				27/11/2020	Sale of Shares	(2,262)	(0.01)	33,31,535	3.69
				04/12/2020	Sale of Shares	(23,675)	(0.02)	33,07,860	3.67
				11/12/2020	Sale of Shares	(35,815)	(0.03)	32,72,045	3.63
				18/12/2020	Sale of Shares	(17,007)	(0.01)	32,55,038	3.61
				25/12/2020	Sale of Shares	(7,733)	0.00	32,47,305	3.60
				31/12/2020	Sale of Shares	(28,964)	(0.03)	32,18,341	3.57
				01/01/2021	Sale of Shares	(3,131)	0.00	32,15,210	3.56
				08/01/2021	Sale of Shares	(8,099)	(0.01)	32,07,111	3.55
				15/01/2021	Sale of Shares	(21,153)	(0.02)	31,85,958	3.53
				22/01/2021	Sale of Shares	(47,379)	(0.05)	31,38,579	3.48
				29/01/2021	Sale of Shares	(5,56,651)	(0.61)	25,81,928	2.86
				05/02/2021	Sale of Shares	(3,18,976)	(0.35)	22,62,952	2.51
				12/02/2021	Sale of Shares	(21,024)	(0.03)	22,41,928	2.48
				19/02/2021	Sale of Shares	(42,883)	(0.04)	21,99,045	2.44
				26/02/2021	Sale of Shares	(87,262)	(0.10)	21,11,783	2.34
				05/03/2021	Sale of Shares	(78,071)	(0.09)	20,33,712	2.25
				12/03/2021	Sale of Shares	(60,137)	(0.06)	19,73,575	2.19
				19/03/2021	Sale of Shares	(19,285)	(0.02)	19,54,290	2.17
				26/03/2021	Sale of Shares	(1,49,919)	(0.17)	18,04,371	2.00
				31/03/2021	Sale of Shares	(34,679)	(0.04)	17,69,692	1.96
		<b>17,69,692</b>	<b>1.96</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				
4	DSP SMALL CAP FUND	26,09,078	2.89	-	-	-	-	-	-
		<b>26,09,078</b>	<b>2.89</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				
5	GOVERNMENT OF SINGAPORE - E	4,60,392	0.51	31/07/2020	Sale of Shares	(542)	0.00	4,59,850	0.51
				07/08/2020	Sale of Shares	(34,458)	(0.04)	4,25,392	0.47
				18/09/2020	Sale of Shares	(7,692)	(0.01)	4,17,700	0.46
				25/09/2020	Sale of Shares	(2,264)	0.00	4,15,436	0.46
				09/10/2020	Sale of Shares	(15,209)	(0.02)	4,00,227	0.44
				23/10/2020	Sale of Shares	(55,584)	(0.06)	3,44,643	0.38
		<b>3,44,643</b>	<b>0.38</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				
6	DOLLY KHANNA	-	-						
				11/12/2020	Purchase of Shares	11	0	11	0.00
				05/02/2021	Purchase of Shares	19,725	0.02	19,736	0.02
				12/02/2021	Purchase of Shares	9315	0.01	29,051	0.03
				19/02/2021	Purchase of Shares	43,370	0.04	72,421	0.08
				26/02/2021	Purchase of Shares	1,31,000	0.14	2,03,421	0.23
				05/03/2021	Purchase of Shares	11,000	0.01	2,14,421	0.24
				19/03/2021	Purchase of Shares	24,000	0.02	2,38,421	0.26
				26/03/2021	Purchase of Shares	26,000	0.02	2,64,421	0.29
				31/03/2021	Sale of Shares	(1,000)	0.00	2,63,421	0.29
		<b>2,63,421</b>	<b>0.29</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				

OVERVIEW

REPORTS

FINANCIALS

## DIRECTORS' REPORT

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of year		Dates	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Co.			No. of Shares	% of total shares of the Co.	No. of Shares	% of total shares of the Company
7	BNP PARIBAS ARBITRAGE - ODI	-	-	12/02/2021	Purchase of Shares	18,910	0.02	18,910	0.02
				19/02/2021	Purchase of Shares	66,603	0.07	85,513	0.09
				26/02/2021	Purchase of Shares	30,671	0.03	1,16,184	0.13
				05/03/2021	Purchase of Shares	25,124	0.02	1,41,308	0.16
				12/03/2021	Purchase of Shares	10,917	0.01	1,52,225	0.17
				19/03/2021	Purchase of Shares	17,231	0.01	1,69,456	0.19
				26/03/2021	Purchase of Shares	37,052	0.04	2,06,508	0.23
		<b>2,06,508</b>	<b>0.23</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				
8	EMERGING MARKETS CORE EQUITY PORTFOLIO	1,32,225	0.15	-	-	-	-	-	-
		<b>1,32,225</b>	<b>0.15</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				
9	THE EMERGING MARKETS SMALL CAP SERIES	97,276	0.11	-	-	-	-	-	-
		<b>97,276</b>	<b>0.11</b>	<b>31/03/2021</b>	<b>At the end of the year</b>				
10	INFINA FINANCE PRIVATE LTD.	72,058	0.08	03/04/2020	Sale of Shares	(50,602)	(0.06)	21,456	0.02
				10/04/2020	Sale of Shares	(21,456)	(0.02)	-	-
		-	-	<b>31/03/2021</b>	<b>At the end of the year</b>				

### v. Shareholding of Directors and Key Managerial Personnel

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Ramprakash V. Bubna</b>				
At the beginning of the year	1,40,52,686	15.58		
Increase/Decrease			No transactions during the year	
At the end of the year	1,40,52,686	15.58		
<b>Mrs. Sharda R. Bubna</b>				
At the beginning of the year	1,40,61,532	15.59		
Increase	29,615	0.03	1,40,91,147	15.62
At the end of the year	1,40,91,147	15.62		
<b>Mr. Ashish R. Bubna</b>				
At the beginning of the year	1,51,80,000	16.83		
Increase/Decrease			No transactions during the year	
At the end of the year	1,51,80,000	16.8254		
<b>Mr. Manish R. Bubna</b>				
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.



## DIRECTORS' REPORT

For Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Abhinav Agarwal</b> , Chief Financial Officer (Resigned w.e.f. 9 <sup>th</sup> January, 2021)				
At the beginning of the year	-	-	-	-
Increase / Decrease	-	-	-	-
Till 9 <sup>th</sup> January, 2021	-	-	-	-
<b>Mr. Ashok Vashisht</b> Chief Financial Officer (Appointed w.e.f. 27 <sup>th</sup> January, 2021)				
From 27 <sup>th</sup> January, 2021	-	-	-	-
Increase / Decrease	-	-	-	-
At the end of the year	-	-	-	-
<b>Mr. Jetkin Gudhka</b> , 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:

Sr No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Ramprakash Bubna (Managing Director)	Sharda Bubna (Whole time Director)	Ashish Bubna (Whole time Director)	Manish Bubna (Whole time Director)	
1	Gross Salary	1,80,00,000	30,00,000	1,50,00,000	1,50,00,000	5,10,00,000
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit (Refer note)	2,67,09,168	-	1,78,95,142	1,78,95,142	6,24,99,45,2
	- others, (please specify)	-	-	-	-	-
5.	Others, (please specify)	-	-	-	-	-
	<b>Total</b>	<b>4,47,09,168</b>	<b>30,00,000</b>	<b>3,28,95,142</b>	<b>3,28,95,142</b>	<b>11,34,99,52</b>
	<b>Ceiling as per the Act</b>	<b>16,13,96,102</b>	<b>16,13,96,102</b>	<b>16,13,96,102</b>	<b>16,13,96,102</b>	<b>32,27,92,203</b>

Note: Commission is for the Financial Year 2019-2020, paid in the Financial Year 2020-21.

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				(Amount in ₹) Total Amount
		Mr. M. S. Sundara Rajan	Mr. Shitin Desai	Mr. Shobhan Thakore	Ms. Sonal Desai	
1	Fee for attending Board / Committee Meetings	3,00,000	3,30,000	1,80,000	3,30,000	11,40,000
2	Commission	-	-	-	-	-
3	Others, (please specify)	-	-	-	-	-

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			(Amount in ₹) Total
		Mr. Abhinav Agarwal (Chief Financial Officer) (Resigned w.e.f 9 <sup>th</sup> January, 2021)	Mr. Ashok Vashisht (Chief Financial Officer) (Appointed w.e.f 27 <sup>th</sup> January, 2021)	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	43,45,968	13,29,919	17,37,350	74,13,437
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)	-	-	-	-
	<b>Total</b>	<b>43,45,968</b>	<b>13,29,919</b>	<b>17,37,350</b>	<b>74,13,437</b>

**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)
<b>A.</b>	<b>COMPANY</b>				
	Penalty			None	
	Punishment			None	
	Compounding				
<b>B.</b>	<b>DIRECTORS</b>				
	Penalty			None	
	Punishment			None	
	Compounding				
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>				
	Penalty			None	
	Punishment			None	
	Compounding				



**DIRECTORS' REPORT**

# 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
<b>Executive Directors</b>	
Mr. Ramprakash V. Bubna	96.77
Mrs. Sharda R. Bubna	6.49
Mr. Ashish R. Bubna	71.20
Mr. Manish R. Bubna	71.20
<b>Non-Executive Directors</b>	
Mr. M. S. Sundara Rajan	0.65
Mr. Shitin Desai	0.71
Mr. Shobhan Thakore	0.39
Ms. Sonal Desai	0.71

Note: Directors' Remuneration is including sitting fees.

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

Name of the Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Mr. Ramprakash V. Bubna	1.32
Mrs. Sharda R. Bubna	-
Mr. Ashish R. Bubna	1.20
Mr. Manish R. Bubna	1.20
Mr. M. S. Sundara Rajan	(23.08)
Mr. Shitin Desai	(8.33)
Mr. Shobhan Thakore	20
Ms. Sonal Desai	-
Mr. Abhinav Agarwal, Chief Financial Officer (Resigned w.e.f 9 <sup>th</sup> January, 2021)	N.A.
Mr. Ashok Vashisht, Chief Financial Officer (Appointed w.e.f 27 <sup>th</sup> January, 2021)	N.A.
Mr. Jetkin Gudhka, Company Secretary	(2.67)

3. The percentage increase in the median remuneration of employees during the Financial Year: (0.63%)

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

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

The percentage decrease in the salaries of employees other than the managerial personnel in the last financial year is (3.94%) as against increase of 1.32% in the salary of the Managing Director (Managerial Personnel).

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	4,41,26,796	Contractual	B. Tech., Chemical Engineering	53	12-Mar-04	74	NIL	15.5759
2	Mr. Ashish R. Bubna	Executive Director	3,25,04,953	Contractual	B.Com	31	12-Mar-04	48	NIL	16.8254
3	Mr. Manish R. Bubna	Executive Director	3,25,04,953	Contractual	B. Chemical Engineering	29	12-Mar-04	46	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 2019-20 is paid in the year 2020-21.



# CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is prepared for the financial year ended 31<sup>st</sup> March, 2021 pursuant to Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

## 2. BOARD OF DIRECTORS:

As on March 31, 2021, the Company has Eight Directors comprising four Non-Executive Directors & four Executive Directors. The Chairman of the Company is an Executive Director and Promoter of the Company. The Composition of the Board is in conformity with Regulation 17 of the SEBI Regulations read with Section 149 of the Companies Act, 2013.

### None of the Directors on the Board:

- Holds directorships in more than ten Public Limited Companies;
- Serves as Director or as an Independent Directors ("ID") in more than seven listed companies; and
- The Executive Directors serves as IDs in more than three listed companies.

- Is a member of more than ten committees and / or Chairman of more than five committees.

The Managing Director did not serve as an Independent Director in any listed Company. Committees include Audit Committee & Stakeholders Relationship Committee as per Regulation 26(1)(b) of the SEBI Regulations. The necessary disclosures regarding committee positions have been made by the Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013 and rules framed there under. All the Independent Directors have confirmed that they met the criteria as mentioned under Regulation 16(1)(b) and Regulation 25 of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. Further, the Independent Directors have included their names in data bank of the Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with relevant rules.

### 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.

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, 2021 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.

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

## CORPORATE GOVERNANCE REPORT

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

### Appointment / Re-appointment of Director:

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

During the year, the Company has re-appointed Mr. Ashish Bubna (DIN: 00945147) at Annual General Meeting dated September 30, 2020, as he was retiring by rotation and being eligible, offered himself for re-appointment.

### 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/announcement.html>

During the year, one meeting of the Independent Directors was held on January 25, 2021. All the Independent Directors attended the meeting.

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

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

## CORPORATE GOVERNANCE REPORT

### Board Skill Matrix:

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

The following Skill Matrix for Board:

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

### Board Meetings & Attendance of Directors:

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company and its Subsidiaries.

The 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 2020-2021	Attendance at the AGM held on 30 <sup>th</sup> September, 2020
Mr. Ramprakash V. Bubna	4	Yes
Mrs. Sharda R. Bubna	4	Yes
Mr. Ashish R. Bubna	3	Yes
Mr. Manish R. Bubna	4	Yes
Mr. M. S. Sundara Rajan	4	Yes
Mr. Shitin Desai	4	Yes
Mr. Shobhan Thakore	4	Yes
Ms. Sonal Desai	4	Yes

The Board of Directors met 4 times during the Financial Year 2020-21 and the gap between two meetings did not exceed 120 days. The necessary quorum was present for all the Board meetings. Board Meetings were held on 24<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 28<sup>th</sup> October, 2020 and 25<sup>th</sup> January, 2021.

Due to the exceptional circumstances caused by the Covid-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board Meetings in FY 2020-21 were held through Video Conferencing.

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.

### Governance Codes:

#### Code of Business Conduct & Ethics:

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

#### Conflict of Interest:

On an annual basis, each Director informs the Company about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. Members of the Board while discharging

their duties avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any decision and voting in transaction that they have concern or interest.

### Code of Conduct for Insider Trading:

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

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

### 3. AUDIT COMMITTEE:

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

#### Terms of Reference:

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommending to the Board of Directors, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of Statutory Auditor and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing with the management the Annual Financial Statements before submission to the Board of Directors for approval, with particular reference to:
  - o Matters required to be included in the Director's Responsibility Statement to be included in the Director's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - o Changes, if any, in accounting policies and practices and reasons for the same;

- o Major accounting entries involving estimates based on the exercise of judgment by management;
- o Significant adjustments made in the Financial Statements arising out of audit findings;
- o Compliance with listing and other legal requirements relating to Financial Statements;
- o Disclosure of any Related Party Transactions;
- o 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;

## CORPORATE GOVERNANCE REPORT

- 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	4
Mr. Ramprakash V. Bubna	Member	Managing Director	4
Ms. Sonal Desai	Member	Independent Director	4

The Audit Committee met 4 times during the Financial Year 2020-21 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 on 24<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 28<sup>th</sup> October, 2020 and 25<sup>th</sup> January, 2021.

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.

The Chairman of the Audit Committee, Mr. Shitin Desai was present at the 17<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2020.

### 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:

## CORPORATE GOVERNANCE REPORT

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

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

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

Name of the Director	Position	Category	No. of Meeting attended
Mr. Shitin Desai	Chairman	Independent Director	1
Mr. M. S. Sundara Rajan	Member	Independent Director	1
Mr. Ramprakash V. Bubna	Member	Chairman & Managing Director	1
Ms. Sonal Desai	Member	Independent Director	1

The Nomination and Remuneration Committee met once during the Financial Year 2020-21. The necessary quorum was present for the meeting held on 25<sup>th</sup> January, 2021.

The Chairman of the Nomination & Remuneration Committee, Mr. Shitin Desai was present at the 17<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2020.

### Performance Evaluation:

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



## CORPORATE GOVERNANCE REPORT

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

### Nomination and Remuneration Policy:

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

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

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

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

- The Executive Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### Remuneration to Non-Executive/Independent Director:

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

The Company does not have any Employee Stock Option Scheme.

**Details of Remuneration paid to Directors for the year ended March 31, 2021.**

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

Particulars	Name of the Executive Director			
	Ramprakash V. Bubna	Sharda R. Bubna	Ashish R. Bubna	Manish R. Bubna
Gross Salary (₹)	1,80,00,000	30,00,000	1,50,00,000	1,50,00,000
Commission for the FY 2019-20, paid in FY 2020-21 (₹)	2,67,09,168	-	1,78,95,142	1,78,95,142
Date of Agreement	01-Jan-19	01-Jan-19	01-Jan-19	01-Jan-19
No. of Years	5	5	5	5
Period of Agreement	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
Notice Period	3 months	3 months	3 months	3 months
Stock Options	-	-	-	-

**Details of Sitting Fees paid to the Independent Directors for 2020-21:**

Name of the Director	Sitting fees (₹)
Mr. M. S. Sundara Rajan	3,00,000
Mr. Shitin Desai	3,30,000
Mr. Shobhan Thakore	1,80,000
Ms. Sonal Desai	3,30,000

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

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

**Terms of Reference:**

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

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

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

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

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

The Stakeholders' Relationship Committee met once during the Financial Year 2020-21. The necessary quorum was present for the meeting held on January 25, 2021.

The Chairman of the Nomination & Remuneration Committee, Mr. Shobhan Thakore was present at the 17<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2020.

**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 8 complaints were received from the Shareholders during the Financial Year 2020-21 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.

## CORPORATE GOVERNANCE REPORT

No request for transfer or dematerialization of shares was pending as on March 31, 2021.

### 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 Meeting attended
Mr. Ramprakash V. Bubna	Chairman	Chairman & Managing Director	1
Mrs. Sharda R. Bubna	Member	Executive Director	1
Mr. Shitin Desai	Member	Independent Director	1

The Corporate Social Responsibility Committee met once during the Financial Year 2020-21. The necessary quorum was present for the meeting held on January 25, 2021.

### 7. RISK MANAGEMENT COMMITTEE:

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

#### Terms of Reference:

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

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

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

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

## CORPORATE GOVERNANCE REPORT

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

The Risk Management Committee met once during the Financial Year 2020-21. The necessary quorum was present for the meeting held on January 25, 2021.

Due to the exceptional circumstances caused by the Covid-19 pandemic and consequent relaxations granted by MCA and SEBI, all committee meetings in FY 2020-21 were held through Video Conferencing.

### 8. GENERAL BODY MEETINGS:

Details of Last Three Annual General Meetings (AGM):

Financial Year	Date	Time	Venue
2017-18	August 30, 2018	2.30 p.m.	Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.
2018-19	August 27, 2019	3.00 p.m.	Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.
2019-20	September 30, 2020	12.00 Noon	Through Video Conference/ Audio Visual means

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

Financial Year	Date of AGM	No. of Special Resolution	Purpose of Resolution
2017-18	August 30, 2018	1	To re-appoint Mr. Ramprakash V. Bubna (DIN: 00136568) as Chairman & Managing Director of the Company.
2018-19	August 27, 2019	4	To re-appoint Mr. M. S. Sundara Rajan (DIN: 00169775) as an Independent Director of the Company.  To re-appoint Mr. Shitin Desai (DIN: 00009905) as an Independent Director of the Company.  To re-appoint Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company.
2019-20	September 30, 2020	0	NA

#### Extra Ordinary General Meeting:

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

#### Postal Ballot:

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

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

## CORPORATE GOVERNANCE REPORT

### 9. SUBSIDIARY COMPANIES:

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

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

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

### 10. DISCLOSURES:

- During the year, all Related Party Transactions as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Regulations were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- Details of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2018-19, 2019-20 and 2020-21 respectively: The Company had conducted a Board Meeting on October 28, 2020 for the quarter ended September 30, 2020 inter alia to consider and declare the interim dividend to the shareholders of the Company. There was a delay of 1 day while intimating the Stock Exchanges about the same as per Regulation 29(2) of the SEBI LODR. BSE Limited and National Stock Exchange of India Limited (NSE) both levied fine of ₹ 10,000/- (plus GST) each which was paid by the Company.
- 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>.

[com/policy.html](http://shardacropchem.com/policy.html). The Policy was last updated on January 22, 2020.

- The Company has followed the Indian Accounting Standards (Ind AS) laid down by the Companies (Indian Accounting Standards) Rules, 2015 in the preparation of its Financial Statements.
- The Company has adhered to all the mandatory and non mandatory requirements of Regulation 27 of the SEBI Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under
  - ◆ The financial statements of the Company are with unmodified audit opinion
  - ◆ The Internal Auditor reports to the Audit Committee
- The Company has adopted a Policy for Determining Materiality of Events / Information as defined under Regulation 30 of the SEBI Regulations. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents as defined under Regulation 9 of the SEBI Regulations. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>.
- 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 ₹ 51,13,940/- was paid by the Company and its subsidiaries, on a consolidated

## CORPORATE GOVERNANCE REPORT

basis, for all the services to B S R & Associates LLP, our Statutory Auditors and all entities in the network firm / network entity of which they are part.

- The Company has adopted Policy on Prevention of Sexual Harassment at Work Place as required by The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has not received any complaints during the FY 2020-21. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on January 22, 2020.
- M/s. KJB & CO LLP, Practising Company Secretaries have conducted Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report forms part of the Director's Report.
- A certificate has been received from M. D. Parmar & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

### 11. MEANS OF COMMUNICATION:

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

Electronic Application Processing System (NEAPS) and with BSE Ltd. through BSE Online Portal.

- The quarterly shareholding pattern and the Corporate Governance Report of the Company are filed with The National Stock Exchange of India Ltd. through NEAPS and with BSE Ltd. through BSE Online Portal. They are also displayed on the Company's website under the tab "Investor Relations".

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

### GENERAL SHAREHOLDER INFORMATION:

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

#### Annual General Meeting for FY 2020-2021:

Date	: July 29, 2021
Time	: 12:00 noon
Venue	: Meeting is being conducted through VC / OAVM
Financial Year	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
Interim Dividend (2020-21) Payment Date	: 18 <sup>th</sup> November, 2020
Listing on Stock Exchanges	: <b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051
	: <b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

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

The Company has paid Annual Listing Fees for the Financial Year 2020-2021.

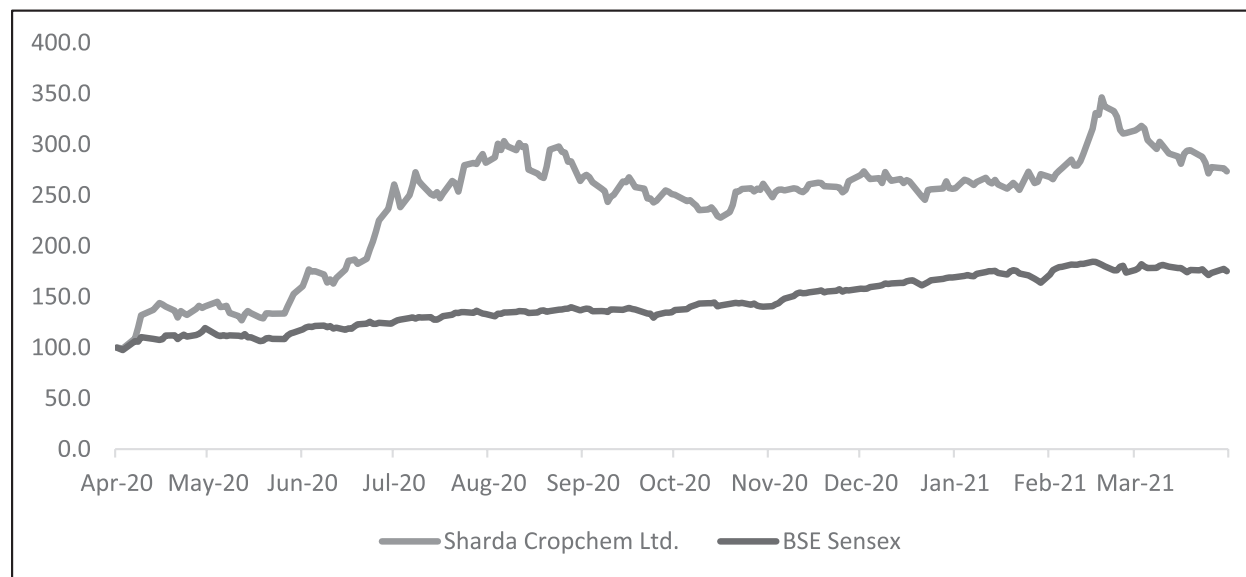
## CORPORATE GOVERNANCE REPORT

### Market Information:

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

Month	NSE			BSE		
	High (₹)	Low (₹)	Total No. of equity shares traded	High (₹)	Low (₹)	Total No. of equity shares traded
Apr-20	161.6	103.0	409,849	158.7	104.0	33,265
May-20	158.4	131.4	315,526	161.0	132.0	54,638
Jun-20	263.4	162.6	628,605	260.6	164.0	105,213
Jul-20	312.0	240.1	1,062,514	312.1	241.3	222,696
Aug-20	329.0	275.0	1,870,474	329.1	255.0	210,661
Sep-20	288.9	249.3	448,998	287.4	247.5	105,604
Oct-20	293.8	236.3	934,070	292.2	235.0	154,739
Nov-20	284.8	254.1	392,060	284.7	254.6	63,469
Dec-20	292.0	230.9	794,928	300.0	230.8	66,112
Jan-21	321.0	258.7	3,736,392	314.0	262.0	305,621
Feb-21	374.3	277.0	4,651,339	374.0	275.1	514,655
Mar-21	347.4	285.0	5,406,201	359.0	280.4	475,642

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



### Share Registrar and Transfer Agent:

#### **KFin Technologies Private Limited**

Karvy Selenium Tower B,  
6<sup>th</sup> Floor, Plot No. 31 & 32,  
Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032  
Tel.: + 91-40-67161606  
Fax: + 91-40-23114087  
Email: mohammed.shanoor@kfintech.com  
Website: www.kfintech.com

### Share Transfer System:

The transfer of shares in physical form are processed and completed by KFin Technologies Private Limited 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, 2020 and March 31, 2021 and files a copy of the same with the Stock Exchanges.

## CORPORATE GOVERNANCE REPORT

### Distribution of shareholding as on March 31, 2021:

Sr. No	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1 – 5000	24,589	95.02	2,06,89,820	2.29
2	5001 - 10000	705	2.72	56,15,250	0.62
3	10001 - 20000	327	1.26	47,96,850	0.53
4	20001 - 30000	83	0.32	21,06,250	0.23
5	30001 - 40000	42	0.16	14,90,790	0.17
6	40001 - 50000	29	0.11	13,31,560	0.15
7	50001 - 100000	49	0.19	36,74,620	0.41
8	100001 & Above	54	0.21	86,24,99,810	95.60
<b>Total:</b>		<b>25,878</b>	<b>100.00</b>	<b>90,22,04,950</b>	<b>100.00</b>

### Shareholding pattern as on March 31, 2021:

Sr. No	Category of Shareholders	Total Holding	% to Total Holding
1	Mutual Funds	1,50,25,482	16.65
2	Foreign Portfolio - Corp	28,43,059	3.15
3	Alternative Investment Fund	88,432	0.10
4	Resident Individuals	39,16,616	4.34
5	Non-Resident Indians	2,38,808	0.26
6	Clearing Members	80,106	0.09
7	Indian Financial Institutions	133	0.00
8	Promoters Individuals	6,75,03,833	74.82
9	Foreign Portfolio Investors	130	0.00
10	Non Resident Indian Non Repatriable	61,803	0.07
11	Bodies Corporates	2,57,106	0.28
12	HUF	2,04,987	0.23
<b>Total</b>		<b>9,02,20,495</b>	<b>100.00</b>

### Top ten equity shareholders of the Company as on March 31, 2021:

Sr. No.	Name of the Shareholder	Number of equity shares held	Percentage of holding
1	Manish Ramprakash Bubna	1,51,80,000	16.83
2	Ashish Ramprakash Bubna	1,51,80,000	16.83
3	Sharda Ramprakash Bubna	1,40,91,147	15.62
4	Ramprakash Vilasrai Bubna	1,40,52,686	15.58
5	HDFC Small Cap Fund	83,14,223	9.22
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	41,02,181	4.55
9	DSP Small Cap Fund	26,09,078	2.89
10	Pinebridge Global Funds - Pinebridge India Equity	17,69,692	1.96





## CORPORATE GOVERNANCE REPORT

**Dematerialization of shares and liquidity:**

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

As on March 31, 2021, 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, 2021, 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.

The following table gives information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent.

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2014-15	September 23, 2015	September 23, 2022
2015-16	March 28, 2016	March 28, 2023
2016-17	November 22, 2016	November 22, 2023
	April 03, 2017	April 03, 2024
2017-18	November 09, 2017	November 09, 2024
	September 04, 2018	September 04, 2025
2018-19	February 07, 2019	February 07, 2026
	August 30, 2019	August 30, 2026
2019-20	February 05, 2020	February 05, 2027
	March 11, 2020	March 11, 2027
2020-21	November 18, 2020	November 18, 2027

**Credit Rating:**

CRISIL has given the credit rating of "CRISIL A1+" on the short-term banking facilities of the Company as per their report dated April 29, 2020.

**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**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the year ended March 31, 2021, received from the Senior Management and Board of Directors of the Company a declaration of compliance with the code of conduct as applicable to them.

Date : May 26, 2021  
Place : MUMBAI

**RAMPRAKASH V. BUBNA**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN: 00136568)

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

We, Ramprakash V. Bubna, Chairman & Managing Director and Mr. Ashok Vashisht, Chief Financial Officer do hereby certify to the Board that in respect to the Financial Year ended on March 31, 2021.

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

**ASHOK VASHISHT**  
CHIEF FINANCIAL OFFICER

Date : May 26, 2021  
Place : MUMBAI



## CORPORATE GOVERNANCE REPORT

### CERTIFICATE

To,  
The Members,  
**Sharda Cropchem Limited**  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by **SHARDA CROPCHEM LIMITED** ("the Company") for the year ended on 31<sup>st</sup> March, 2021, 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.

Date: May 26, 2021 / Jyeshtha 5, 1943  
Place: Vadodara.

**For KJB & CO LLP,**  
Practicing Company Secretaries  
Firm Unique Identification No.-L2020MH006600  
Peer Review Certificate No.-934/2020

**Alpeshkumar Panchal**  
Partner  
Mem No. - 49008  
C. P. No. - 20120  
UDIN: A049008C000374828

OVERVIEW

REPORTS

FINANCIALS

# 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	2 <sup>nd</sup> 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	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	46692 – Agrochemicals
8	List three key products/services that the Company manufactures/provides (as in balance sheet):	Agrochemicals, Conveyor Belts & Rubber products
9	Total number of locations where business activity is undertaken by the Company	One (1). Its registered office
10	Markets served by the Company - Local/State/National/International	International Market

## SECTION B: Financial details of the Company

Sr. No.	Particulars	Information
1	Paid up Capital (₹ In Lacs)	9,022.05
2	Total Turnover (Revenue from operations) (₹ In Lacs)	2,03,261.95
3	Total profit after taxes (₹ In Lacs)	20,979.34
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3.07
5	List of activities in which expenditure in 4 above has been incurred.	Education Healthcare Medical Relief Skill Development Woman Welfare

## SECTION C: Other Details

- Does the Company have any Subsidiary Company/Companies? Yes.
- Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? No
- 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:-

- DIN : 00136568
- Name : Mr. Ramprakash V. Bubna
- Designation : Chairman & Managing Director

## BUSINESS RESPONSIBILITY REPORT

### b. Details of the BR head

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

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

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

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

#### 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?	<a href="http://www.shardacropchem.com/policy.html">http://www.shardacropchem.com/policy.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**Note:**

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

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

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

**3. Governance related to BR**

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

**b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**  
Yes. The company publishes Business Responsibility Reports. The report is part of Annual Report of FY 2020-21. The link of Annual Report - <http://shardacropchem.com/annual-report.html>

**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.

**SECTION E: PRINCIPLE – WISE PERFORMANCE**

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

- 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**
- 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.**

- 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.

## BUSINESS RESPONSIBILITY REPORT

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

1. **Please indicate the total number of employees.**  
The Company has 175 employees as on March 31, 2021
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 102 permanent women employees as on March 31, 2021.

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 2020-21	No of complaints pending as on March 31, 2021
1	Child labour / forced labour / involuntary labour	Nil	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

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

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

**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

## BUSINESS RESPONSIBILITY REPORT

**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





## BUSINESS RESPONSIBILITY REPORT

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, 2021, the Company has spent an amount of ₹ 6,44,67,684/- 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.

OVERVIEW
REPORTS
FINANCIALS

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Sharda Cropchem Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Sharda Cropchem Limited (hereinafter referred to as "the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), 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 (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

## STANDALONE FINANCIAL STATEMENTS

### Description of Key Audit Matters

#### Revenue recognition and sales returns (Refer note 2.7 and 2A)

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b> (Refer note :- 2.7 to the standalone financial statements)</p> <p>The Company's revenue is derived primarily from sale of products. The principal products of the Company comprise agro-chemicals.</p> <p>Revenue from sale of goods is recognised on transfer of control of the products to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery, formal customer acceptance or upon surrender of bill of lading in the favor of customer, depending on contract terms.</p> <p>There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Company, we have identified timing of the revenue recognition as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>— Assessed the appropriateness of Company's accounting policies relating to revenue recognition as per the applicable accounting standard;</li> <li>— Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end;</li> <li>— For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions of the customer orders including the shipping terms, transporter documents and customer acceptances;</li> <li>— Selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents;</li> <li>— Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> </ul>
<p><b>Sales returns</b></p> <p>As disclosed in Note 2A to the standalone financial statements, revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates.</p> <p>Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Company.</p> <p>The value of sales returns together with the level of judgement involved resulted in sales returns being a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>— Obtained an understanding of the Company's process for identifying and determining the amount of accrual of sales returns;</li> <li>— Assessed the appropriateness of Company's accounting policies relating to accounting for sales returns as per the applicable accounting standard;</li> <li>— We evaluated the design and tested the operating effectiveness of the relevant key financial controls with respect to recognition and accrual of sales returns;</li> <li>— On a sample basis, we evaluated the basis of sales returns by agreeing amounts recognised to the approvals;</li> <li>— We assessed the assumptions and judgements used in the sales return provision by comparing against historical trends returns and subsequent actual sales returns.</li> </ul>

**Impairment testing of other intangible assets and intangible assets under development (Refer note 2.11)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of impairment of intangible assets and intangible assets under development</b></p> <p>As disclosed in Note 2.11, The Company's intangible assets comprised product registrations and licenses.</p> <p>The carrying amount of the intangible assets and intangible assets under development represents 24.32% of the Company's total assets.</p> <p>The Company applies for product registrations in different countries to sell its products. As disclosed in Note 4 and 4A to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations.</p> <p>The impairment assessment is performed, based on value in use of product registrations for the specific regions.</p> <p>The measurement of value of intangible assets involves significant judgments and estimates in the Company's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets and intangible assets under development as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>— Obtained an understanding of the Company's process for determining likelihood of product registration, future benefits expected from product registrations in the specific regions using discounted future cash flows;</li> <li>— Comparing the Company's assessment with the past trend of product registrations awarded;</li> <li>— We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;</li> <li>— We compared the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying workings;</li> <li>— We assessed Company's sensitivity analysis over the key assumptions to determine any possible change in these assumptions which would result in an impairment;</li> <li>— We involved our valuation expert to assess the assumptions and methodology used by the Company to determine the recoverable amount;</li> <li>— Assessing the adequacy of the Company's disclosures related to the impairment tests and their compliance with Ind AS.</li> </ul>

**Other Information**

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

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

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

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

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

## STANDALONE FINANCIAL STATEMENTS

the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(1) 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.

## STANDALONE FINANCIAL STATEMENTS

2. (A) As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - refer note 31 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer note 35 to the standalone financial statements;
  - iii. There 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 standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
- (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) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Membership No: 100060

UDIN : 21100060AAAACG5124

Mumbai

May 26, 2021

# Annexure A to the Independent Auditors' Report

## 31<sup>st</sup> March, 2021

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- |  |   |
|--|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and according to information and explanations given to us, no material discrepancies were identified on such physical verification.</p> <p>(c) According to the information and explanations given to us, there are no immovable properties included in fixed assets of the Company. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.</p> <p>(ii) The inventory comprises stocks lying with third parties and goods-in-transit. In order to confirm existence of inventories, the management follows the practice of physical verification of the inventories lying with the third parties. However, due to Covid-19 pandemic and the consequent global lockdown, the management was not able to conduct physical verification at all locations, though physical verification has been performed at certain locations. For inventory lying with third parties at the year-end, written confirmations have been obtained by the management and in respect of goods-in-transit, subsequent goods receipts have been verified. The discrepancies noticed between physical stock as confirmed by the third parties and the book records were not material and have been properly dealt with in the books of account.</p> <p>(iii) (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of unsecured loan granted by the Company to a company covered in the register maintained under Section 189 of the Act, were not prejudicial to the interest of the Company.</p> <p>(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that there is no stipulation of schedule of repayment of principal for the aforementioned unsecured loan and in absence thereof, we are unable to comment on the regularity of the repayment of principal.</p> <p>(c) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that there are no overdue</p> | <p>amounts in respect of the loan granted to a company listed in the register maintained under Section 189 of the Act.</p> <p>(iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with provisions of Section 185 and 186 of the Act, with respect to loan granted and investments made. Further, the Company has not given any guarantee or provided any security under Section 185 and 186 of the Act.</p> <p>(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76, any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no dues of Income tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, <i>except as stated below:</i></p> |
|--|---|

## STANDALONE FINANCIAL STATEMENTS

Name of Act	Nature of Dues	Amount Demanded (INR in lakhs)	Amount not Deposited Under Dispute (INR in lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	785.14	785.14	2007-08 to 2012-13	CESTAT
Income Tax Act, 1961	Income Tax	565.92	565.92	AY 2015-16	Commissioner of Income Tax (Appeal)
		2,563.96	2,065.29	AY 2016-17	Assistant Commissioner of Income Tax
		5,057.29	4,257.29	AY 2017-18	Assistant Commissioner of Income Tax
		2,830.29	2,830.29	AY 2018-19#	Assistant Commissioner of Income Tax

#The Income tax department has adjusted a refund pertaining to AY 2019-20 against net demand of AY 2018-19.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to the bank. The Company has not taken any loans or borrowings from any financial institution or government nor has it issued debentures during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any material instances of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards (Ind AS).
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

**Shabbir Readymadewala**  
Partner

Mumbai  
May 26, 2021

Membership No: 100060  
UDIN : 21100060AAAACG5124





# Annexure B to the Independent Auditors' Report

## 31<sup>st</sup> March, 2021

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

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Sharda Cropchem Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Mumbai

May 26, 2021

Membership No: 100060

UDIN : 21100060AAAACG5124

**STANDALONE BALANCE SHEET**

as at March 31, 2021

	Note	As at March 31, 2021	(INR Lakhs) As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,077.29	2,769.32
Intangible assets	4	52,310.07	38,806.56
Intangible assets under development	4A	13,103.82	16,140.25
Financial assets			
Investments	5	114.50	106.39
Loans	6	291.00	318.88
Other financial assets	7	689.42	1,000.27
Income tax assets (net)	8A	7,362.78	7,154.61
<b>Total non-current assets</b>		<b>75,948.88</b>	<b>66,296.28</b>
<b>Current assets</b>			
Inventories	9	47,703.84	35,487.34
Financial assets			
Investments	5	8,301.31	11,553.49
Trade receivables	10	109,376.42	92,133.82
Cash and cash equivalents	11A	3,876.70	3,020.64
Bank balance other than cash and cash equivalents	11B	17,294.68	7,362.42
Loans	6	-	0.03
Other financial assets	7	2,713.34	1,017.62
Other current assets	12	3,767.39	2,284.37
<b>Total current assets</b>		<b>193,033.68</b>	<b>152,859.73</b>
<b>Total Assets</b>		<b>268,982.56</b>	<b>219,156.01</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	13	9,022.05	9,022.05
Other equity	14	141,245.86	122,064.83
<b>Total equity</b>		<b>150,267.91</b>	<b>131,086.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Trade payables	15	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		240.44	238.10
Other financial liabilities	16	1,159.55	1,305.61
Provisions	17	283.32	249.68
Deferred tax liabilities (net)	8C	9,286.81	6,930.42
<b>Total non-current liabilities</b>		<b>10,970.12</b>	<b>8,723.81</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	6,784.72	-
Trade payables	15	-	-
total outstanding dues of micro enterprises and small enterprises		321.40	-
total outstanding dues of creditors other than micro enterprises and small enterprises		75,678.74	64,353.56
Other financial liabilities	16	15,299.02	8,848.92
Other current liabilities	19	4,828.63	3,800.61
Provisions	17	4,832.02	2,342.23
<b>Total current liabilities</b>		<b>107,744.53</b>	<b>79,345.32</b>
<b>Total Equity and Liabilities</b>		<b>268,982.56</b>	<b>219,156.01</b>
<b>Summary of significant accounting policies</b>	2		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

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

Chairman &amp; Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

Place : Mumbai

Date : May 26, 2021



## STANDALONE FINANCIAL STATEMENTS

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

	Note	Year ended March 31, 2021	(INR Lakhs) Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	20	203,261.95	161,606.55
Other income	21	8,092.02	13,032.14
<b>Total Income</b>		<b>211,353.97</b>	<b>174,638.69</b>
<b>Expenses</b>			
Cost of materials consumed	22	93,947.92	77,716.09
Purchase of stock in trade		45,329.52	33,728.26
Changes in Inventories of finished goods and stock in trade	23	(2,343.05)	(151.06)
Employee benefits expense	24	3,054.77	2,804.18
Finance costs	25	199.00	176.69
Foreign exchange (gain) / loss (net)		(1,598.64)	983.86
Depreciation and amortisation expense	26	17,039.34	13,707.89
Other expenses	27	27,256.89	24,792.34
<b>Total expenses</b>		<b>182,885.75</b>	<b>153,758.25</b>
<b>Profit before tax</b>		<b>28,468.22</b>	<b>20,880.44</b>
<b>Tax expense</b>			
Current tax	8B	4,995.94	3,978.62
Adjustment of tax relating to earlier years	8B	139.82	(119.35)
Deferred tax charge / (credit)	8B & 8C	2,353.12	(2,167.36)
<b>Total tax expense</b>		<b>7,488.88</b>	<b>1,691.91</b>
<b>Profit for the year</b>		<b>20,979.34</b>	<b>19,188.53</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to the statement of profit or loss</b>			
Re-measurement gains/(losses) on defined benefit plans		9.37	(4.25)
Income tax relating to items that will not be reclassified to profit or loss	8B & 8C	(3.27)	1.49
<b>Total other comprehensive income / (loss)</b>		<b>6.10</b>	<b>(2.76)</b>
<b>Total Comprehensive Income for the year</b>		<b>20,985.44</b>	<b>19,185.77</b>
<b>Earnings per share (INR per share)</b>			
Basic and diluted (Face value per share of INR 10 each)	28	<b>23.25</b>	<b>21.27</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before tax	28,468.22	20,880.44
<b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>		
Depreciation and amortisation expense	17,039.34	13,707.89
Profit on disposal of property, plant and equipment	-	(1.32)
Unrealized exchange (gain) / loss (net)	(956.25)	1,015.31
Discard / Write-off of intangible assets and intangible assets under development	3,832.22	5,465.46
Gain on redemption of current investments	(655.13)	(758.62)
Fair valuation gain on current investments	(450.76)	(229.50)
Provision for gratuity	46.44	42.29
Allowances for doubtful debts	-	1,361.97
Reversal of doubtful debts	(312.71)	-
Liabilities/ provisions no longer required written back	(1,000.77)	(865.82)
Liabilities of capital creditors no longer required written back	(226.98)	(504.77)
Finance costs	199.00	176.69
Interest income	(872.62)	(827.39)
Dividend income	(4,573.05)	(9,456.17)
Bad debts	821.25	83.52
<b>Operating profit before working capital changes</b>	<b>41,358.20</b>	<b>30,089.98</b>
Movements in working capital:		
(Increase) in trade receivables	(20,749.22)	(15,449.64)
(Increase) in inventories	(12,216.50)	(2,653.40)
Decrease in loans	0.03	0.09
(Increase) in other assets	(1,520.78)	(343.70)
(Increase) in other financial assets	(1,042.79)	(228.76)
Increase in trade payables	15,838.34	1,330.90
Increase in provisions	2,486.36	339.21
Increase / (decrease) in other financial liabilities and other liabilities	1,206.90	(1,596.94)
<b>Cash generated from operations</b>	<b>25,360.54</b>	<b>11,487.74</b>
Income taxes paid (net of refunds)	(5,343.93)	(6,188.26)
<b>Net cash flows from operating activities (A)</b>	<b>20,016.61</b>	<b>5,299.48</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital working progress)	(7.53)	(39.99)
Purchase of intangible assets (including intangible assets under development)	(23,111.28)	(17,556.42)
Proceeds from sale of property, plant and equipment	-	3.46
Investment in subsidiary	(8.11)	-
Purchase of current investments	(10,874.56)	(22,693.16)
Proceeds from sale of current investments	15,232.63	33,322.59
Investment of bank deposit	(9,962.82)	(2,836.18)
Redemption of bank deposits	31.06	2,357.65
Interest from fixed deposit	513.45	355.75
Loans to subsidiary - principal received	26.00	20.37
Loans to subsidiary - interest received	25.76	26.69



## STANDALONE FINANCIAL STATEMENTS

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Dividends received from subsidiary	4,555.86	9,365.50
Dividends received from current investments	17.19	90.67
<b>Net cash flows (used in) / from investing activities (B)</b>	<b>(23,562.35)</b>	<b>2,416.93</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	12,474.79	-
Repayment of borrowings	(5,677.77)	-
Repayment of principal towards lease liability	(418.37)	(386.31)
Interest paid on lease liability	(121.63)	(153.69)
Finance costs paid	(39.12)	(4.85)
Dividend paid on equity shares	(1,804.41)	(5,413.23)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>4,413.49</b>	<b>(5,958.08)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>867.75</b>	<b>1,758.33</b>
Cash and cash equivalents at the beginning of the year	3,020.64	1,261.14
Exchange differences on translation of foreign currency cash and cash equivalents	(11.69)	1.17
<b>Cash and cash equivalents at the end of the year</b>	<b>3,876.70</b>	<b>3,020.64</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.75	0.44
With banks in current accounts	3,875.95	3,020.20
<b>Total cash and cash equivalents as per the cash flows statement (refer note 11A)</b>	<b>3,876.70</b>	<b>3,020.64</b>

**Notes:**

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

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Opening balance	-	-
Loan taken during the year	12,474.79	-
Repayment made during the year	(5,677.77)	-
Foreign exchange (gain) / loss	(12.30)	-
<b>Closing balance</b>	<b>6,784.72</b>	<b>-</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

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

Chairman &amp; Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

## A. Equity share capital

	(INR Lakhs)
<b>As at April 01, 2019</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at March 31, 2020</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at March 31, 2021</b>	<b>9,022.05</b>

## B. Other equity

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

	Reserves and surplus				Other comprehensive income	Total
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserves (Note 14)	General reserves (Note 14)	Re-measurement of the net defined benefit plan	
<b>As on April 01, 2020</b>	<b>2,148.55</b>	<b>117,781.10</b>	<b>1,491.29</b>	<b>664.93</b>	<b>(21.04)</b>	<b>122,064.83</b>
Profit for the year	-	20,979.34	-	-	-	20,979.34
Other comprehensive Income	-	-	-	-	6.10	6.10
<b>Total comprehensive Income</b>	<b>-</b>	<b>20,979.34</b>	<b>-</b>	<b>-</b>	<b>6.10</b>	<b>20,985.44</b>
Payments of dividends	-	(1,804.41)	-	-	-	(1,804.41)
<b>As on March 31, 2021</b>	<b>2,148.55</b>	<b>136,956.03</b>	<b>1,491.29</b>	<b>664.93</b>	<b>(14.94)</b>	<b>141,245.86</b>

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

As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

### Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

### For and on behalf of the Board of Directors of

Sharda Cropchem Limited

### Ramprakash V. Bubna

Chairman & Managing Director

DIN 00136568

### Ashok Vashisht

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

### Manish R. Bubna

Whole-time Director

DIN 00137394

### Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

## STANDALONE FINANCIAL STATEMENTS

# NOTES

## to Standalone Financial Statements for the year ended March 31, 2021

Currency in Indian Rupees in lakhs

### 1. Corporate information

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

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

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

### 2. Significant accounting policies

#### 2.1 Statement of Compliance

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

The standalone financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on May 26, 2021.

#### 2.2 Basis of preparation and presentation

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

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

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

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

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

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

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

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

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

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

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

#### 2.3 Functional and Presentation Currency

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

#### 2.4 Current and non-current classification

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

##### Assets

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

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

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

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

All other assets are classified as non-current.

### Liabilities

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

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

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

All other liabilities are classified as non-current.

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

### Operating cycle

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

## 2.5 Foreign currency translation

### Transactions and balances

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

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

## 2.6 Derivative financial instruments

### Initial recognition and subsequent measurement

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

## 2.7 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and
- recognise revenues when a performance obligation is satisfied.

### Sale of goods

The Company recognised revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control is transferred to



## STANDALONE FINANCIAL STATEMENTS

the customer which is usually on shipment / dispatch / delivery. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

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

### Interest income

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

### Dividends

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

### Insurance claims

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

### Export incentives

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

## 2.8 Taxation

### 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.

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

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

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

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current

tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

#### Minimum Alternative tax

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

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

### Recognition and measurement

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The residual values, useful life and depreciation method are reviewed at each financial year-end

to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the Standalone financial statements.

### Depreciation and amortization

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

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

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

## 2.10 Intangible assets and amortisation

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

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

## STANDALONE FINANCIAL STATEMENTS

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses.

### 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 government authorities, 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.

## 2.11 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized

impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Intangible assets are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### 2.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced

by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. Such operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

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

### 2.13 Inventories

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

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

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

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower. Any write-down of inventories is recognised as an expense during the year.

### 2.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of

## STANDALONE FINANCIAL STATEMENTS

past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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

### 2.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

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

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

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

### 2.16 Employee benefit expenses

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

#### Post-employment benefit plans

##### Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution

Schemes as the Company does not carry any further obligations, apart from the contributions made.

#### Defined benefit plans

The Company operates defined benefit plans - gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

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

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

#### Short-term employee benefit

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

### 2.17 Financial instruments

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

### Financial assets

#### Initial recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

#### Classification and subsequent measurement

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

- Debt instruments at amortized 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.

#### 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 solely payments of principle & interest ( 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.

## STANDALONE FINANCIAL STATEMENTS

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 group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at

the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

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

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

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

## STANDALONE FINANCIAL STATEMENTS

events that are possible within 12 months after the reporting date.

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### Financial liabilities

#### Initial recognition and measurement

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

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

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

#### Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

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

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

#### Loans and borrowings

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

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

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## STANDALONE FINANCIAL STATEMENTS

### 2.18 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 2.19 Dividend to Equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company.

### 2.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

### 2.21 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments based on their relationship to the operating activities of the segment. Inter segment revenue is

accounted based on transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 2A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the standalone financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the standalone financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### (i) Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

#### Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are considered as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

### (ii) **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### **Taxes**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of several factors including future taxable income.

#### **Defined benefit plans (gratuity benefits)**

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

#### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every

reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### **Impairment of non- financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### **Provision against obsolete and slow-moving inventories**

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.



## STANDALONE FINANCIAL STATEMENTS

### **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### **Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone statement of profit and loss.

### **Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue

from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

STANDALONE FINANCIAL STATEMENTS

**3. Property, plant and equipment**

**3A. Owned assets**

(INR Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold Improvements	Electrical Installation	Total
<b>Cost</b>							
At April 01, 2019	261.32	697.92	45.50	41.96	497.16	199.27	<b>1,743.13</b>
Additions	0.21	-	28.15	11.63	-	-	<b>39.99</b>
Disposals	-	-	(15.73)	(1.70)	-	-	<b>(17.43)</b>
<b>At March 31, 2020</b>	<b>261.53</b>	<b>697.92</b>	<b>57.92</b>	<b>51.89</b>	<b>497.16</b>	<b>199.27</b>	<b>1,765.69</b>
<b>Accumulated depreciation</b>							
At April 01, 2019	84.01	124.90	11.78	33.31	110.89	43.13	<b>408.02</b>
Depreciation charge during the year	49.45	68.10	8.28	7.93	82.86	33.20	<b>249.82</b>
Disposals	-	-	(13.59)	(1.70)	-	-	<b>(15.29)</b>
<b>At March 31, 2020</b>	<b>133.46</b>	<b>193.00</b>	<b>6.47</b>	<b>39.54</b>	<b>193.75</b>	<b>76.33</b>	<b>642.55</b>
<b>Net carrying value</b>							
At April 01, 2019	177.31	573.02	33.72	8.65	386.27	156.14	<b>1,335.11</b>
<b>At March 31, 2020</b>	<b>128.07</b>	<b>504.92</b>	<b>51.45</b>	<b>12.35</b>	<b>303.41</b>	<b>122.94</b>	<b>1,123.14</b>

(INR Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold Improvements	Electrical Installation	Total
<b>Cost</b>							
At April 01, 2020	261.53	697.92	57.92	51.89	497.16	199.27	<b>1,765.69</b>
Additions	-	0.59	-	6.93	-	-	<b>7.52</b>
Disposals	(41.00)	(100.80)	-	(43.47)	-	-	<b>(185.27)</b>
<b>At March 31, 2021</b>	<b>220.53</b>	<b>597.71</b>	<b>57.92</b>	<b>15.35</b>	<b>497.16</b>	<b>199.27</b>	<b>1,587.94</b>
<b>Accumulated depreciation</b>							
At April 01, 2020	133.46	193.00	6.47	39.54	193.75	76.33	<b>642.55</b>
Depreciation charge during the year	48.44	67.85	8.82	7.97	82.91	33.23	<b>249.22</b>
Disposals	(40.96)	(99.96)	-	(43.48)	-	-	<b>(184.40)</b>
<b>At March 31, 2021</b>	<b>140.94</b>	<b>160.89</b>	<b>15.29</b>	<b>4.03</b>	<b>276.66</b>	<b>109.56</b>	<b>707.37</b>
<b>Net carrying value</b>							
At April 01, 2020	128.07	504.92	51.45	12.35	303.41	122.94	<b>1,123.14</b>
<b>At March 31, 2021</b>	<b>79.59</b>	<b>436.82</b>	<b>42.63</b>	<b>11.32</b>	<b>220.50</b>	<b>89.71</b>	<b>880.57</b>



## STANDALONE FINANCIAL STATEMENTS

**3B. Leased assets**

	(INR Lakhs)
	<b>Leasehold Premises</b>
<b>Cost</b>	
At April 01, 2019	-
Additions on account of transition to Ind AS 116 - April 01, 2019	2,095.65
Additions	-
Disposals	-
<b>At March 31, 2020</b>	<b>2,095.65</b>
<b>Accumulated depreciation</b>	
At April 01, 2019	-
Depreciation charge during the year	449.47
Disposals	-
<b>At March 31, 2020</b>	<b>449.47</b>
<b>Net carrying value</b>	
At April 01, 2019	-
<b>At March 31, 2020</b>	<b>1,646.18</b>

	(INR Lakhs)
	<b>Leasehold Premises</b>
<b>Cost</b>	
At April 01, 2020	2,095.65
Additions	-
Disposals	-
<b>At March 31, 2021</b>	<b>2,095.65</b>
<b>Accumulated depreciation</b>	
At April 01, 2020	449.47
Depreciation charge during the year	449.46
Disposals	-
<b>At March 31, 2021</b>	<b>898.93</b>
<b>Net carrying value</b>	
At April 01, 2020	1,646.18
<b>At March 31, 2021</b>	<b>1,196.72</b>

**Notes:**

The Company's leases mainly comprise of leasehold premises. The Company does not have any other assets, either on short-term leases having a lease term of 12 months or less, or leases of low-value assets.

## STANDALONE FINANCIAL STATEMENTS

### 4. Intangible assets

	Computer Software	Product Registration and Licences	(INR Lakhs) Total
<b>Cost</b>			
At April 01, 2019	58.94	60,239.56	<b>60,298.50</b>
Additions *	45.89	16,546.30	<b>16,592.19</b>
Disposals *	-	(687.75)	<b>(687.75)</b>
Adjustments *	-	(460.07)	<b>(460.07)</b>
<b>At March 31, 2020</b>	<b>104.83</b>	<b>75,638.04</b>	<b>75,742.87</b>
<b>Accumulated amortisation</b>			
At April 01, 2019	49.50	24,464.73	<b>24,514.23</b>
Amortisation during the year	8.89	12,999.71	<b>13,008.60</b>
Disposals *	-	(527.31)	<b>(527.31)</b>
Adjustments *	-	(59.21)	<b>(59.21)</b>
<b>At March 31, 2020</b>	<b>58.39</b>	<b>36,877.92</b>	<b>36,936.31</b>
<b>Net carrying value</b>			
At April 01, 2019	9.44	35,774.83	<b>35,784.27</b>
<b>At March 31, 2020</b>	<b>46.44</b>	<b>38,760.12</b>	<b>38,806.56</b>

	Computer Software	Product Registration and Licences	(INR Lakhs) Total
<b>Cost</b>			
At April 01, 2020	104.83	75,638.04	<b>75,742.87</b>
Additions*	5.92	30,107.16	<b>30,113.08</b>
Disposals *	-	-	<b>-</b>
Adjustments *	-	(1,465.38)	<b>(1,465.38)</b>
<b>At March 31, 2021</b>	<b>110.75</b>	<b>104,279.82</b>	<b>104,390.57</b>
<b>Accumulated amortisation</b>			
At April 01, 2020	58.39	36,877.92	<b>36,936.31</b>
Amortisation during the year	13.76	16,326.90	<b>16,340.66</b>
Disposals *	-	(1,196.47)	<b>(1,196.47)</b>
Adjustments *	-	-	<b>-</b>
<b>At March 31, 2021</b>	<b>72.15</b>	<b>52,008.35</b>	<b>52,080.50</b>
<b>Net carrying value</b>			
At April 01, 2020	46.44	38,760.12	<b>38,806.56</b>
<b>At March 31, 2021</b>	<b>38.60</b>	<b>52,271.47</b>	<b>52,310.07</b>

\* The data compensation elements of product registration was initially capitalised based on management estimates. The gross block of product registration and licenses have been reduced as an outcome of negotiations / arbitration with contracting parties by INR Nil (March 31, 2020: INR 460.07 lakhs)

The Company has written off certain assets during the current year having net written down value of INR 166.53 lakhs (March 31, 2020: INR 160.44 lakhs) based on internal assessment.

Intangible assets and Intangible assets under development are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

The Company generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements' best estimate about future developments.



## STANDALONE FINANCIAL STATEMENTS

## 4A. Intangible assets under development

	(INR Lakhs)
<b>Intangible assets under development</b>	
<b>At April 01, 2019</b>	21,975.83
Additions	16,388.69
Disposals	(5,632.08)
Capitalised	(16,592.19)
<b>At March 31, 2020</b>	<b>16,140.25</b>

	(INR Lakhs)
<b>Intangible assets under development</b>	
<b>At April 01, 2020</b>	16,140.25
Additions	30,880.22
Disposals	(3,803.57)
Capitalised	(30,113.08)
<b>At March 31, 2021</b>	<b>13,103.82</b>

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

	As at March 31, 2021	(INR Lakhs) As at March 31, 2020
<b>Investment carried at cost</b>		
<b>Investment in equity instruments</b>		
<b>Investment in subsidiaries (unquoted)</b>		
-Axis Crop Science Private Limited 50,00,000 (March 31, 2020: 50,00,000) equity shares of INR 10 each fully paid-up	544.00	544.00
-Provision for investment in Axis Crop Science Private Limited	(544.00)	(544.00)
	-	-
-Nihon Agro Service Kabushiki Kaisha 10 (March 31, 2020: 10) equity shares of JPY 10,000 each fully paid	0.59	0.59
-Sharda Polska SP. ZO.O. 20 (March 31, 2020: 20) equity shares of PLN 1,000 each fully paid-up	2.99	2.99
-Sharda Ukraine LLC 62,500 (March 31, 2020: 62,500) equity shares of UAH 1 each fully paid-up	4.25	4.25
-Sharda Del Ecuador CIA. LTDA. 398 (March 31, 2020: 398) equity shares of US\$ 1 each fully paid-up	0.20	0.20
-Sharda Peru SAC 1,999 (March 31, 2020: 1,999) equity share of PEN 1 each fully paid-up	0.33	0.33
-Sharda Swiss SARL 20 (March 31, 2020: 20) equity shares of CHF 1,000 each fully paid-up	8.62	8.62
-Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA. 30,690 (March 31, 2020: 30,690) equity shares of BRL 1 each fully paid-up	8.20	8.20

## STANDALONE FINANCIAL STATEMENTS

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
-Sharda Hellas Agrochemicals Limited 150 (March 31, 2020: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Sharda Balkan Agrochemicals Limited 150 (March 31, 2020: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Shardaserb DO.O. 1 (March 31, 2020: 1,) Partly paid-up equity share of EURO 500 each (50% of face value has been paid)	0.17	0.17
-Sharda Agrochem Dooel Skopje. 1 (March 31, 2020: 1) equity share of Euro 5,000 each fully paid-up	3.67	3.67
-Sharda Spain, S.L. 3,050 (March 31, 2020: 3,050) equity shares of EURO 1 each fully paid-up	1.96	1.96
-Sharda Costa Rica S.A. (refer note 'a' below) 99 (March 31, 2020: 99) equity shares of COLON 20 each fully paid-up	0.00	0.00
-Sharda De Guatemala S.A. 49 (March 31, 2020: 49) equity shares of GTQ 100 each fully paid-up	0.34	0.34
-Sharda International DMCC 2 (March 31, 2020: 2) equity shares of AED 1,00,000 each fully paid-up	27.68	27.68
-Sharda Italia SRL 9,900 (March 31, 2020: 9,900) equity shares of EURO 1 each fully paid-up	7.74	7.74
-Sharda Hungary Kft 1 (March 31, 2020: 1) equity share of HUF 30,00,000 each fully paid-up	7.23	7.23
-Sharda Cropchem Espana, S.L. 61 (March 31, 2020: 61) equity shares of EURO 50 each fully paid	2.59	2.59
-Sharda Poland SP. ZO.O. 100 (March 31, 2020: 100,) equity shares of PLN 50 each fully paid	0.98	0.98
-Sharda Taiwan Limited 10,000 (March 31, 2020: 10,000) equity shares of Taiwan \$ 10 each fully paid	2.04	2.04
Sharda Private (Thailand) Limited 8,300 (March 31, 2020: 8,300) equity shares of THB 100 each fully paid	17.29	17.29
Sharda Private (Thailand) Limited 1,500 (March 31, 2020: 1,500) Preferential shares of THB 100 each fully paid	3.13	3.13
-Sharda Cropchem Tunisia SARL 99 (March 31, 2020: 99) equity shares of EURO 10 each fully paid	0.75	0.75
-Sharda Maroc SARL (refer note 'b' below) 998 (March 31, 2020: Nil) equity shares of EURO 10 each fully paid	8.11	-
<b>Total</b>	<b>114.50</b>	<b>106.39</b>

### Notes:

a. Amount rounded off in lakhs hence not appearing. The actual amount of investment is INR 206 (March 31,2020: INR 206).

b. This Company was formed on February 02, 2017 and share capital was remitted on March 19, 2021.





STANDALONE FINANCIAL STATEMENTS

	(INR Lakhs)	
Current investments	As at March 31, 2021	As at March 31, 2020
<b>Investments carried at fair value through statement of profit or loss (FVTPL)</b>		
<b>Investments in mutual funds (Unquoted)</b>		
-Aditya Birla Sun Life Arbitrage Fund - Dividend - Regular Fund Nil (March 31, 2020: 30,54,567) units of INR 10 each	-	328.56
-Axis Banking & PSU Debt Fund 50,067 (March 31, 2020: 50,067) units of INR 1,000 each	1,031.08	956.96
Axis Treasury Advantage Fund- Growth Nil (March 31, 2020: 31,172) units of INR 1,000 each	-	703.15
DSP Corporate Bond Fund Growth 70,48,697 (March 31, 2020: 70,48,697) units of INR 10 each	896.47	830.84
DSP Banking and PSU Debt Fund- Reg-Growth 41,95,404 (March 31, 2020: 41,95,404) units of INR 10 each	785.88	727.52
-DSP Low Duration Fund - Regular Plan - Growth Nil (March 31, 2020: 27,65,491) units of INR 10 each	-	405.48
-HDFC Ultra Short Term Fund-Regular Growth Nil (March 31, 2020: 22,59,918) units of INR 10 each	-	253.24
-HDFC Corporate Bond Fund - Regular Growth 57,40,234 (March 31, 2020: 38,67,605) units of INR 10 each	1,430.92	886.22
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 35,39,859 (March 31, 2020: 35,39,859) units of INR 10 each	803.12	737.21
-ICICI Prudential Equity Arbitrage Fund - Dividend Nil (March 31, 2020: 24,05,582) units of INR 10 each	-	328.93
-IDFC Banking & PSU Debt Fund - Regular Nil (March 31, 2020: 34,87,045) units of INR 10 each	-	618.71
-IDFC Corporate Bond Fund Regular Plan - Growth 1,01,92,105 (March 31, 2020: 57,27,541) units of INR 10 each	1,531.16	789.33
-IDFC Ultra Short Term Fund Regular Plan - Growth Nil (March 31, 2020: 35,58,645) units of INR 10 each	-	404.77
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) Nil (March 31, 2020: 40,66,201) units of INR 10 each	-	434.76
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 12,00,788 (March 31, 2020: 12,00,788) units of INR 10 each	604.18	560.97
Kotak Corporate Bond Fund Standard Growth (Regular Plan) Nil (March 31, 2020: 15,397) units of INR 1000 each	-	414.33
-Reliance Arbitrage Fund - Dividend Plan Reinvestment Nil (March 31, 2020: 43,49,154) units of INR 10 each	-	536.66
-SBI Banking & PSU Fund - Regular Growth Nil (March 31, 2020: 28,984) units of INR 1,000 each	-	661.01
-SBI Corporate Bond Fund - Regular Plan Growth Nil (March 31, 2020: 35,84,808) units of INR 10 each	-	402.18

OVERVIEW

REPORTS

FINANCIALS

## STANDALONE FINANCIAL STATEMENTS

(INR Lakhs)

<b>Current investments</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
-Union Focused Regular Plan - Growth Option Nil (March 31, 2020: 29,99,990) units of INR 10 each	-	254.40
-Union Large and Midcap Fund Nil (March 31, 2020: 14,99,990) units of INR 10 each	-	113.40
-Union Corporate Bond Fund Regular Plan - Growth * 26,79,793 (March 31, 2020: 18,38,742) units of INR 10 each	321.66	204.86
-Union Medium Duration Fund - Regular Plan - Growth * 19,99,900 (March 31, 2020: Nil) units of INR 10 each	204.08	-
-Union Hybrid Equity Fund - Regular Plan - Growth 9,99,940 (March 31, 2020: Nil) units of INR 10 each	106.09	-
-Union Corporate Bond Fund - Direct Plan - Growth * 48,43,808 (March 31, 2020: Nil) units of INR 10 each	586.67	-
<b>Total</b>	<b>8,301.31</b>	<b>11,553.49</b>

\* Lien marked on the units of Union Corporate Bond Fund Regular Plan - Growth for INR 220.71 lakhs (March 31, 2020: INR Nil), Union Medium Duration Fund - Regular Plan - Growth for INR 204.08 lakhs (March 31, 2020: INR Nil) and Union Corporate Bond Fund - Direct Plan - Growth for INR 586.67 lakhs (March 31, 2020: INR Nil) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Aggregate amount of unquoted investments	8,415.81	11,659.88
Investments carried at cost	114.50	106.39
Investments carried at fair value through statement of profit or loss (FVTPL)	8,301.31	11,553.49
Investments impaired	544.00	544.00

### 6. Loans

#### Non-current

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Unsecured, considered good</b>		
Loans to related party	291.00	318.88
<b>Total</b>	<b>291.00</b>	<b>318.88</b>

#### Current

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Unsecured, considered good</b>		
Others loans		
Loans to employees	-	0.03
<b>Total</b>	<b>-</b>	<b>0.03</b>

## STANDALONE FINANCIAL STATEMENTS

**7. Other Financial Assets**
**Non-current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Goods and services tax receivable	12.64	165.72
Statutory dues receivable from government authorities	244.73	495.10
Export incentive receivable	419.11	326.51
Security deposit	12.94	12.94
<b>Total</b>	<b>689.42</b>	<b>1,000.27</b>

**Current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Derivative instrument - foreign currency forward contracts (refer note 35)	79.11	0.60
Goods and services tax receivable	986.73	992.61
Statutory dues receivable from government authorities	1,647.50	-
Export incentive and other receivables	-	24.41
<b>Total</b>	<b>2,713.34</b>	<b>1,017.62</b>

**8A. Income tax assets (net)**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Advance tax [Net of provision for income tax of INR 40,273.30 lakhs (March 31, 2020: INR 35,137.74 lakhs)]	7,362.78	7,154.61
<b>Total</b>	<b>7,362.78</b>	<b>7,154.61</b>

**8B. Tax expense**

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

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

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current income tax:</b>		
Current income tax charge	4,995.94	3,978.62
Adjustments in respect of current income tax of previous year	139.82	(119.35)
<b>Deferred taxes:</b>		
Relating to origination and reversal of temporary differences	2,353.12	1,355.48
On account of new tax rate	-	(3,522.84)
<b>Income tax expense reported in the statement of Profit &amp; Loss</b>	<b>7,488.88</b>	<b>1,691.91</b>

## STANDALONE FINANCIAL STATEMENTS

### Income tax (expense) / benefit recognized in OCI

Deferred tax relating to items recognised in OCI during the year

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Net (gain) / loss on remeasurement of defined employee benefit plans	(3.27)	1.49
<b>Total</b>	<b>(3.27)</b>	<b>1.49</b>

### Reconciliation of effective tax rate (ETR)

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit from operations before income taxes	28,468.22	20,880.44
Tax @34.944% (March 31, 2020: 34.944%) (Indian statutory income tax rate)	9,947.93	7,296.46
<b>Tax effect on income not taxable for tax purposes or taxable at lower rates:</b>		
Dividend received in investment in subsidiary	1,111.27	1,636.34
On account of new tax rate	-	3,522.84
Others - (including temporary difference which will reverse at lower rate)	1,646.01	437.95
	<b>2,757.28</b>	<b>5,597.13</b>
<b>Tax effect on non-deductible expenses for tax purposes:</b>		
Interest on Income Tax	-	0.61
Corporate social responsibility (CSR) expenditure	114.53	100.02
Others	43.88	11.30
	<b>158.41</b>	<b>111.93</b>
Adjustments recognised in the current year in relation to the current tax of prior years	139.82	(119.35)
<b>Income tax expense</b>	<b>7,488.88</b>	<b>1,691.91</b>

### 8C. Deferred tax liabilities (net)

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>		
Provision for gratuity	76.44	66.44
Provision for investment in subsidiary	124.47	124.47
Others	6.97	8.53
Lease liability	377.70	430.21
Provision for doubtful debts	386.73	465.43
Provision for inventories	140.28	-
Gain / loss on derivatives (Foreign currency forward contracts)	30.68	50.44
Unrealised gain / loss on investment carried at fair value through statement of profit and loss	-	87.95
Minimum Alternate Tax (MAT) credit	2,871.02	1,853.88
<b>Gross deferred tax assets</b>	<b>4,014.29</b>	<b>3,087.35</b>
<b>Deferred tax liabilities</b>		
Tangible and intangible assets	12,999.91	9,603.46
Lease assets	301.19	414.31
<b>Gross deferred tax liabilities</b>	<b>13,301.10</b>	<b>10,017.77</b>
<b>Net deferred tax (liabilities)</b>	<b>(9,286.81)</b>	<b>(6,930.42)</b>

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.

## STANDALONE FINANCIAL STATEMENTS

**The net movement in the deferred tax for the year ended March 31, 2021 and March 31, 2020**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Net deferred tax (liabilities) at the beginning of the year</b>	(6,930.42)	(9,099.27)
(Charge) relating to temporary differences	(2,353.12)	(1,355.48)
On account of new tax rate	-	3,522.84
Temporary differences on other comprehensive expenses	(3.27)	1.49
<b>Net deferred tax (liabilities) at the end of the year</b>	<b>(9,286.81)</b>	<b>(6,930.42)</b>

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

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw materials including packing materials [Stock in transit INR 5,116.97 lakhs (March 31, 2020: INR 3,658.40 lakhs)]	25,841.10	15,967.65
Finished Goods [Stock in transit INR 1,958.54 lakhs (March 31, 2020: INR 2,169.30 lakhs)]	20,580.93	18,942.85
Traded goods [Stock in transit INR 668.74 lakhs (March 31, 2020: INR 94.27 lakhs)]	1,281.81	576.84
<b>Total</b>	<b>47,703.84</b>	<b>35,487.34</b>

**Note:**

- i) Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is INR 401.29 lakhs (March 31, 2020: INR 156.09 lakhs)
- ii) The products of the Company are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Company does not foresee any diminution in the net realizable value of inventories carried as at March 31, 2021 due to COVID-19.
- iii) The carrying amount of inventories are pledged as security against credit facilities availed by the Company from bank of INR 6,784.72 lakhs (March 31, 2020: INR Nil) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 18).

**10. Trade receivables**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Related parties (refer note 34)	30,688.17	23,700.07
Others	78,688.25	68,433.75
<b>Significant increase in credit risk</b>		
Others	1,536.58	1,849.29
	<b>110,913.00</b>	<b>93,983.11</b>
Less: Allowances for credit losses	(1,536.58)	(1,849.29)
<b>Total</b>	<b>109,376.42</b>	<b>92,133.82</b>

For the Company's credit risk management process, refer note 37.

Trade receivables are pledged as security against credit facilities availed by the Company from bank of INR 6,784.72 lakhs (March 31, 2020: INR Nil) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 18).

## STANDALONE FINANCIAL STATEMENTS

### 11A. Cash and cash equivalents

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
in current accounts	3,875.95	3,020.20
Cash on hand	0.75	0.44
<b>Total</b>	<b>3,876.70</b>	<b>3,020.64</b>

### 11B. Bank balance other than cash and cash equivalents

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
In fixed deposit accounts		
with original maturity of more than three months but less than twelve months *	17,288.90	7,357.14
In earmarked accounts		
Unpaid dividend accounts	5.78	5.28
<b>Total</b>	<b>17,294.68</b>	<b>7,362.42</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 17,288.90 lakhs (March 31, 2020: INR 7,357.14 lakhs) against credit facilities availed by the Company.

### 12. Other assets

#### Current

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Advance to vendors for supply of goods and services	22.53	291.52
Right of recoveries against expected sales return	3,265.10	1,524.28
Prepaid expenses	315.87	269.00
Interest accrued on fixed deposits with bank *	163.89	199.57
<b>Total</b>	<b>3,767.39</b>	<b>2,284.37</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 163.89 lakhs (March 31, 2020: INR 199.57 lakhs) against credit facilities availed by the Company.

### 13. Equity share capital

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital</b>		
10,50,00,000 (March 31, 2020: 10,50,00,000) equity shares of INR 10/- each	10,500.00	10,500.00
<b>Issued, subscribed and fully paid-up</b>		
9,02,20,495 (March 31, 2020: 9,02,20,495) equity shares of INR 10/- each	9,022.05	9,022.05



## STANDALONE FINANCIAL STATEMENTS

**(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, 2021		As at March 31, 2020	
	No. of Shares	INR Lakhs	No. of Shares	INR Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
<b>Outstanding at the end of the year</b>	<b>9,02,20,495</b>	<b>9,022.05</b>	<b>9,02,20,495</b>	<b>9,022.05</b>

**(b) Terms/rights attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	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	14,091,147	15.62%	14,061,532	15.59%
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	8,314,223	9.22%	8,333,807	9.24%
<b>Total</b>	<b>66,818,056</b>	<b>74.08%</b>	<b>66,808,025</b>	<b>74.07%</b>

\* 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.

## STANDALONE FINANCIAL STATEMENTS

**(d) In the period of five years, immediately preceding March, 2021**

The company has not allotted any equity shares as fully paid up without payment being received in cash or bonus shares or bought back any equity shares.

**(e) Distribution made and proposed**

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash dividends on equity shares declared:</b>		
Interim dividend on equity shares for the year ended March 31, 2021: INR 2.00 (March 31, 2020: INR 4.00) per share	1,804.41	3,608.82
<b>Proposed dividends on equity shares:</b>		
Final cash dividend for the year ended March 31, 2021: INR 3.00 (March 31, 2020: INR Nil) per share	2,706.61	-
<b>Cash dividends on equity shares distributed and paid:</b>		
Interim dividend on equity shares for the year ended March 31, 2021: INR 2.00 (March 31, 2020: INR 4.00) per share	1,804.41	3,608.82
Final Dividend on equity shares for the year ended March 31, 2020: INR Nil (March 31, 2019: INR 2.00) per share	-	1,804.41

**14. Other equity**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Capital reserve</b>		
Balance at the beginning of the year	1,491.29	1,491.29
<b>Balance at the end of the year</b>	<b>1,491.29</b>	<b>1,491.29</b>
<b>Securities premium</b>		
Balance at the beginning of the year	2,148.55	2,148.55
<b>Balance at the end of the year</b>	<b>2,148.55</b>	<b>2,148.55</b>
<b>General Reserve</b>		
Balance at the beginning of the year	664.93	664.93
<b>Balance at the end of the year</b>	<b>664.93</b>	<b>664.93</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	117,760.06	103,987.52
Add: Profit for the year	20,979.34	19,188.53
Add: Other comprehensive income / (loss)	6.10	(2.76)
Less: Payment of dividends	1,804.41	5,413.23
<b>Balance at the end of the year</b>	<b>136,941.09</b>	<b>117,760.06</b>
<b>Total</b>	<b>141,245.86</b>	<b>122,064.83</b>





## STANDALONE FINANCIAL STATEMENTS

**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. Trade payables****Non-current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Total outstanding dues of micro enterprises and small enterprises (refer note 41)*</b>	-	-
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises *</b>		
Related parties (refer note 34)	-	-
Others	240.44	238.10
<b>Total</b>	<b>240.44</b>	<b>238.10</b>

**Current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Total outstanding dues of micro enterprises and small enterprises (refer note 41)*</b>	321.40	-
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises *</b>		
Related parties (refer note 34)	-	131.26
Others	75,678.74	64,222.30
<b>Total</b>	<b>76,000.14</b>	<b>64,353.56</b>

\* The Company has received intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006" based on which disclosure as required under the Act has been made.

**16. Other financial liabilities****Non-current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Security deposits	14.63	14.63
Lease liabilities	837.88	1,290.98
Creditors for capital purchases	307.04	-
<b>Total</b>	<b>1,159.55</b>	<b>1,305.61</b>

## STANDALONE FINANCIAL STATEMENTS

### Current

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Unclaimed dividend*	5.78	5.28
Interest accrued on borrowings	20.80	-
Lease liabilities	453.10	418.37
Creditors for capital purchases	14,073.96	7,772.39
Directors commission	432.47	357.85
Salaries and bonus	312.91	295.03
<b>Total</b>	<b>15,299.02</b>	<b>8,848.92</b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021 (March 31, 2020: Nil).

### 17. Provisions

#### Non-current

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Provision for gratuity (refer note 29)	283.32	249.68
<b>Total</b>	<b>283.32</b>	<b>249.68</b>

#### Current

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Provision for gratuity (refer note 29)	32.43	29.00
Provision for leave encashment	51.74	40.70
Expected return from customers	4,747.85	2,272.53
<b>Total</b>	<b>4,832.02</b>	<b>2,342.23</b>

### 18. Borrowings

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Buyer's credit from bank (Secured) *	6,784.72	-
<b>Total</b>	<b>6,784.72</b>	<b>-</b>

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



## STANDALONE FINANCIAL STATEMENTS

**19. Other current liabilities**

	As at March 31, 2021	As at March 31, 2020
		(INR Lakhs)
Advance from customers (refer note 33)	797.91	232.18
Payable towards sales incentives / sales promotion	1,504.12	1,331.31
Book overdraft	137.15	-
Statutory liabilities (including provident fund, tax deducted at source and others)	2,389.45	2,237.12
<b>Total</b>	<b>4,828.63</b>	<b>3,800.61</b>

**20. Revenue from operations**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Sale of goods (refer note 33)	202,892.77	161,242.57
Other operating revenue		
Export incentives	354.72	360.88
Miscellaneous receipts	14.46	3.10
<b>Total</b>	<b>203,261.95</b>	<b>161,606.55</b>

**21. Other income**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
<b>Interest income on</b>		
Bank deposits carried at amortised cost	477.77	479.06
Income tax refund received	325.80	30.90
Foreign VAT refund	8.09	
Loan to employees	-	0.03
Loan to subsidiary	23.88	25.65
Delay payment from customer	37.08	291.75
Insurance claim received	-	388.55
Reversal of doubtful debts	312.71	-
Dividend received on investments		
On mutual fund units	17.19	90.67
On investment in subsidiary	4,555.86	9,365.50
Profit on disposal of property, plant and equipment	-	1.32
Liabilities / provisions no longer required written back	1,000.77	865.82
Liabilities no longer required written back on creditors for capital purchases	226.98	504.77
Profit on sale of mutual fund	655.13	758.62
Gain on financial instruments at fair value (Mutual fund)	450.76	229.50
<b>Total</b>	<b>8,092.02</b>	<b>13,032.14</b>

## STANDALONE FINANCIAL STATEMENTS

### 22. Cost of materials consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	15,967.65	13,465.31
Add: Purchases	103,821.37	80,218.43
	<b>119,789.02</b>	<b>93,683.74</b>
Less: Inventory at the end of the year	(25,841.10)	(15,967.65)
<b>Total</b>	<b>93,947.92</b>	<b>77,716.09</b>

(INR Lakhs)

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

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the end of the year</b>		
Stock in trade	1,281.81	576.84
Finished goods	20,580.93	18,942.85
<b>Total</b>	<b>21,862.74</b>	<b>19,519.69</b>
<b>Inventories at the beginning of the year</b>		
Stock in trade	576.84	762.29
Finished goods	18,942.85	18,606.34
<b>Total</b>	<b>19,519.69</b>	<b>19,368.63</b>
<b>Changes in inventories of finished goods and stock in trade</b>	<b>(2,343.05)</b>	<b>(151.06)</b>

(INR Lakhs)

### 24. Employee benefit expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	2,996.43	2,748.14
Contribution to provident and other funds (refer note 29)	5.39	6.15
Gratuity expenses (refer note 29)	46.44	42.29
Staff welfare expenses	6.51	7.60
<b>Total</b>	<b>3,054.77</b>	<b>2,804.18</b>

(INR Lakhs)

### 25. Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest expenses on</b>		
Borrowing from bank	42.23	-
Income tax	-	1.73
Lease liabilities	121.63	153.69
Delayed payment of statutory dues	17.73	4.85
Others	17.41	16.42
<b>Total</b>	<b>199.00</b>	<b>176.69</b>

(INR Lakhs)



## STANDALONE FINANCIAL STATEMENTS

**26. Depreciation and amortisation expense**

	(INR Lakhs)	
	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Depreciation of property, plant and equipment (refer note 3A)	249.22	249.82
Depreciation of right-of-use asset (refer note 3B)	449.46	449.47
Amortisation of intangible assets (refer note 4)	16,340.66	13,008.60
<b>Total</b>	<b>17,039.34</b>	<b>13,707.89</b>

**27. Other expenses**

	(INR Lakhs)	
	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Freight and forwarding expenses	3,595.17	2,459.28
Rates and taxes	124.39	60.38
Insurance charges	570.20	339.61
Repairs and maintenance		
Buildings	1.67	35.17
Others	24.68	24.89
Advertising and sales promotion	147.74	259.94
Sales commission	519.44	586.22
Travelling and conveyance	477.17	1,153.21
Communication expenses	154.65	185.09
Office expenses	689.56	611.28
Legal and professional fees	14,296.39	10,226.15
Directors sitting fees	11.40	13.20
Corporate social responsibility expense (refer note 42)	644.68	555.91
Donation	-	0.30
Payment to auditor (refer note 'a' below)	51.14	54.25
Bad debts	821.25	83.52
Allowance for doubtful debts	-	1,361.97
Bank charges	1,242.03	1,290.56
Discard / write-off of intangible assets and intangible assets under development	3,832.22	5,465.46
Miscellaneous expenses	53.11	25.95
<b>Total</b>	<b>27,256.89</b>	<b>24,792.34</b>

## STANDALONE FINANCIAL STATEMENTS

**Note a:**

**Details of payment to auditor :**

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
<b>As auditors</b>		
Audit fees	45.00	45.00
Reimbursement of expense	2.30	5.85
<b>In other capacities</b>		
Other services - certification	3.83	3.40
<b>Total</b>	<b>51.13</b>	<b>54.25</b>

**28. Earnings per share (EPS)**

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
Profit after tax attributable to equity shareholders	20,979.34	19,188.53
Weighted average number of equity shares outstanding during the year	90,220,495	90,220,495
<b>Earnings per Share</b>		
Face value per equity share (INR)	10.00	10.00
Basic and diluted earnings per share (INR)	23.25	21.27

**29. Employee benefits - Employment benefit plans**

**a) Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the Note 24 under "Contribution to provident and other funds":

	As at March 31, 2021	As at March 31, 2020
(INR Lakhs)		
Contribution to employees provident fund	3.85	4.47
Contribution to ESI	1.54	1.68
<b>Total</b>	<b>5.39</b>	<b>6.15</b>

**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.



STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2021	As at March 31, 2020
(INR Lakhs)		
<b>Changes in benefit obligations</b>		
Benefit obligations at the beginning of the year	288.46	244.47
Current service cost	29.00	25.23
Interest cost	17.44	17.98
Actuarial (gains)/ losses	(8.82)	4.33
Benefits paid	(7.85)	(3.55)
<b>Benefit obligations at the end of the year</b>	<b>318.23</b>	<b>288.46</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	9.78	12.34
Interest income	-	0.91
Return on plan assets excluding amounts included in interest income	0.55	0.08
Benefits paid	(7.85)	(3.55)
<b>Fair value of plan assets at the end of the year</b>	<b>2.48</b>	<b>9.78</b>
<b>Net benefit obligation at the end of the year</b>	<b>315.75</b>	<b>278.68</b>

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
<b>Amounts recognised in the Statement of Profit and Loss under employee benefit expenses</b>		
Current service cost	29.00	25.23
Net interest cost	17.44	17.06
<b>Net gratuity cost charged to statement of profit and loss</b>	<b>46.44</b>	<b>42.29</b>

	As at March 31, 2021	As at March 31, 2020
(INR Lakhs)		
<b>Amounts recognised in Statement of Other Comprehensive Income</b>		
<b>Remeasurements of the net defined benefit liability / (asset)</b>		
Actuarial (gains) / losses	(8.82)	4.33
(Return)/ loss on plan assets excluding amounts included in the net interest	(0.55)	(0.08)
	<b>(9.37)</b>	<b>4.25</b>

	As at March 31, 2021	As at March 31, 2020
<b>Plan assets comprise of the following</b>		
Policy of Insurance	100%	100%

## STANDALONE FINANCIAL STATEMENTS

### Actuarial assumptions as at the Balance Sheet date:

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.45%	6.80%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

### Expected Benefit Payments in Future Years

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Year 1	65.50	63.93
Year 2	17.09	18.10
Year 3	22.27	16.02
Year 4	21.04	20.83
Year 5	15.67	19.53
Year 6 to 10	115.70	109.48

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

(INR Lakhs)

	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	305.26	332.29	277.14	300.72
Future salary growth rate varied by 0.5%	324.07	311.84	293.66	283.16
Withdrawal rate varied by 10%	320.95	315.20	291.48	285.23

### 30. Capital and other commitments

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account not provided for	17,981.53	37,525.15





## STANDALONE FINANCIAL STATEMENTS

**31. Contingent liabilities**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Income tax matters (refer note (i) below)	6,661.97	6,569.38
Service tax matter (refer note (ii) below)	785.14	785.14
<b>Total</b>	<b>7,447.11</b>	<b>7,354.52</b>

**Note:**

i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim by the Company (common for all years) which has been settled and allowed in favour of the Company by the Hon'ble ITAT, Mumbai for the earlier four years, and therefore the management is of the opinion that the contingent liabilities would not have an adverse impact on the Company in view of the favourable decisions given by the higher authorities in the Company's own case as mentioned above. Further, for FY 2014-15 (AY 2015-16), the Company has considered INR 90.61 lakhs as contingent liability as in view of the management the Company has a refund of INR 1,340.48 lakhs as per the return of income filed and once the issue is decided in favour of the Company for the respective year, the Company will be entitled to a refund of INR 1,340.48 lakhs along with the applicable interest.

ii) During the current year, an adverse order dated September 25, 2020 was received by the Company against the service tax refund claim. The Company filed an appeal on November 24, 2020 against the said order received. The Commissioner rejected the appeal on January 28, 2021 and upheld the original order passed on September 25, 2020. The Company has again filed an appeal on April 04, 2021 and final decision is awaited.

Future cash flows, if any, in respect of Service tax matter is determinable only on receipt of the judgement / decision pending with relevant authorities. The Company does not expect the outcome of the matter stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.

iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.

**32. 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

**Non-agrochemicals** : Conveyor Belts, V Belts and Timing Belts

**Information about operating segments**

(INR Lakhs)

	Agrochemicals		Non-agrochemicals		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Revenue</b>						
External sales	202,819.47	161,209.03	442.48	397.52	203,261.95	161,606.55
Other income	1,585.63	1,660.45	-	1.89	1,585.63	1,662.34
<b>Revenue from operations</b>	<b>204,405.10</b>	<b>162,869.48</b>	<b>442.48</b>	<b>399.41</b>	<b>204,847.58</b>	<b>163,268.89</b>
<b>Results</b>						
Segment results	23,524.19	11,031.09	80.51	33.13	23,604.70	11,064.22
Other income (Unallocated)					6,506.39	11,369.80

## STANDALONE FINANCIAL STATEMENTS

### Information about operating segments

(INR Lakhs)

	Agrochemicals		Non-agrochemicals		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unallocated expenses					(1,486.10)	(1,381.74)
<b>Operating profit</b>					<b>28,624.99</b>	<b>21,052.28</b>
Finance costs					(156.77)	(171.84)
<b>Profit before tax</b>					<b>28,468.22</b>	<b>20,880.44</b>
Income taxes					(7,488.88)	(1,691.91)
<b>Profit after tax</b>					<b>20,979.34</b>	<b>19,188.53</b>
<b>Other segment information</b>						
Segment assets	228,989.62	186,571.27	73.07	9.16	229,062.69	186,580.43
Unallocated assets					39,919.87	32,575.58
<b>Total assets</b>	<b>228,989.62</b>	<b>186,571.27</b>	<b>73.07</b>	<b>9.16</b>	<b>268,982.56</b>	<b>219,156.01</b>
Segment liabilities	109,178.50	81,028.12	48.64	47.53	109,227.14	81,075.65
Unallocated liabilities					9,487.51	6,993.48
<b>Total liabilities</b>	<b>109,178.50</b>	<b>81,028.12</b>	<b>48.64</b>	<b>47.53</b>	<b>118,714.65</b>	<b>88,069.13</b>
<b>Capital expenditure:</b>						
Tangible assets (Unallocated)					7.52	2,135.64
Intangible assets (Including IAUD*) (Allocated)	30,876.18	16,381.71	-	-	30,876.18	16,381.71
Intangible assets (Unallocated)					5.92	47.77
Depreciation (Tangible) (Unallocated)					698.68	699.29
Amortisation (Allocated)	16,340.62	13,008.58	0.03	0.02	16,340.65	13,008.60
Capital employed	119,811.12	105,543.15	24.43	(38.37)	119,835.55	105,504.78
Capital employed (Unallocated)	-	-	-	-	30,432.36	25,582.10

\* 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) Non agrochemicals – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure 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.



## STANDALONE FINANCIAL STATEMENTS

- (vi) The Company does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Company's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

### Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue are based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated between within India and Outside India.

	March 31, 2021		March 31, 2020	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
India	-	10,190.20	-	10,902.45
Europe	103,184.95	38,642.18	83,043.48	37,660.92
LATAM	14,634.19	2,243.41	12,150.92	2,537.32
NAFTA	72,171.97	19,595.47	55,312.05	8,349.59
ROW	13,270.84	4,872.12	11,100.10	6,420.73
<b>Total</b>	<b>203,261.95</b>	<b>75,543.38</b>	<b>161,606.55</b>	<b>65,871.01</b>

(INR Lakhs)

\* Non-current assets exclude financial instruments.

No customer individually accounted for more than 10% of the revenues in the years ended March 31, 2021 and March 31, 2020

### 33. Revenue from contracts with customer (Ind AS 115)

The Company is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world. The revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / 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)

	As at March 31, 2021	As at March 31, 2020
Opening contract liability	232.18	558.56
Add: Addition to contract liability during the year	11,220.51	3,255.47
Less: Recognised as revenue during the year	(10,579.10)	(3,294.94)
Less: Other adjustments	(75.68)	(286.91)
<b>Closing contract liability</b>	<b>797.91</b>	<b>232.18</b>

(INR Lakhs)

## STANDALONE FINANCIAL STATEMENTS

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

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contract with customer as per contract price	217,508.69	171,615.86
Less: Discounts and incentives	(3,704.14)	(3,532.85)
Less: Sales returns / credits / reversals	(11,025.65)	(6,822.31)
Less: Other adjustments	113.87	(18.13)
<b>Total</b>	<b>202,892.77</b>	<b>161,242.57</b>

### C) Disaggregation of revenue from contract with customers

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Agrochemicals</b>		
Europe	102,994.86	82,844.22
Latin America	14,382.76	11,776.32
North America	72,004.87	55,179.55
Rest of the world	13,067.80	11,044.63
<b>Total (A)</b>	<b>202,450.29</b>	<b>160,844.72</b>
<b>Non-agrochemicals</b>		
Europe	-	-
Latin America	227.18	346.42
North America	34.57	20.96
Rest of the world	180.73	30.47
<b>Total (B)</b>	<b>442.48</b>	<b>397.85</b>
<b>Total (A)+(B)</b>	<b>202,892.77</b>	<b>161,242.57</b>

### D) Sales by performance obligations

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Agrochemicals</b>		
Upon shipment	202,450.29	160,844.72
Upon delivery	-	-
<b>Total (A)</b>	<b>202,450.29</b>	<b>160,844.72</b>
<b>Non-agrochemicals</b>		
Upon shipment	442.48	397.85
Upon delivery	-	-
<b>Total (B)</b>	<b>442.48</b>	<b>397.85</b>
<b>Total (A)+(B)</b>	<b>202,892.77</b>	<b>161,242.57</b>



## STANDALONE FINANCIAL STATEMENTS

**34. 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, 2021 %	Year ended March 31, 2020 %
Axis Crop Science Private Limited	India	100.00	100.00
Sharda Peru SAC	Peru	99.95	99.95
Sharda Del Ecuador CIA. Ltda.	Ecuador	99.50	99.50
Sharda Polska SP. Z.O.O.	Poland	100.00	100.00
Sharda Ukraine LLC	Ukraine	100.00	100.00
Shardaserb D.O.O.	Serbia	100.00	100.00
Sharda Hungary Kft	Hungary	100.00	100.00
Sharda Spain, S.L.	Spain	100.00	100.00
Sharda Swiss SARL	Switzerland	100.00	100.00
Sharda Do Brasil Comercio De Productos Quimicos E Agroquimicos LTDA	Brazil	99.00	99.00
Sharda Balkan Agrochemicals Limited	Greece	100.00	100.00
Sharda Hellas Agrochemicals Limited	Greece	100.00	100.00
Sharda Costa Rica SA	Costa Rica	99.00	99.00
Sharda De Guatemala, S.A.	Guatemala	98.00	98.00
Sharda Italia SRL	Italy	99.00	99.00
Sharda Cropchem Espana, S.L.	Spain	100.00	100.00
Sharda Poland SP. Z.O.O.	Poland	100.00	100.00
Sharda Taiwan Limited	Taiwan	100.00	100.00
Sharda Cropchem Tunisia SARL	Tunisia	99.00	99.00
Sharda Agrochem Dooel Skopje	Macedonia	100.00	100.00
Nihon Agro Service Kabushiki Kaisha	Japan	100.00	100.00
Sharda Private (Thailand) Limited (refer note 'a' below)	Thailand	49.00	49.00
Shardacan Limited	Canada	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
Sharda Cropchem Israel Limited	Israel	100.00	100.00
Sharda USA LLC	USA	100.00	100.00
Sharzam Limited	Zambia	99.99	99.99
Sharda Maroc SARL	Morocco	99.80	99.80
Sharda Agrochem Limited (from 11.02.2021)	United Kingdom	100.00	-
Sharda International DMCC	UAE	100.00	100.00
Sharda Benelux BVBA	Belgium	100.00	100.00
Euroazijski Pesticidi D.O.O.	Croatia	100.00	100.00

## STANDALONE FINANCIAL STATEMENTS

	Place of business/ country of incorporation	Ownership interest held by the Company	
		Year ended March 31, 2021 %	Year ended March 31, 2020 %
Sharda Impex Trading LLC (from 17.03.2021) (refer note 'b' below)	UAE	49.00	-
Siddhivinayak International Limited	UAE	100.00	100.00
Sharda International Africa (Pty) Ltd	South Africa	100.00	100.00
Sharda Bolivia SRL	Bolivia	99.00	99.00
Sharda Colombia S.A.S.	Colombia	99.48	99.48
Sharda Europe BVBA	Belgium	100.00	100.00
Sharda De Mexico S. De RL DE CV	Mexico	99.99	99.99
Sharpar S.A.	Paraguay	90.00	90.00
Sharda Malaysia SDN. BHD. (upto 15.12.2020)	Malaysia	100.00	100.00

### Note:

- a. 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 and from the year ended March 31, 2019 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.
- b. During the year ended March 31, 2021, the Company entered into a Memorandum of Understanding ('MOU') with other shareholders of Sharda Impex Trading LLC (an Associate Company). In terms of the said MOU dated March 17, 2021 the Company has gained 100% control over Sharda Impex Trading LLC 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. March 17, 2021 in the consolidated financial results of the Company for the year ended March 31, 2021 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
Ms. Kevika A. Bubna	Daughter of Whole-time Director
Mr. M. S. Sundara Rajan	Independent Director
Mr. P. R. Srinivasan	Independent Director (resigned effective 08.08.2019)
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Ms. Sonal Desai	Independent Director (effective from 01.04.2019)
Mr. Ashish Lodha	Chief Financial Officer (resigned effective 22.10.2019)
Mr. Abhinav Agarwal	Chief Financial Officer (resigned effective 09.01.2021)
Mr. Ashok Vashisht	Chief Financial Officer (effective from 27.01.2021)
Mr. Jetkin N. Gudhka	Company Secretary



## STANDALONE FINANCIAL STATEMENTS

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

Jankidevi Bilasrai Bubna Trust

**(B) Transactions during the year****(a) Key managerial personnel compensation:**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Short- term employee benefits	1,366.94	1,187.85
Post-employment benefits	2.15	1.85

**(b) With subsidiaries:**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
<b>Repayment of principal *</b>		
Axis Crop Science Private Limited	26.00	20.37
<b>Interest received *</b>		
Axis Crop Science Private Limited	25.76	26.69
<b>Interest income / accrual</b>		
Axis Crop Science Private Limited	23.88	25.65
<b>Sale of finished goods</b>		
Sharda Cropchem Espana, S.L.	15,479.69	10,077.87
Sharda Hungary Kft	12,375.31	6,014.43
Sharda De Mexico S. De RL DE CV	8,318.64	5,809.19
Sharda Poland SP.ZO.O	7,418.21	6,428.51
Sharda International Africa (PTY) Ltd	1,518.41	1,185.40
Sharda Colombia S.A.S	376.47	371.76
Sharda Italia SRL	6,600.22	4,737.03
Sharda Private (Thailand) Limited	503.87	344.08
<b>Dividend received</b>		
Sharda International DMCC	4,555.86	9,365.50
<b>Purchase of finished goods</b>		
Sharda De Mexico S. De RL DE CV	-	104.44
<b>Reimbursement of (income) / expenses (net)</b>		
Sharda International DMCC	(90.36)	214.33

\* Loans were given in accordance with the terms and conditions of the loan agreement and carry an interest rate of 8% p.a. and is repayable on demand.

## STANDALONE FINANCIAL STATEMENTS

### (c) With Key managerial personnel and their Relatives

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
<b>Rent paid to:</b>		
Mr. Ramprakash V. Bubna	270.00	270.00
Mr. Ashish R. Bubna	86.40	86.40
Mr. Manish R. Bubna	94.50	94.50
Mrs. Seema A. Bubna	77.96	89.10
Mrs. Anisha M. Bubna	11.14	-
<b>Remuneration to Key Managerial Personnel</b>		
Mr. Ramprakash V. Bubna	182.32	182.10
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	151.92	152.45
Mr. Manish R. Bubna	151.21	152.04
Ms. Kevika A. Bubna	22.02	-
Mr. Ashish Lodha	-	24.13
Mr. Abhinav Agarwal	43.46	4.29
Mr. Ashok Vashisht	13.30	-
Mr. Jetkin N. Gudhka	17.38	17.85
<b>Director's Sitting Fees</b>		
Mr. M. S. Sundara Rajan	3.00	3.90
Mr. P. R. Srinivasan	-	0.90
Mr. Shitin Desai	3.30	3.60
Mr. Shobhan M. Thakore	1.80	1.50
Ms. Sonal Desai	3.30	3.30
<b>Directors' commission</b>		
Mr. Ramprakash V. Bubna	322.79	267.09
Mr. Ashish R. Bubna	216.27	178.95
Mr. Manish R. Bubna	216.27	178.95
<b>Dividend paid</b>		
Mr. Ramprakash V. Bubna	281.05	843.16
Mrs. Sharda R. Bubna	281.82	843.16
Mr. Ashish R. Bubna	303.60	910.80
Mr. Manish R. Bubna	303.60	910.80
Mrs. Seema A. Bubna	90.00	270.00
Mrs. Anisha M. Bubna	90.00	270.00
Mr. Abhinav Agarwal	0.01	-
Mr. Jetkin N. Gudhka	0.03	0.01
<b>Fixed deposits of directors placed as lien with bank for credit facility:</b>		
Mr. Ramprakash V. Bubna	220.29	-
Mrs. Sharda R. Bubna	1,539.73	-
<b>Post-employment benefits:</b>		
Mr. Ashish R. Bubna	0.70	0.79
Mr. Manish R. Bubna	0.66	0.55
Ms. Kevika A. Bubna	0.25	-
Mr. Ashish Lodha	-	(0.12)
Mr. Abhinav Agarwal	-	0.07
Mr. Ashok Vashisht	0.22	-
Mr. Jetkin N. Gudhka	0.32	0.56





## STANDALONE FINANCIAL STATEMENTS

**(d) With Enterprises owned or significantly influenced by key managerial personnel or their relatives**

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
<b>Donations Paid to:</b>		
Jankidevi Bilasrai Bubna Trust	17.00	43.50

**(C) Outstanding balance as at Balance Sheet date**

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
<b>Loan given to subsidiaries</b>		
Axis Crop Science Private Limited	291.00	318.88
<b>Trade receivables</b>		
Sharda De Mexico S. De RL DE CV - Sale of finished goods	5,278.58	4,596.02
Sharda Cropchem Espana, S. L.	5,348.26	4,209.42
Sharda Colombia S.A.S	377.33	375.78
Sharda Poland SP.ZO.O	4,502.51	4,327.82
Sharda Hungary KFT	8,672.09	3,938.14
Sharda International Africa (PTY) Ltd	1,584.13	1,109.46
Sharda Italia SRL	4,842.65	5,030.45
Sharda Private (Thailand) Limited	82.62	112.99
<b>Trade payables</b>		
Sharda International DMCC - Reimbursement of expenses	-	131.26
<b>Fixed deposits of directors placed / (released)* as lien with bank for credit facility:</b>		
Mr. Ramprakash V. Bubna	220.29	-
Mrs. Sharda R. Bubna	1,539.73	-
<b>Directors commission payable</b>		
Mr. Ramprakash V. Bubna	184.81	152.93
Mr. Ashish R. Bubna	123.83	102.46
Mr. Manish R. Bubna	123.83	102.46
<b>Post-employment benefits:</b>		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	11.12	10.42
Mr. Manish R. Bubna	10.57	9.91
Ms. Kevika A. Bubna	0.25	-
Mr. Abhinav Agarwal	-	0.07
Mr. Ashok Vashisht	0.22	-
Mr. Jetkin N. Gudhka	3.05	2.73

\* Fixed deposits of directors released on May 18, 2021 which was placed as lien with bank for credit facility.

The credit facilities availed by the Company is further secured by personal guarantees of four directors of the Company.

## STANDALONE FINANCIAL STATEMENTS

### 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.

### 35. 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, 2021		As at March 31, 2020	
		Amount (FC Mn.)	Amount (INR Lakhs)	Amount (FC Mn.)	Amount (INR Lakhs)
Forward contract- Sell	USD to INR	-	-	5.83	4,275.18
	EUR	2.75	2,611.94	4.00	3,248.49
	EUR to INR	-	-	0.50	401.56
	CAD	4.15	2,419.32	0.25	138.92
	GBP	0.50	514.27	-	-
Forward contract- Buy	CAD	-	-	0.25	126.74

### 36. 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, 2021	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
<b>Non current</b>								
Investments	March 31, 2021	-	-	114.50	-	-	-	-
Loans	March 31, 2021	-	-	291.00	-	-	-	-
Other financial assets	March 31, 2021	-	-	689.42	-	-	-	-
<b>Current</b>								
Investment in mutual funds	March 31, 2021	8,301.31	-	-	-	8,301.31	-	8,301.31
Trade receivables	March 31, 2021	-	-	109,376.42	-	-	-	-
Cash and cash equivalents	March 31, 2021	-	-	3,876.70	-	-	-	-
Bank balance other than cash and cash equivalents	March 31, 2021	-	-	17,294.68	-	-	-	-
Derivative financial assets	March 31, 2021	79.11	-	-	-	79.11	-	79.11
Other financial assets other than derivative financial assets	March 31, 2021	-	-	2,634.23	-	-	-	-
<b>Total financial assets</b>		<b>8,380.42</b>	<b>-</b>	<b>134,276.95</b>	<b>-</b>	<b>8,380.42</b>	<b>-</b>	<b>8,380.42</b>



## STANDALONE FINANCIAL STATEMENTS

As at March 31, 2021

(INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
<b>Non current</b>								
Trade payables	March 31, 2021	240.44	-	-	-	-	240.44	240.44
Lease liabilities	March 31, 2021			837.88	-	837.88	-	837.88
Other financial liabilities other than lease liabilities	March 31, 2021	-	-	321.67	-	-	-	-
<b>Current</b>								
Borrowings	March 31, 2021	-	-	6,784.72	-	-	-	-
Trade payables	March 31, 2021			76,000.14	-	-	-	-
Lease liabilities	March 31, 2021	-	-	453.10	-	453.10	-	453.10
Other financial liabilities other than lease liabilities	March 31, 2021	-	-	14,845.92	-	-	-	-
<b>Total financial liabilities</b>		<b>240.44</b>	<b>-</b>	<b>99,243.43</b>	<b>-</b>	<b>1,290.98</b>	<b>240.44</b>	<b>1,531.42</b>

As at March 31, 2020

(INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
<b>Non current</b>								
Investments	March 31, 2020	-	-	106.39	-	-	-	-
Loans	March 31, 2020	-	-	318.88	-	-	-	-
Other financial assets	March 31, 2020	-	-	1,000.27	-	-	-	-
<b>Current</b>								
Investment in mutual funds	March 31, 2020	11,553.49	-	-	-	11,553.49	-	11,553.49
Trade receivables	March 31, 2020	-	-	92,133.82	-	-	-	-
Cash and cash equivalents	March 31, 2020	-	-	3,020.64	-	-	-	-
Bank balance other than cash and cash equivalents	March 31, 2020	-	-	7,362.42	-	-	-	-
Loans	March 31, 2020	-	-	0.03	-	-	-	-
Derivative financial assets	March 31, 2020	0.60	-	-	-	0.60	-	0.60
Other financial assets other than derivative financial assets	March 31, 2020	-	-	1,017.02	-	-	-	-
<b>Total financial assets</b>		<b>11,554.09</b>	<b>-</b>	<b>104,959.47</b>	<b>-</b>	<b>11,554.09</b>	<b>-</b>	<b>11,554.09</b>

## STANDALONE FINANCIAL STATEMENTS

As at March 31, 2020

(INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial liabilities measured at fair value</b>								
<b>Non current</b>								
Trade payables	March 31, 2020	238.10	-	-	-	-	238.10	238.10
Lease liabilities	March 31, 2020	-	-	1,290.98	-	1,290.98	-	1,290.98
Other financial liabilities other than lease liabilities	March 31, 2020	-	-	14.63	-	-	-	-
<b>Current</b>								
Trade payables	March 31, 2020	-	-	64,353.56	-	-	-	-
Lease liabilities	March 31, 2020	-	-	418.37	-	418.37	-	418.37
Other financial liabilities other than lease liabilities	March 31, 2020	-	-	8,430.55	-	-	-	-
<b>Total financial liabilities</b>		<b>238.10</b>	<b>-</b>	<b>74,508.09</b>	<b>-</b>	<b>1,709.35</b>	<b>238.10</b>	<b>1,947.45</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, buyers credit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

### Valuation Technique used to determine Fair Value:-

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments at fair value in the balance sheet.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds (Level 2)	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as on the reporting date provided by respective Asset Management Companies.. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Foreign currency forward contracts (Level 2)	The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
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.	Not applicable	Not applicable

**STANDALONE FINANCIAL STATEMENTS**
**37. 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.

**A. 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.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (Refer note 35). The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Nature of instrument	Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amount (FCY Mn.)	Amount (INR Lakhs)	Amount (FCY Mn.)	Amount (INR Lakhs)
<b>Unhedged currency exposure on:-</b>					
<b>a) Receivables</b>	<b>USD</b>	46.80	34,215.17	41.53	31,390.68
	<b>EUR</b>	56.19	48,186.55	49.40	41,164.98
	<b>HUF</b>	3,523.01	8,336.49	1,561.93	3,617.90
	<b>CZK</b>	23.69	779.09	25.27	766.35
	<b>PLN</b>	20.32	3,747.27	29.26	5,343.33
	<b>MXN</b>	26.71	956.86	29.96	958.84
	<b>GBP</b>	0.90	903.83	1.12	1,050.25
	<b>CAD</b>	20.98	12,208.48	18.44	9,915.97
	<b>COP</b>	382.13	74.94	1,719.52	319.32
	<b>ZAR</b>	31.98	1,584.13	26.12	1,109.46
<b>b) Payables</b>	<b>HRK</b>	2.43	275.83	1.29	140.04
	<b>USD</b>	106.85	78,110.53	72.72	54,970.48
	<b>EUR</b>	16.61	14,244.65	15.08	12,563.60
	<b>HUF</b>	491.04	1,161.94	352.69	816.94
	<b>CZK</b>	5.87	193.02	5.90	179.00
	<b>PLN</b>	3.83	706.96	4.36	795.91
	<b>CHF</b>	0.01	6.70	0.01	10.32

## STANDALONE FINANCIAL STATEMENTS

Nature of instrument	Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amount (FCY Mn.)	Amount (INR Lakhs)	Amount (FCY Mn.)	Amount (INR Lakhs)
	GBP	0.02	23.22	0.05	50.87
	PHP	0.22	3.29	0.22	3.22
	CAD	2.15	1,252.86	3.10	1,668.72
	ZAR	0.40	19.96	0.37	15.59
	JPY	2.61	17.25	18.05	126.97
	AUD	0.01	7.67	-	-
	MXN	-	-	0.17	5.47
	HRK	0.30	33.84	0.17	18.28
<b>b) Balance in EEFC Accounts</b>	USD	0.28	208.11	0.57	432.41
	EUR	3.67	3,143.73	2.42	2,018.32
	CAD	0.02	14.46	0.06	29.97
	PLN	2.40	441.98	1.10	201.18
	GBP	0.02	22.49	-	0.17

Further, the Company has not hedged its investments in subsidiaries outside India (For list of subsidiaries refer Note 5).

### (ii) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD Rate	Effect on profit and loss	Effect on equity
March 31, 2021	1%	(438.95)	(323.48)
	-1%	438.95	323.48
March 31, 2020	1%	(235.80)	(216.69)
	-1%	235.80	216.69

	Change in EUR Rate	Effect on profit and loss	Effect on equity
March 31, 2021	1%	339.42	250.13
	-1%	(339.42)	(250.13)
March 31, 2020	1%	286.01	262.84
	-1%	(286.01)	(262.84)

### B. Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 1,09,376.42 lakhs and INR 92,133.82 lakhs as of March 31, 2021 and March 31, 2020, 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

## STANDALONE FINANCIAL STATEMENTS

and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

### Trade Receivables

The company has established credit policy under which each new customer is analysed individually for credit worthiness before Company's standard payment terms (credit period ranges from 30 to 180 days) and delivery terms and conditions are offered. The Company review external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The following table represents ageing of trade receivables March 31, 2021: (INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables (net)	-	109,376.42	109,376.42

The following table represents ageing of trade receivables March 31, 2020: (INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables (net)	346.17	91,787.65	92,133.82

### Movement in allowances for credit losses

	Opening	Addition	Reversal	Closing
March 31, 2021	1,849.29	698.70	1,011.41	1,536.58
March 31, 2020	487.33	1,627.37	265.41	1,849.29

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

## C. 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, 2021, the Company had a working capital of INR 85,289.15 lakhs including cash and cash equivalents of INR 3,876.70 lakhs and current investments of INR 8,301.31 lakhs. As of March 31, 2020, the Company had a working capital of INR 73,514.41 lakhs including cash and cash equivalents of INR 3,020.64 lakhs and current investments of INR 11,553.49 lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	Upto 1 year	1-2 years	More than 2 years	Total
Trade payables	76,000.14	27.66	212.78	76,240.58
Other financial liabilities	15,299.02	1,159.55	-	16,458.57
Borrowings	6,784.72	-	-	6,784.72

## STANDALONE FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Upto 1 year	1-2 years	More than 2 years	Total
Trade payables	64,353.56	18.26	219.84	64,591.66
Other financial liabilities	8,848.92	1,305.61	-	10,154.53
Borrowings	-	-	-	-

(INR Lakhs)

### 38. Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The capital structure of the Company consists of net debt (borrowings as detailed in note 18 and lease liabilities in note 16, offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

Particulars	As at March 31, 2021	As at March 31, 2020
Total debt (bank and other borrowings)	6,784.72	-
Lease Liabilities (non current and current)	1,290.98	1,709.35
Less: Liquid investments and bank deposits	25,595.99	18,915.91
	<b>(17,520.29)</b>	<b>(17,206.56)</b>
Equity	150,267.91	131,086.88
<b>Debt to equity (net)</b>	<b>(0.12)</b>	<b>(0.13)</b>

(INR Lakhs)

### 39. 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:

Name of subsidiary	2020-21		2019-20	
	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.))	291.00	320.75	318.88	340.29
<b>Total</b>	<b>291.00</b>		<b>318.88</b>	

(INR Lakhs)

**Note:**

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



## STANDALONE FINANCIAL STATEMENTS

**40. Disclosure pursuant to Section 186 of the Companies Act, 2013:**
**(a) Details of investment made:**

Name of subsidiary	Opening	Purchase	Provision	(INR Lakhs)
				Closing
<b>Axis Crop Science Private Limited</b>				
March 31, 2021	544.00	-	544.00	-
March 31, 2020	544.00	-	544.00	-

**(b) Details of Loan given:**

Name of subsidiary	Opening	Addition	Repayment/ write-off	(INR Lakhs)
				Closing
<b>Axis Crop Science Private Limited</b>				
March 31, 2021	318.88	23.88	51.76	<b>291.00</b>
March 31, 2020	340.29	25.65	47.06	<b>318.88</b>

**Note:**

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

**41. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

	(INR Lakhs)	(INR Lakhs)
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:</b>		
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	321.40	-
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	-	-
<b>Total</b>	<b>321.40</b>	<b>-</b>
i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
ii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iii) the amounts of interest accrued and remaining unpaid at the end of accounting year	-	-
iv) the amount of 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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## STANDALONE FINANCIAL STATEMENTS

### 42. Details of CSR expenditure (as per the provisions of Section 135 of the Companies Act, 2013):

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
1) Gross amount required to be spent by the Company	562.96	573.10
2) Shortfall from previous year	17.19	-
<b>Total</b>	<b>580.15</b>	<b>573.10</b>
3) Amount spent		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 27)	644.68	555.91
<b>Total</b>	<b>644.68</b>	<b>555.91</b>
4) Amount (spent in excess) / unspent	<b>(64.53)</b>	<b>17.19</b>

### 43. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Governments of various countries notified lockdown to contain the outbreak of COVID-19. Due to this, there have been several restrictions imposed by the Governments across the globe. However, the operations of the Company did not face any disruption. There is no significant impact of COVID-19 pandemic on the financial position and performance of the Company for the financial year ended March 31, 2021.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventories, trade receivables, property plant and equipment, Intangible assets and Intangible assets under development, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the data and based on current estimates, the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

### 44. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to

- a) Change in existing presentation requirements for certain items in Balance sheet, for e.g.. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity Share capital
- b) Additional disclosure requirements in specified formats, for e.g.. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.
- c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.
- d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.
- e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.



## STANDALONE FINANCIAL STATEMENTS

### 45. Disclosure on Specified Bank Notes:

The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

### 46. Other matters:

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date attached

#### For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

#### Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

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

#### Ramprakash V. Bubna

Chairman & Managing Director

DIN 00136568

#### Ashok Vashisht

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

#### Manish R. Bubna

Whole-time Director

DIN 00137394

#### Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

OVERVIEW

REPORTS

FINANCIALS

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Sharda Cropchem Limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Sharda Cropchem Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), 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 (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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

## CONSOLIDATED FINANCIAL STATEMENTS

### Revenue recognition and sales returns (Refer note 2.9 and 2A)

Key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition</b></p> <p>(Refer note:- 2.9 to the consolidated financial statements)</p> <p>The Group's revenue is derived primarily from sale of products. The principal products of the Group comprise agro-chemicals and belts.</p> <p>Revenue from sale of goods is recognised on transfer of control of the products to the customer. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery, formal customer acceptance or upon surrender of bill of lading in the favor of customer, depending on contract terms.</p> <p>There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Group, we have identified timing of the revenue recognition as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>— Assessed the appropriateness of Group's accounting policies relating to revenue recognition as per the applicable accounting standard;</li> <li>— Obtained an understanding of the Group's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end;</li> <li>— For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions of the customer orders including the shipping terms, transporter documents and customer acceptances;</li> <li>— Selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents;</li> <li>— Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> </ul>
<p><b>Sales returns</b></p> <p>As disclosed in note 2A to the consolidated financial statements, revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates.</p> <p>Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Group.</p> <p>The value of sales returns together with the level of judgement involved resulted in sales returns being a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>— Obtained an understanding of the Group's process for identifying and determining the amount of accrual of sales returns;</li> <li>— Assessed the appropriateness of Group's accounting policies relating to accounting for sales returns as per the applicable accounting standard;</li> <li>— We evaluated the design and tested the operating effectiveness of the relevant key financial controls with respect to recognition and accrual of sales returns;</li> <li>— On a sample basis, we evaluated the basis of sales returns by agreeing amounts recognised to the approvals;</li> <li>— We assessed the assumptions and judgements used in the sales return provision by comparing against historical trends returns and subsequent actual sales returns.</li> </ul>

**Impairment testing of other intangible assets and intangible assets under development (Refer note 2.13)**

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><b>Assessment of impairment of intangible assets and intangible assets under development</b></p> <p>As disclosed in note 2.13, the Group's intangible assets comprised product registrations and licenses.</p> <p>The carrying amount of the intangible assets and intangible assets under development represents 24.32% of the Group's total assets.</p> <p>The Group applies for product registrations in different countries to sell its products. As disclosed in Note 4 and 4A to the consolidated financial statements, the Group capitalizes costs incurred to apply for product registrations.</p> <p>The impairment assessment is performed, based on value in use of product registrations for the specific regions.</p> <p>The measurement of value of intangible assets involves significant judgments and estimates in the Group's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets and intangible assets under development as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>— Obtained an understanding of the Group's process for determining likelihood of product registration, future benefits expected from product registrations in the specific regions using discounted future cash flows;</li> <li>— Comparing the Group's assessment with the past trend of product registrations awarded;</li> <li>— We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;</li> <li>— We compared the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying workings;</li> <li>— We assessed Group's sensitivity analysis over the key assumptions to determine any possible change in these assumptions which would result in an impairment;</li> <li>— We involved our valuation expert to assess the assumptions and methodology used by the Group to determine the recoverable amount;</li> <li>— Assessing the adequacy of the Group's disclosures related to the impairment tests and their compliance with Ind AS.</li> </ul>

**Other Information**

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

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

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

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/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 (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and



## CONSOLIDATED FINANCIAL STATEMENTS

the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the

internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## CONSOLIDATED FINANCIAL STATEMENTS

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 ten subsidiaries, whose financial statements reflect total assets of INR 50,186.39 lakhs as at 31 March 2021, total revenues of INR 88,889.02 lakhs and net cash outflows amounting to INR 4.11 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

One of the aforesaid subsidiary (including eleven step down subsidiaries) is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of twenty one subsidiaries whose financial statements reflect total assets of INR 44.31 lakhs

as at 31 March 2021, total revenues of INR Nil and net cash flow outflows amounting to INR (0.11) 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-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.





## CONSOLIDATED FINANCIAL STATEMENTS

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- B. With respect to the other matters to be included in the Auditors' 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group - refer note 32 to the consolidated financial statements.
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer note 36 to the consolidated financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2021.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.
- 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 and based on the report of the statutory auditors of the subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act.
- The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Membership No: 100060

UDIN: 21100060AAAACH8124

Mumbai  
May 26, 2021

# Annexure A to the Independent Auditors' Report

31<sup>st</sup> March, 2020

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

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

## Opinion

In conjunction with our audit of the consolidated financial statements of Sharda Cropchem Limited ("hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiary company which is incorporated in India under the Act, as of that date.

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that,



## CONSOLIDATED FINANCIAL STATEMENTS

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

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

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

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the subsidiary company which is incorporated in India, is based on the corresponding report of the auditors of such company which is incorporated in India.

#### **For B S R & Associates LLP**

Chartered Accountants

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

#### **Shabbir Readymadewala**

Partner

Membership No: 100060

UDIN: 21100060AAAACH8124

Mumbai

May 26, 2021

OVERVIEW

REPORTS

FINANCIALS

# CONSOLIDATED BALANCE SHEET

as at March 31, 2021

	Note	As at March 31, 2021	(INR Lakhs) As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A & 3B	2,088.14	2,782.26
Goodwill	5	42.54	43.98
Other intangible assets	4	52,311.12	38,807.99
Intangible assets under development	4A	13,103.82	16,140.25
<b>Financial assets</b>			
Other financial assets	8	940.23	1,155.12
Deferred tax assets (net)	9D	604.09	391.76
Income tax assets (net)	9A	7,363.53	7,253.14
<b>Total non-current assets</b>		<b>76,453.47</b>	<b>66,574.50</b>
<b>Current assets</b>			
Inventories	10	52,554.86	38,223.72
<b>Financial assets</b>			
Investments	6	8,301.31	11,553.49
Trade receivables	11	116,256.47	98,891.82
Cash and cash equivalents	12A	8,555.12	7,775.70
Bank balances other than cash and cash equivalents	12B	17,498.13	7,568.48
Loans	7	-	0.03
Other financial assets	8	2,805.35	1,128.09
Other current assets	13	3,961.22	2,958.66
<b>Total current assets</b>		<b>209,932.46</b>	<b>168,099.99</b>
<b>Total Assets</b>		<b>286,385.93</b>	<b>234,674.49</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	14	9,022.05	9,022.05
Other equity	15	152,407.90	131,257.26
<b>Equity attributable to equity holders of the Company</b>		<b>161,429.95</b>	<b>140,279.31</b>
Non-controlling interests		30.75	26.40
<b>Total equity</b>		<b>161,460.70</b>	<b>140,305.71</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	-	9.26
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		240.44	238.10
Other financial liabilities	18	1,159.55	1,305.61
Provisions	19	302.28	265.52
Deferred tax liabilities (net)	9E	9,286.81	6,930.42
<b>Total non-current liabilities</b>		<b>10,989.08</b>	<b>8,748.91</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	6,784.72	-
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		410.31	165.40
total outstanding dues of creditors other than micro enterprises and small enterprises		80,265.11	68,493.43
Other financial liabilities	18	15,358.85	8,982.05
Other current liabilities	20	5,800.40	5,387.83
Provisions	19	4,999.54	2,439.12
Income tax liabilities (net)	9B	317.22	152.04
<b>Total current liabilities</b>		<b>113,936.15</b>	<b>85,619.87</b>
<b>Total Equity and Liabilities</b>		<b>286,385.93</b>	<b>234,674.49</b>
<b>Summary of significant accounting policies</b>	2		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

**For and on behalf of the Board of Directors of**

**Sharda Cropchem Limited**

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

Place : Mumbai

Date : May 26, 2021



CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

	Note	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)			
<b>Income</b>			
Revenue from operations	21	239,560.77	200,301.82
Other income	22	4,593.56	4,311.27
<b>Total income</b>		<b>244,154.33</b>	<b>204,613.09</b>
<b>Expenses</b>			
Cost of materials consumed	23	93,947.92	77,716.09
Purchase of stock in trade		73,910.96	60,700.02
Changes in inventories of finished goods and stock-in-trade	24	(4,263.29)	444.27
Employee benefits expense	25	3,732.45	3,489.74
Finance costs	26	277.21	191.72
Foreign exchange (gain) / loss (net)		(1,988.60)	1,514.30
Depreciation and amortisation expense	27	17,044.00	13,712.28
Other expenses	28	30,548.23	28,357.74
<b>Total expenses</b>		<b>213,208.88</b>	<b>186,126.16</b>
<b>Profit before tax</b>		<b>30,945.45</b>	<b>18,486.93</b>
<b>Tax expense</b>			
Current tax	9C	5,581.59	4,162.88
Adjustment of tax relating to earlier years	9C	227.02	(128.45)
Deferred tax charge / (credit)	9C	2,215.07	(2,016.67)
<b>Total tax expense</b>		<b>8,023.68</b>	<b>2,017.76</b>
<b>Profit for the year</b>		<b>22,921.77</b>	<b>16,469.17</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to the statement of profit or loss</b>			
Re-measurement gains/(losses) on defined benefit plans		10.49	(7.55)
Income tax relating to items that will not be reclassified to the statement of profit or loss		(3.27)	1.49
<b>Items that will be reclassified to the statement of profit or loss</b>			
Exchange differences on translation of financial statement of foreign operations		30.42	841.42
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>37.64</b>	<b>835.36</b>
<b>Total Comprehensive Income for the year</b>		<b>22,959.41</b>	<b>17,304.53</b>
<b>Profit for the year attributable to:</b>		<b>22,921.77</b>	<b>16,469.17</b>
Equity holders of the parent		22,917.41	16,466.24
Non-controlling interest		4.36	2.93
<b>Other comprehensive income attributable to:</b>		<b>37.64</b>	<b>835.36</b>
Equity holders of the parent		37.65	835.73
Non-controlling interest		(0.01)	(0.37)
<b>Total Comprehensive Income for the year attributable to:</b>		<b>22,959.41</b>	<b>17,304.53</b>
Equity holders of the parent		22,955.06	17,301.97
Non-controlling interest		4.35	2.56
<b>Earnings per share (INR per share)</b>			
Basic and diluted (Face value per share of INR 10 each)	29	<b>25.40</b>	<b>18.25</b>

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

As per our report of even date attached

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

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

**Shabbir Readymadewala**  
Partner  
Membership No. 100060

**Ramprakash V. Bubna**  
Chairman & Managing Director  
DIN 00136568

**Manish R. Bubna**  
Whole-time Director  
DIN 00137394

**Ashok Vashisht**  
Chief Financial Officer  
Membership No.: 20045  
Place : Mumbai  
Date : May 26, 2021

**Jetkin Gudhka**  
Company Secretary  
Membership No.: A26487  
Place : Mumbai  
Date : May 26, 2021

Place : Mumbai  
Date : May 26, 2021

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>30,945.45</b>	<b>18,486.93</b>
Adjustment to reconcile profit before tax to cash generated by operating activities:		
Depreciation and amortisation expense	17,044.00	13,712.28
Unrealised exchange (gain)/ loss (net)	(1,508.93)	1,477.12
Discard / Write-off of intangible assets and intangible assets under development	3,832.22	5,465.46
Discard /Write-off of property, plant and equipment	-	3.43
Gain on redemption of current investments	(655.13)	(758.62)
Fair valuation gain on current investments	(450.76)	(229.50)
Profit on sale of property, plant and equipment	-	(1.32)
Provision for gratuity	51.08	46.26
Bad debts	921.38	690.02
Allowances for doubtful debts	38.11	1,360.45
Reversal of doubtful debts	(312.71)	-
Proceeds on closure of subsidiary	(0.31)	-
Liabilities/ provisions no longer required written back	(1,851.99)	(1,166.35)
Liabilities of capital creditors no longer required written back	(226.98)	(504.77)
Finance costs	277.21	191.72
Interest income	(851.00)	(809.33)
Dividend income	(17.19)	(90.67)
<b>Operating profit before working capital changes</b>	<b>47,234.45</b>	<b>37,873.11</b>
Movements in working capital:		
(Increase) in trade receivables	(21,225.79)	(15,387.78)
(Increase) in inventories	(14,331.14)	(1,738.03)
Decrease in loans	0.03	0.09
(Increase) in other current assets	(1,042.54)	(371.67)
Decrease/ (Increase) in other non current financial assets	223.08	(260.53)
(Increase)/ Decrease in other current financial assets	(1,351.46)	63.21
Increase in trade payables	17,780.16	1,096.52
Increase in provisions	2,556.59	421.06
Increase/ (Decrease) in other non current financial liabilities	-	(124.02)
Increase in other current financial liabilities	20.38	137.53
Increase/ (Decrease) in other current liabilities	526.95	(827.27)
<b>Cash generated from operations</b>	<b>30,390.71</b>	<b>20,882.22</b>
Income taxes paid (net of refunds)	(5,753.82)	(6,249.37)
<b>Net cash flows from operating activities (A)</b>	<b>24,636.89</b>	<b>14,632.85</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(8.45)	(40.89)
Purchase of intangible assets (including intangible assets under development)	(23,111.48)	(17,558.16)
Proceeds from sale of plant, property and equipment	-	3.46
Proceeds on closure of subsidiary	0.31	-
Purchase of current Investments	(10,874.56)	(22,693.16)
Proceeds from sale of current investments	15,232.63	33,322.59
Investment of bank deposits	(9,962.82)	(2,836.18)
Redemption of bank deposits	31.21	2,568.08
Interest from fixed deposits	517.74	367.54
Dividends received from current investments	17.19	90.67
<b>Net cash flows (used in) investing activities (B)</b>	<b>(28,158.23)</b>	<b>(6,776.05)</b>



## CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	12,474.79	-
Repayment of borrowings	(5,677.77)	-
Repayment of principal towards lease liability	(418.37)	(386.31)
Interest paid on lease liability	(121.63)	(153.69)
Finance costs paid	(117.51)	(19.90)
Dividend paid on equity shares	(1,804.41)	(5,413.23)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>4,335.10</b>	<b>(5,973.13)</b>
<b>Exchange difference arising on conversion debited to foreign currency translation reserve (D)</b>	<b>(43.08)</b>	<b>840.43</b>
<b>Net increase in cash and cash equivalents (A + B + C + D)</b>	<b>770.68</b>	<b>2,724.10</b>
Cash and cash equivalents at the beginning of the year	7,775.70	5,063.21
Exchange differences on translation of foreign currency cash and cash equivalent	8.74	(11.61)
<b>Cash and cash equivalents at the end of the year</b>	<b>8,555.12</b>	<b>7,775.70</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	11.04	1.97
With banks in current accounts	8,544.08	7,773.73
Total cash and cash equivalents as per the cash flow statement (Note 12A)	<b>8,555.12</b>	<b>7,775.70</b>

**Notes:**

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows, specified under Section 133 of the Companies Act, 2013.
- Changes in liabilities arising from financing activities:

	Year ended March 31, 2021	Year ended March 31, 2020
(INR Lakhs)		
Opening balance	9.26	9.26
Loan taken during the year	12,474.79	-
Repayment made during the year	(5,687.03)	-
Foreign exchange (gain) / loss	(12.30)	-
Closing balance	<b>6,784.72</b>	<b>9.26</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

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

Chairman &amp; Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

## A. Equity share capital

(INR Lakhs)

<b>As at April 01, 2019</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at March 31, 2020</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at March 31, 2021</b>	<b>9,022.05</b>

## B. Other equity

(INR Lakhs)

	Attributable to owners of the Group						Total other equity	Non-controlling interests	Total
	Reserves and surplus			Other comprehensive income					
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserves (Note 15)	General reserves (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
<b>As on April 01, 2019</b>	<b>2,168.55</b>	<b>112,573.37</b>	<b>1,581.11</b>	<b>664.94</b>	<b>2,374.00</b>	<b>6.92</b>	<b>119,368.89</b>	<b>23.84</b>	<b>119,392.73</b>
Profit for the year	-	16,466.24	-	-	-	-	16,466.24	2.93	16,469.17
Other comprehensive income (net of taxes)	-	-	-	-	841.42	(6.06)	835.36	(0.37)	834.99
<b>Total Comprehensive Income</b>	<b>-</b>	<b>16,466.24</b>	<b>-</b>	<b>-</b>	<b>841.42</b>	<b>(6.06)</b>	<b>17,301.60</b>	<b>2.56</b>	<b>17,304.16</b>
Payments of dividends	-	(5,413.23)	-	-	-	-	(5,413.23)	-	(5,413.23)
<b>As on March 31, 2020</b>	<b>2,168.55</b>	<b>123,626.38</b>	<b>1,581.11</b>	<b>664.94</b>	<b>3,215.42</b>	<b>0.86</b>	<b>131,257.26</b>	<b>26.40</b>	<b>131,283.66</b>

(INR Lakhs)

	Attributable to owners of the Group						Total other equity	Non-controlling interests	Total
	Reserves and surplus			Other comprehensive income					
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserves (Note 15)	General reserves (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
<b>As on April 01, 2020</b>	<b>2,168.55</b>	<b>123,626.38</b>	<b>1,581.11</b>	<b>664.94</b>	<b>3,215.42</b>	<b>0.86</b>	<b>131,257.26</b>	<b>26.40</b>	<b>131,283.66</b>
Profit for the year	-	22,917.41	-	-	-	-	22,917.41	4.36	22,921.77
Other comprehensive income (net of taxes)	-	-	-	-	30.42	7.22	37.64	(0.01)	37.63
<b>Total Comprehensive Income</b>	<b>-</b>	<b>22,917.41</b>	<b>-</b>	<b>-</b>	<b>30.42</b>	<b>7.22</b>	<b>22,955.05</b>	<b>4.35</b>	<b>22,959.40</b>
Payments of dividends	-	(1,804.41)	-	-	-	-	(1,804.41)	-	(1,804.41)
<b>As on March 31, 2021</b>	<b>2,168.55</b>	<b>144,739.38</b>	<b>1,581.11</b>	<b>664.94</b>	<b>3,245.84</b>	<b>8.08</b>	<b>152,407.90</b>	<b>30.75</b>	<b>152,438.65</b>

The notes referred to above and other notes form an integral part of the financial statements.  
As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

### Shabbir Readymadewala

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

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

### Ramprakash V. Bubna

Chairman & Managing Director

DIN 00136568

### Ashok Vashisht

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

### Manish R. Bubna

Whole-time Director

DIN 00137394

### Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021





# NOTES

## to Consolidated Financial Statements for the year ended March 31, 2021

### 1. Corporate information

The consolidated financial statements comprise financial statements of Sharda Cropchem Limited (the Holding Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2021. The Holding Company is a public limited company incorporated in India under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange and Bombay Stock Exchange.

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

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

### 2. Significant accounting policies

#### 2.1 Statement of Compliance

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

The consolidated financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on May 26, 2021.

#### 2.2 Basis of preparation and presentation

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

#### 2.3 Functional and Presentation Currency

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

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries as at 31 March 2021. 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:

## CONSOLIDATED FINANCIAL STATEMENTS

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the four elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity



## CONSOLIDATED FINANCIAL STATEMENTS

- 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 recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

**Non-controlling Interest (NCI)**

Non-controlling interest are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the group's equity interest in a subsidiary that does not result in a loss of control are accounted for as equity transaction.

The list of companies, controlled directly or indirectly by the Holding Company which are included in the consolidated financial statements are as under:

Sr. No.	Name	Country of incorporation	March 31, 2021	March 31, 2020
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%

## CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Name	Country of incorporation	March 31, 2021	March 31, 2020
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%	99.99%
35	Sharda Europe BVBA	Belgium	100.00%	100.00%
36	Sharda International Africa (PTY) Limited	South Africa	100.00%	100.00%
37	Sharda Malaysia SDN. BHD.	Malaysia	100.00%	100.00%
38	Sharpar S.A.*	Paraguay	90.00%	90.00%
39	Siddhivinayak International Limited	U.A.E.	100.00%	100.00%
40	Sharda Private (Thailand) Limited**	Thailand	49.00%	49.00%
41	Sharda Impex Trading L.L.C.***	U.A.E.	49.00%	-
42	Sharda Agrochem Limited (from 11.02.2021)	United Kingdom	100.00%	-

\* The financial statements of these companies are drawn for and audited for the calendar year ended December 31, 2020 in compliance with respective local laws. All material adjustments for the effect of significant transactions or events occurred up to March 31, 2021, 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, 2021.

\*\* In terms of the MOU dated November 10, 2017 entered with other shareholders of Sharda Private (Thailand) Limited, 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 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110 i.e. Consolidated Financial Statements.

\*\*\* During the year 2020-21, Sharda Impex LLC, a subsidiary company of Sharda International DMCC has been incorporated in U.A.E. on March 17, 2021.

During the year ended March 31, 2021 the shareholders of Sharda Impex LLC have entered into a Memorandum of Understanding ("MOU"). In terms of the said MOU dated March 17, 2021, the Company has gained 100% control over Sharda Impex LLC as the other shareholder shall not be entitled to participate in the profits/losses of the said company and do not have any decision making / voting powers. Accordingly, it has been treated as a subsidiary company w.e.f. March 17, 2021 and has been consolidated in the Financial Statements for the year ended March 31, 2021 applying Indian Accounting Standard – 110 i.e. Consolidated Financial Statements.

## CONSOLIDATED FINANCIAL STATEMENTS

### 2.5 Goodwill on consolidation

Goodwill represents the difference between the Holding 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 Holding 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.

### 2.6 Current and non-current classification

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

#### Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the balance sheet date; or
- 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:

- it is expected to be settled in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the balance sheet date; or

- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

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

All other liabilities are classified as non-current.

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

#### Operating cycle

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

### 2.7 Foreign currency translation

#### Transactions and balances

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

#### Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the

rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- All resulting exchange differences are recognised in other comprehensive income.

## 2.8 Derivative financial instruments

### Initial recognition and subsequent measurement

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

## 2.9 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods. To recognise revenues, the Group applies the following five step approach:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and
- recognise revenues when a performance obligation is satisfied.

### Sale of goods

The Group recognised revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control is transferred to the customer which is usually on shipment / dispatch / delivery. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated

thereafter at each reporting date or until crystallisation of the amount.

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

### Interest income

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

### Dividends

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

### Insurance claims

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

### Export Incentives

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

## 2.10 Taxation

### Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid

## CONSOLIDATED FINANCIAL STATEMENTS

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.

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

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

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

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

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

### Minimum Alternative tax

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

## 2.11 Property, Plant and Equipment ("PPE") and Depreciation

### Recognition and measurement

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The residual values, useful life and depreciation method are reviewed at each financial year-end

to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the Consolidated financial statements.

**Depreciation and amortization**

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

<b>Asset class</b>	<b>Estimated useful life</b>
Computers	3 years
Furniture and Fixtures	10 years
Office equipment	5 years
Motor cars	8 years
Leasehold improvements	6 years
Electrical installations	6 years

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

**2.12 Intangible assets and amortisation**

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

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

<b>Asset Class</b>	<b>Years</b>
Computer software	4 Years
Product Registration and Licences	5 Years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses.

**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 Government authorities, 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.



## 2.13 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication

exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Intangible assets are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

## 2.14 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee:

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In

addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. Such operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

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

## 2.15 Inventories

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

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

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

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower. Any write-down of inventories is recognised as an expense during the year.

## 2.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources

embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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

## 2.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

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

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

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

## 2.18 Employee benefit expenses

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

### Post-employment benefit plans

#### Defined Contribution plans

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

## CONSOLIDATED FINANCIAL STATEMENTS

### Defined benefit plans

The Group operates defined benefit plans - gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

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

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

### Short-term employee benefit

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

## 2.19 Financial instruments

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

### Financial assets

#### Initial recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

#### 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.

#### 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 solely payments of principle & interest (SPPI).

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

### Debt instrument at FVTPL

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

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

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

### Equity investments

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the

instrument, excluding dividends, are recognized in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

### Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

### 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.
- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

### Financial liabilities

#### Initial recognition and measurement

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

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

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

#### Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are

classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

### **Loans and borrowings**

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

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

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.20 Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known

amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## **2.21 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

## **2.22 Segment reporting**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

**2A. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(i) Critical Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**Contingences and commitments**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are considered as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

**(ii) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying

amounts of assets and liabilities within the next financial year, are described below.

**Taxes**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

**Defined benefit plans (gratuity benefits)**

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

**Impairment of financial assets**

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

**Impairment of non- financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value

less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

### **Provision against obsolete and slow-moving inventories**

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

### **Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### **Liability for sales return**

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Group's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Group to be reliable estimate of future sales returns.





## CONSOLIDATED FINANCIAL STATEMENTS

### 3. Property, plant and equipment

#### 3A. Owned assets

(INR Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	Total
<b>Cost</b>								
At April 01, 2019	283.66	729.46	48.50	46.63	5.72	497.15	199.27	<b>1,810.39</b>
Additions	0.21	-	28.15	12.53	-	-	-	<b>40.89</b>
Disposals	-	-	(18.73)	(1.70)	-	-	-	<b>(20.43)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	0.03	0.28	-	(0.73)	-	-	-	<b>(0.42)</b>
<b>At March 31, 2020</b>	<b>283.90</b>	<b>729.74</b>	<b>57.92</b>	<b>56.73</b>	<b>5.72</b>	<b>497.15</b>	<b>199.27</b>	<b>1,830.43</b>
<b>Accumulated depreciation</b>								
At April 01, 2019	99.80	148.52	14.78	36.86	1.83	110.88	43.13	<b>455.80</b>
Depreciation charge during the year	51.13	69.42	8.27	8.54	0.46	82.86	33.21	<b>253.89</b>
Disposals	-	-	(16.59)	(1.70)	-	-	-	<b>(18.29)</b>
Adjustments	-	-	-	-	3.43	-	-	<b>3.43</b>
Translation exchange difference	(0.35)	0.50	-	(0.63)	-	-	-	<b>(0.48)</b>
<b>At March 31, 2020</b>	<b>150.58</b>	<b>218.44</b>	<b>6.46</b>	<b>43.07</b>	<b>5.72</b>	<b>193.74</b>	<b>76.34</b>	<b>694.35</b>
<b>Net carrying value</b>								
At April 01, 2019	183.86	580.94	33.72	9.77	3.89	386.27	156.14	<b>1,354.59</b>
<b>At March 31, 2020</b>	<b>133.32</b>	<b>511.3</b>	<b>51.46</b>	<b>13.66</b>	<b>-</b>	<b>303.41</b>	<b>122.93</b>	<b>1,136.08</b>

(INR Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	Total
<b>Cost</b>								
At 01 April 2020	283.90	729.74	57.92	56.73	5.72	497.15	199.27	<b>1,830.43</b>
Additions	-	0.59	-	8.28	-	-	-	<b>8.87</b>
Disposals	(41.00)	(100.80)	-	(43.47)	-	-	-	<b>(185.27)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	0.91	0.79	-	0.87	-	-	-	<b>2.57</b>
<b>At March 31, 2021</b>	<b>243.81</b>	<b>630.32</b>	<b>57.92</b>	<b>22.41</b>	<b>5.72</b>	<b>497.15</b>	<b>199.27</b>	<b>1,656.60</b>
<b>Accumulated depreciation</b>								
At 01 April 2020	150.58	218.44	6.46	43.07	5.72	193.74	76.34	<b>694.35</b>
Depreciation charge during the year	50.40	69.11	8.82	8.85	-	82.91	33.23	<b>253.32</b>
Disposals	(40.96)	(99.96)	-	(43.47)	-	-	-	<b>(184.39)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	0.71	0.77	0.01	0.42	-	-	(0.01)	<b>1.90</b>
<b>At March 31, 2021</b>	<b>160.73</b>	<b>188.36</b>	<b>15.29</b>	<b>8.87</b>	<b>5.72</b>	<b>276.65</b>	<b>109.56</b>	<b>765.18</b>
<b>Net carrying value</b>								
At 01 April 2020	133.32	511.30	51.46	13.66	-	303.41	122.93	<b>1,136.08</b>
<b>At March 31, 2021</b>	<b>83.08</b>	<b>441.96</b>	<b>42.63</b>	<b>13.54</b>	<b>-</b>	<b>220.50</b>	<b>89.71</b>	<b>891.42</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 3B. Leased assets

(INR Lakhs)

#### Leasehold Premises

<b>Cost</b>	
At April 01, 2019	-
Additions on account of transition to Ind AS 116 - April 01, 2019	2,095.65
Additions	-
Disposals	-
<b>At March 31, 2020</b>	<b>2,095.65</b>
<b>Accumulated depreciation</b>	
At April 01, 2019	-
Depreciation charge during the year	449.47
Disposals	-
<b>At March 31, 2020</b>	<b>449.47</b>
<b>Net carrying value</b>	
At April 01, 2019	-
<b>At March 31, 2020</b>	<b>1,646.18</b>

(INR Lakhs)

#### Leasehold Premises

<b>Cost</b>	
At April 01, 2020	2,095.65
Additions	-
Disposals	-
<b>At March 31,2021</b>	<b>2,095.65</b>
<b>Accumulated depreciation</b>	
At April 01, 2020	449.47
Depreciation charge during the year	449.46
Disposals	-
<b>At March 31,2021</b>	<b>898.93</b>
<b>Net carrying value</b>	
At April 01, 2020	1,646.18
<b>At March 31,2021</b>	<b>1,196.72</b>



## CONSOLIDATED FINANCIAL STATEMENTS

### 4. Intangible assets

	Computer Software	Product Registration and Licences	(INR Lakhs) Total
<b>Cost</b>			
At April 01, 2019	60.72	60,240.00	<b>60,300.72</b>
Additions *	47.46	16,546.30	<b>16,593.76</b>
Disposals *	-	(1,147.82)	<b>(1,147.82)</b>
Adjustments *	-	-	-
Translation exchange difference	(0.05)	-	<b>(0.05)</b>
<b>At March 31, 2020</b>	<b>108.13</b>	<b>75,638.48</b>	<b>75,746.61</b>
<b>Accumulated amortisation</b>			
At April 01, 2019	51.27	24,465.16	<b>24,516.43</b>
Amortisation during the year	9.21	12,999.71	<b>13,008.92</b>
Disposals	-	(586.52)	<b>(586.52)</b>
Adjustments *	-	-	-
Translation exchange difference	(0.21)	-	<b>(0.21)</b>
<b>At March 31, 2020</b>	<b>60.27</b>	<b>36,878.35</b>	<b>36,938.62</b>
<b>Net carrying value</b>			
At April 01, 2019	9.45	35,774.84	<b>35,784.29</b>
<b>At March 31, 2020</b>	<b>47.86</b>	<b>38,760.13</b>	<b>38,807.99</b>

	Computer Software	Product Registration and Licences	(INR Lakhs) Total
<b>Cost</b>			
At April 01, 2020	108.13	75,638.48	<b>75,746.61</b>
Additions *	5.92	30,107.16	<b>30,113.08</b>
Disposals *	-	(1,465.38)	<b>(1,465.38)</b>
Adjustments *	-	-	-
Translation exchange difference	0.48	-	<b>0.48</b>
<b>At March 31, 2021</b>	<b>114.53</b>	<b>104,280.26</b>	<b>104,394.79</b>
<b>Accumulated amortisation</b>			
At April 01, 2020	60.27	36,878.35	<b>36,938.62</b>
Amortisation during the year	14.32	16,326.90	<b>16,341.22</b>
Disposals	-	(1,196.47)	<b>(1,196.47)</b>
Adjustments *	-	-	-
Translation exchange difference	0.30	-	<b>0.30</b>
<b>At March 31, 2021</b>	<b>74.89</b>	<b>52,008.78</b>	<b>52,083.67</b>
<b>Net carrying value</b>			
At April 01, 2020	47.86	38,760.13	<b>38,807.99</b>
<b>At March 31, 2021</b>	<b>39.64</b>	<b>52,271.48</b>	<b>52,311.12</b>

\* The Holding Company's data compensation elements of product registration was initially capitalised based on management estimates. The gross block of product registration and licenses have been reduced as an outcome of negotiations/arbitration with contracting parties by Nil (March 31, 2020 : INR 460.07 Lakhs)

The Holding Company has written off certain assets during the current year having net written down value of INR 166.53 lakhs (March 31, 2020: INR 160.44 lakhs) based on internal assessment.

## CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets and Intangible assets under development are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

The Holding Company generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements' best estimate about future developments.

### 4A. Intangible assets under development

	(INR Lakhs)
	<b>Intangible assets under development</b>
At April 01, 2019	21,975.83
Additions	16,390.26
Disposals	(5,632.08)
Capitalised	(16,593.76)
<b>At March 31, 2020</b>	<b>16,140.25</b>

	(INR Lakhs)
	<b>Intangible assets under development</b>
At April 01, 2020	16,140.25
Additions	30,880.22
Disposals	(3,803.57)
Capitalised	(30,113.08)
<b>At March 31, 2021</b>	<b>13,103.82</b>

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. Goodwill

	(INR Lakhs)	(INR Lakhs)
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Carrying value at the beginning of the year	43.98	40.21
Foreign currency exchange gain / (loss)	(1.44)	3.77
<b>Carrying value at the end of the year</b>	<b>42.54</b>	<b>43.98</b>

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.



## CONSOLIDATED FINANCIAL STATEMENTS

### 6. Current investment

	(INR Lakhs)	
	As at March 31, 2021	
	As at March 31, 2020	
<b>Investment carried at fair value through statement of profit or loss (FVTPL)</b>		
<b>Investments in mutual funds units (Unquoted)</b>		
-Aditya Birla Sun Life Arbitrage Fund - Dividend - Regular Fund Nil (March 31, 2020: 30,54,567) units of INR 10 each	-	328.56
-Axis Banking & PSU Debt Fund 50,067 (March 31, 2020: 50,067) units of INR 1,000 each	1,031.08	956.96
Axis Treasury Advantage Fund- Growth Nil (March 31, 2020: 31,172) units of INR 1,000 each	-	703.15
DSP Corporate Bond Fund Growth 70,48,697 (March 31, 2020: 70,48,697) units of INR 10 each	896.47	830.84
DSP Banking and PSU Debt Fund- Reg-Growth 41,95,404 (March 31, 2020: 41,95,404) units of INR 10 each	785.88	727.52
-DSP Low Duration Fund - Regular Plan - Growth Nil (March 31, 2020: 27,65,491) units of INR 10 each	-	405.48
-HDFC Ultra Short Term Fund-Regular Growth Nil (March 31, 2020: 22,59,918) units of INR 10 each	-	253.24
-HDFC Corporate Bond Fund - Regular Growth 57,40,234 (March 31, 2020: 38,67,605) units of INR 10 each	1,430.92	886.22
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 35,39,859 (March 31, 2020: 35,39,859) units of INR 10 each	803.12	737.21
-ICICI Prudential Equity Arbitrage Fund - Dividend Nil (March 31, 2020: 24,05,582) units of INR 10 each	-	328.93
-IDFC Banking & PSU Debt Fund - Regular Nil (March 31, 2020: 34,87,045) units of INR 10 each	-	618.71
-IDFC Corporate Bond Fund Regular Plan - Growth 1,01,92,105 (March 31, 2020: 57,27,541) units of INR 10 each	1,531.16	789.33
-IDFC Ultra Short Term Fund Regular Plan - Growth Nil (March 31, 2020: 35,58,645) units of INR 10 each	-	404.77
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) Nil (March 31, 2020: 40,66,201) units of INR 10 each	-	434.76
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 12,00,788 (March 31, 2020: 12,00,788) units of INR 10 each	604.18	560.97
Kotak Corporate Bond Fund Standard Growth (Regular Plan) Nil (March 31, 2020: 15,397) units of INR 1000 each	-	414.33
-Reliance Arbitrage Fund - Dividend Plan Reinvestment Nil (March 31, 2020: 43,49,154) units of INR 10 each	-	536.66

## CONSOLIDATED FINANCIAL STATEMENTS

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
-SBI Banking & PSU Fund - Regular Growth Nil (March 31, 2020: 28,984) units of INR 1,000 each	-	661.01
-SBI Corporate Bond Fund - Regular Plan Growth Nil (March 31, 2020: 35,84,808) units of INR 10 each	-	402.18
-Union Focused Regular Plan- Growth Option Nil (March 31, 2020: 29,99,990) units of INR 10 each	-	254.40
-Union Hybrid Equity Fund - Regular Plan Growth 9,99,940 (March 31, 2020: Nil) units of INR 10 each	106.09	-
-Union Large and Midcap Fund Nil (March 31, 2020: 14,99,990) units of INR 10 each	-	113.40
-Union Corporate Bond Fund - Direct Plan Growth * 48,43,808 (March 31, 2020: Nil) units of INR 10 each	586.67	-
-Union Medium Duration Fund Regular Plan - Growth * 19,99,900 (March 31, 2020: Nil) units of INR 10 each	204.08	-
-Union Corporate Bond Fund - Regular Plan Growth * 26,79,793 (March 31, 2020: 18,38,742) units of INR 10 each	321.66	204.86
<b>Total</b>	<b>8,301.31</b>	<b>11,553.49</b>

\* Lien marked on the units of Union Corporate Bond Fund Regular Plan - Growth for INR 220.71 lakhs (March 31, 2020: INR Nil), Union Medium Duration Fund - Regular Plan - Growth for INR 204.08 lakhs (March 31, 2020: INR Nil) and Union Corporate Bond Fund - Direct Plan - Growth for INR 586.67 lakhs (March 31, 2020: INR Nil) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Aggregate amount of unquoted investments	8,301.31	11,553.49
Investment carried at fair value through statement of profit or loss (FVTPL)	8,301.31	11,553.49

### 7. Loans

#### Current

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Unsecured, considered good</b>		
Other loans		
Loans to employees	-	0.03
<b>Total</b>	<b>-</b>	<b>0.03</b>

## CONSOLIDATED FINANCIAL STATEMENTS

**8. Other Financial Assets**
**Non-current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Goods and services tax receivable	12.64	165.72
Statutory dues receivable from government authorities	475.85	673.61
Export incentive receivable	419.11	293.99
Security deposit	32.63	21.80
<b>Total</b>	<b>940.23</b>	<b>1,155.12</b>

**Current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Derivative instrument - foreign currency forward contracts (refer note 37)	80.95	33.32
Goods and services tax receivable	986.73	992.61
Statutory dues receivable from government authorities	1,713.93	31.38
Export incentive and other receivables	23.74	70.78
<b>Total</b>	<b>2,805.35</b>	<b>1,128.09</b>

**9A. Income tax assets (net)**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Advance tax [Net of provision for income tax of INR 40,273.30 Lakhs (March 31, 2020: INR 35,186.92 Lakhs)]	7,363.53	7,253.14
<b>Total</b>	<b>7,363.53</b>	<b>7,253.14</b>

**9B. Income tax liabilities (net)**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Other provisions</b>		
Provision for income tax [Net of advance tax INR 54.44 Lakhs (March 31, 2020: INR 16.36 Lakhs)]	317.22	152.04
<b>Total</b>	<b>317.22</b>	<b>152.04</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 9C. Tax expense

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are :-

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

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current income tax:</b>		
Current income tax charge	5,581.59	4,162.88
Adjustments in respect of current income tax of previous year	227.02	(128.45)
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	2,215.07	(5,539.51)
On account of new tax rate	-	3,522.84
<b>Income tax expense reported in the statement of profit and loss</b>	<b>8,023.68</b>	<b>2,017.76</b>

### Income tax (expense)/benefit recognized in OCI

(INR Lakhs)

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

	Year ended March 31, 2021	Year ended March 31, 2020
Net (gain)/loss on remeasurement of defined employee benefit plans	(3.27)	1.49
<b>Total</b>	<b>(3.27)</b>	<b>1.49</b>

### Reconciliation of effective tax rate (ETR)

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit from operations before income taxes	28,468.22	20,880.44
Tax @34.944% (March 31, 2020: 34.944%) (Indian statutory income tax rate)	9,947.93	7,296.46
<b>Tax effect on income not taxable for tax purposes or taxable at lower rates:</b>		
Dividend received on investment in subsidiary	1,111.27	1,636.34
On account of new tax rate	-	3,522.84
Others	1,646.01	437.95
	<b>2,757.28</b>	<b>5,597.13</b>
<b>Tax effect on non-deductible expenses for tax purposes:</b>		
Interest on Income Tax	-	0.61
Corporate social responsibility (CSR) expenditure	114.53	100.02
Others (including temporary difference which will reverse at lower rate)	43.88	11.30
	<b>158.41</b>	<b>111.93</b>
Profit taxable at higher/ lower/ nil tax rates in certain jurisdictions	585.65	184.26
Effect of deductible temporary differences now recognised as deferred tax assets/ liabilities	(138.05)	150.69
Adjustments recognised in the current year in relation to the current tax of prior years	227.02	(128.45)
<b>Income tax expense</b>	<b>8,023.68</b>	<b>2,017.76</b>



## CONSOLIDATED FINANCIAL STATEMENTS

**9D. Deferred tax assets (net)**

	(INR Lakhs)
	As at March 31, 2021
	As at March 31, 2020
<b>Deferred tax assets</b>	
Temporary difference related to profit on stock reserves	599.01
Other	5.08
<b>Gross deferred tax assets</b>	<b>604.09</b>
<b>Deferred tax liabilities</b>	-
<b>Gross deferred tax liabilities</b>	-
<b>Net deferred tax assets</b>	<b>604.09</b>

**9E. Deferred tax liabilities (net)**

	(INR Lakhs)
	As at March 31, 2021
	As at March 31, 2020
<b>Deferred tax assets</b>	
Provision for gratuity	76.44
Provision for investment in subsidiary	124.47
Others	6.97
Lease liability	377.70
Provision for doubtful debts	386.73
Provision for inventories	140.28
Unrealised gain/ loss on investment carried at fair value through statement of profit and loss	-
Gain / loss on derivatives (Foreign currency forward contracts)	30.68
Minimum Alternate Tax (MAT) credit	2,871.02
<b>Gross deferred tax assets</b>	<b>4,014.29</b>
<b>Deferred tax liabilities</b>	
Tangible and intangible assets	12,999.91
Lease assets	301.19
<b>Gross deferred tax liabilities</b>	<b>13,301.10</b>
<b>Net deferred tax liabilities</b>	<b>(9,286.81)</b>

**Note :**

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, 2021 and March 31,2020**

	(INR Lakhs)
	Year ended March 31, 2021
	Year ended March 31, 2020
<b>Net deferred tax liabilities at the beginning of the year</b>	(6,538.65)
(Charge) relating to temporary difference	(2,215.07)
Temporary difference on other comprehensive income	(3.27)
On account of new tax rate	-
Translation difference	74.27
<b>Net deferred tax liabilities at the end of the year</b>	<b>(8,682.72)</b>

## CONSOLIDATED FINANCIAL STATEMENTS

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

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Raw materials including packing materials [Stock in transit INR 5,116.97 Lakhs (March 31, 2020 INR 3,658.40 Lakhs)]	25,841.10	15,967.65
Finished goods [Stock in transit INR 1,958.54 Lakhs (March 31, 2020: INR 2,169.30 Lakhs)]	20,580.93	18,942.85
Traded goods [Stock in transit INR 668.74 Lakhs (March 31, 2020: INR 94.27 Lakhs)]	6,132.83	3,313.22
<b>Total</b>	<b>52,554.86</b>	<b>38,223.72</b>

#### Note:

- i) Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is INR 402.19 Lakhs (March 31, 2020 INR 158.94 Lakhs).
- ii) The products of the Group are essential products for agriculture and possibility of contraction in demand is remote. On account of prolonged lock down, the Group does not foresee any diminution in the net realizable value of inventories as at March 31, 2021 due to COVID -19.
- iii) The carrying amount of inventories are pledged as security against credit facilities availed by the Holding Company from bank of INR 6,784.72 Lakhs (March 31, 2020: INR Nil) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 16).

### 11. Trade receivables

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Unsecured, considered good	116,256.47	98,891.82
Significant increase in credit risk	2,291.28	2,682.08
<b>Total</b>	<b>118,547.75</b>	<b>101,573.90</b>
Less: - Allowances for credit losses	(2,291.28)	(2,682.08)
<b>Total</b>	<b>116,256.47</b>	<b>98,891.82</b>

For the Group's credit risk management process, refer note 38.

Trade receivables are pledged as security against credit facilities availed by the Holding Company from bank of INR 6,784.72 Lakhs (March 31, 2020: INR Nil) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 16).

### 12A. Cash and bank balances

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Balances with banks</b>		
in current accounts	8,544.08	7,773.73
Cash on hand	11.04	1.97
<b>Total</b>	<b>8,555.12</b>	<b>7,775.70</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**12B. Bank balance other than cash and cash equivalents**

	As at March 31, 2021	(INR Lakhs) As at March 31, 2020
In Fixed deposit account		
with original maturity of more than three months but less than twelve months*	17,492.35	7,563.05
with original maturity of more than 12 months	-	0.15
In earmarked accounts		
Unpaid dividend accounts	5.78	5.28
<b>Total</b>	<b>17,498.13</b>	<b>7,568.48</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 17,288.90 lakhs (March 31, 2020: INR 7,357.14 lakhs) against credit facilities availed by the Group.

**13. Other assets**
**Current**

	As at March 31, 2021	(INR Lakhs) As at March 31, 2020
<b>Unsecured, considered good</b>		
Advance to vendors for supply of goods and services	69.99	881.65
Right of recoveries against expected sales return	3,392.36	1,593.19
Prepaid expenses	334.45	281.50
Interest accrued on fixed deposits with bank *	164.42	202.32
<b>Total</b>	<b>3,961.22</b>	<b>2,958.66</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating INR 163.89 lakhs (March 31, 2020: INR 199.57 lakhs) against credit facilities availed by the Group.

**14. Equity share capital**

	As at March 31, 2021	(INR Lakhs) As at March 31, 2020
<b>Authorised share capital</b>		
10,50,00,000 (March 31, 2020: 10,50,00,000) equity shares of INR 10/- each	10,500.00	10,500.00
<b>Issued, subscribed and fully paid-up</b>		
9,02,20,495 (March 31, 2020: 9,02,20,495) equity shares of INR 10/- each	9,022.05	9,022.05

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**
**Equity shares**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	INR Lakhs	No. of Shares	INR Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
<b>Outstanding at the end of the year</b>	<b>9,02,20,495</b>	<b>9,022.05</b>	<b>9,02,20,495</b>	<b>9,022.05</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### (b) Terms/rights attached to equity shares

The Holding 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 Holding 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

### (c) Details of shareholders holding more than 5% shares in the Holding Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	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	14,091,147	15.62%	14,061,532	15.59%
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	8,314,223	9.22%	8,333,807	9.24%
<b>Total</b>	<b>66,818,056</b>	<b>74.08%</b>	<b>66,808,025</b>	<b>74.07%</b>

\* 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, 2021:

The Holding 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.



## CONSOLIDATED FINANCIAL STATEMENTS

**(e) Distribution made and proposed**

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash dividends on equity shares declared:</b>		
Interim dividend on equity shares for the year ended March 31, 2021 INR 2.00 (March 31, 2020: INR 4.00) per share	1,804.41	3,608.82
<b>Proposed dividends on Equity shares:</b>		
Final cash dividend for the year ended March 31, 2021: INR 3.00 (March 31, 2020: Nil) per share	2,706.61	-
<b>Cash dividends on equity shares distributed and paid :</b>		
Interim Dividend on equity shares for the year ended March 31, 2021 INR 2.00 (March 31, 2020: INR 4.00) per share	1,804.41	3,608.82
Final Dividend on equity shares for the year ended March 31, 2020 : NIL (March 31, 2019: INR 2.00) per share	-	1,804.41

**15. Other equity**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Capital reserve</b>		
Balance at the beginning of the year	1,581.11	1,581.11
<b>Balance at the end of the year</b>	<b>1,581.11</b>	<b>1,581.11</b>
<b>Securities premium</b>		
Balance at the beginning of the year	2,168.55	2,168.55
<b>Balance at the end of the year</b>	<b>2,168.55</b>	<b>2,168.55</b>
<b>General reserve</b>		
Balance at the beginning of the year	664.94	664.94
<b>Balance at the end of the year</b>	<b>664.94</b>	<b>664.94</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	3,215.42	2,374.00
Add: Foreign currency translation reserve for the year	30.42	841.42
<b>Balance at the end of the year</b>	<b>3,245.84</b>	<b>3,215.42</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	123,627.24	112,580.29
Add: Profit for the year	22,917.41	16,466.24
Add: Other comprehensive income	7.22	(6.06)
Less: Payment of dividends	1,804.41	5,413.23
<b>Balance at the end of the year</b>	<b>144,747.46</b>	<b>123,627.24</b>
<b>Total</b>	<b>152,407.90</b>	<b>131,257.26</b>

**Capital Reserve -**

The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

## CONSOLIDATED FINANCIAL STATEMENTS

### Securities Premium -

Where the Group 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 Group may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this for buy-back of shares.

### General Reserve -

General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

## 16. Borrowings

### Non-current

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Others (Unsecured)	-	9.26
<b>Total</b>	<b>-</b>	<b>9.26</b>

### Current

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Buyer's credit from Bank (Secured)*	6,784.72	-
<b>Total</b>	<b>6,784.72</b>	<b>-</b>

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

## 17. Trade payables

### Non-current

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Total outstanding dues of micro enterprises and small enterprises (refer note 40)*</b>	<b>-</b>	<b>-</b>
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises *</b>	<b>240.44</b>	<b>238.10</b>
<b>Total</b>	<b>240.44</b>	<b>238.10</b>

### Current

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Total outstanding dues of micro enterprises and small enterprises (refer note 40)*</b>	<b>410.31</b>	<b>165.40</b>
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises *</b>	<b>80,265.11</b>	<b>68,493.43</b>
<b>Total</b>	<b>80,675.42</b>	<b>68,658.83</b>

\* The Group 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.



## CONSOLIDATED FINANCIAL STATEMENTS

**18. Other financial liabilities****Non-current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Security deposits	14.63	14.63
Lease liabilities	837.88	1,290.98
Creditors for Capital purchases	307.04	-
<b>Total</b>	<b>1,159.55</b>	<b>1,305.61</b>

**Current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Foreign currency forward contracts (refer note 37)	3.10	-
Unclaimed dividend *	5.78	5.28
Lease liabilities	453.10	418.37
Interest accrued on borrowings	20.80	0.14
Creditors for capital purchases	14,073.96	7,772.39
Directors commission	432.47	357.85
Salaries and bonus	347.11	326.24
Others	22.53	101.78
<b>Total</b>	<b>15,358.85</b>	<b>8,982.05</b>

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as March 31, 2021 (March 31, 2020: Nil).

**19. Provisions****Non-current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity (refer note 30)	302.28	265.52
<b>Total</b>	<b>302.28</b>	<b>265.52</b>

**Current**

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity (refer note 30)	36.73	36.27
Provision for leave encashment	52.17	41.03
Expected return from customers	4,910.64	2,357.72
Others	-	4.10
<b>Total</b>	<b>4,999.54</b>	<b>2,439.12</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 20. Other current liabilities

(INR Lakhs)

	As at March 31, 2021	As at March 31, 2020
Advance from customers (refer note 34)	954.24	731.07
Payable towards sales incentives / sales promotion	1,504.12	1,331.31
Deposit taken	206.92	13.71
Book overdraft	137.15	-
Statutory liabilities (including provident fund, tax deducted at source and others)	2,994.93	3,307.73
Others	3.04	4.01
<b>Total</b>	<b>5,800.40</b>	<b>5,387.83</b>

### 21. Revenue from operations

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods (refer note 34)	239,108.71	199,812.44
Other operating revenue		
Export incentives	354.72	360.88
Royalty income	82.88	125.40
Miscellaneous receipts	14.46	3.10
<b>Total</b>	<b>239,560.77</b>	<b>200,301.82</b>

### 22. Other income

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest income on</b>		
Bank deposits carried at amortised cost	479.84	486.42
Foreign VAT refund	8.09	-
Income tax refund received	325.80	30.90
Loan to employees	-	0.03
Delay payment from customer	37.08	291.98
Others	0.19	-
Dividend received on investments		
On mutual fund units	17.19	90.67
Profit on disposal of property, plant and equipment	-	1.32
Insurance claim received	-	388.55
Liabilities/ provisions no longer required written back	1,851.99	1,270.13
Liabilities/ provisions no longer required written back on creditors for capital Purchases	226.98	504.77
Profit on sale of mutual funds	655.13	758.62
Gain on financial instruments at fair value (Mutual fund)	450.76	229.50
Reversal of doubtful debts	312.71	-
Miscellaneous income	227.80	258.38
<b>Total</b>	<b>4,593.56</b>	<b>4,311.27</b>





## CONSOLIDATED FINANCIAL STATEMENTS

**23. Cost of materials consumed**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Inventory at the beginning of the year	15,967.65	13,465.31
Add: Purchases	103,821.37	80,218.43
	<b>119,789.02</b>	<b>93,683.74</b>
Less: Inventory at the end of the year	(25,841.10)	(15,967.65)
<b>Total</b>	<b>93,947.92</b>	<b>77,716.09</b>

**24. Changes in inventories of finished goods and stock in trade**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
<b>Inventories at the end of the year</b>		
Stock in trade	6,132.83	3,313.22
Finished goods	20,580.93	18,942.85
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	7.98	340.64
<b>Total</b>	<b>26,721.74</b>	<b>22,596.71</b>
<b>Inventories at the beginning of the year</b>		
Stock in trade	3,313.22	4,390.29
Finished goods	18,942.85	18,606.34
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	202.38	44.35
<b>Total</b>	<b>22,458.45</b>	<b>23,040.98</b>
<b>Changes in inventories of finished goods and stock in trade</b>	<b>(4,263.29)</b>	<b>444.27</b>

**25. Employee benefit expense**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Salaries, wages and bonus	3,667.15	3,425.51
Contribution to provident and other funds (refer note 30)	5.40	6.16
Gratuity expenses (refer note 30)	51.08	46.26
Staff welfare expenses	8.82	11.81
<b>Total</b>	<b>3,732.45</b>	<b>3,489.74</b>

**26. Finance costs**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
<b>Interest Expenses on</b>		
Loan from directors (refer note 35)	-	0.75
Borrowing from bank	42.23	-
Income tax	-	1.73
Lease liabilities	121.63	153.69
Delayed payment of statutory dues	17.73	4.85
Others	95.62	30.70
<b>Total</b>	<b>277.21</b>	<b>191.72</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 27. Depreciation and amortisation expense

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3A)	253.32	253.89
Depreciation on right-of-use asset (refer note 3B)	449.46	449.47
Amortisation of intangible assets (refer note 4)	16,341.22	13,008.92
<b>Total</b>	<b>17,044.00</b>	<b>13,712.28</b>

### 28. Other expenses

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Freight and forwarding expenses	3,930.84	2,820.32
Rent	223.28	169.93
Rates and taxes	224.89	146.15
Insurance charges	746.75	469.36
Repairs and maintenance		
Buildings	1.67	35.17
Others	43.36	43.96
Advertising and sales promotion	234.44	335.29
Sales commission	1,001.15	1,124.66
Travelling and conveyance	534.88	1,290.44
Communication expenses	193.85	213.06
Office expenses	892.07	763.32
Legal and professional fees	15,487.04	11,251.27
Directors sitting fees	12.47	13.71
Corporate Social Responsibility expense (refer note 41)	644.68	555.91
Donation	-	0.30
Payment to auditor (refer note 'a' below)	67.16	68.31
Custodian charges	66.51	38.77
(Gain) on closure of subsidiary	(0.31)	-
Bad debts	921.38	690.02
Allowance for doubtful debts	38.11	1,360.45
Bank charges	1,345.21	1,409.16
Discard / write-off of property, plant and equipment	-	3.44
Discard / write-off of intangible assets and intangible assets under development	3,832.22	5,465.46
Miscellaneous expenses	106.58	89.27
<b>Total</b>	<b>30,548.23</b>	<b>28,357.74</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Note a:**
**Details of payment to auditor :**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
<b>As auditors</b>		
Audit fees	61.02	59.06
Reimbursement of expense	2.30	5.85
<b>In other capacities</b>		
Other services - certification	3.83	3.40
<b>Total</b>	<b>67.15</b>	<b>68.31</b>

**29. Earnings per share (EPS)**

	Year ended March 31, 2021	Year ended March 31, 2020
		(INR Lakhs)
Profit after tax attributable to equity shareholders	22,917.41	16,466.24
Weighted average number of equity shares outstanding during the year	90,220,495	90,220,495
<b>Earnings per Share</b>		
Face value per equity share (INR)	10.00	10.00
Basic and diluted earning per share (INR)	25.40	18.25

**30. Employee benefits - Employment benefit plans**
**a) Defined contribution plans**

The Group 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 Group has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

"The Group has recognised the following amount as an expense and included in the Note 25 under "Contribution to provident and other funds":

	As at March 31, 2021	As at March 31, 2020
		(INR Lakhs)
Contribution to employees provident fund	3.85	4.48
Contribution to ESI	1.55	1.68
<b>Total</b>	<b>5.40</b>	<b>6.16</b>

**b) Defined benefit plans**

The Group 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 Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

## CONSOLIDATED FINANCIAL STATEMENTS

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Changes in benefit obligations</b>		
Benefit obligations at the beginning of the year	311.57	266.42
Current service cost	32.26	27.61
Interest cost	18.82	19.57
Actuarial (gains)/ losses	(9.94)	7.63
Benefits paid	(11.22)	(9.66)
<b>Benefit obligations at the end of the year</b>	<b>341.49</b>	<b>311.57</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	9.78	12.34
Interest income	-	0.91
Return on plan assets excluding amounts included in interest income	0.55	0.08
Benefits paid	(7.85)	(3.55)
<b>Fair value of plan assets at the end of the year</b>	<b>2.48</b>	<b>9.78</b>
<b>Net benefit obligation at the end of the year</b>	<b>339.01</b>	<b>301.79</b>

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

(INR Lakhs)

	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Current service cost	32.26	27.61
Net interest cost	18.82	18.65
<b>Net gratuity cost charged to statement of profit and loss</b>	<b>51.08</b>	<b>46.26</b>

### Amounts recognised in Statement of other comprehensive income

(INR Lakhs)

	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Remeasurements of the net defined benefit liability / (asset)</b>		
Actuarial (gains) / losses	(9.94)	7.63
(Return)/ loss on plan assets excluding amounts included in the net interest	(0.55)	(0.08)

### Plan assets comprise of the following

(INR Lakhs)

	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Policy of Insurance	100%	100%

**CONSOLIDATED FINANCIAL STATEMENTS**
**Actuarial assumptions as at the balance sheet date:**

	Year ended March 31, 2021	Year ended March 31, 2020
	(INR Lakhs)	
Discount rate	6.45%	6.80%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

**Expected Benefit Payments in Future Years**

	As at March 31, 2021	As at March 31, 2020
	(INR Lakhs)	
Year 1	69.80	64.46
Year 2	17.68	22.07
Year 3	22.91	16.55
Year 4	22.96	21.40
Year 5	20.96	21.28
Year 6 to 10	119.69	117.53

**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.

	March 31, 2021		March 31, 2020	
	(INR Lakhs)			
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	329.13	358.18	299.33	324.84
Future salary growth rate varied by 0.5%	349.79	335.83	317.57	305.45
Withdrawal rate varied by 10%	345.81	340.02	314.60	308.34

**31. Capital and other commitments**

	As at March 31, 2021	As at March 31, 2020
	(INR Lakhs)	
Estimated amount of contracts remaining to be executed on capital account not provided for	17,981.53	37,525.15

## CONSOLIDATED FINANCIAL STATEMENTS

### 32. Contingent liabilities

(INR Lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Income tax matters (refer note (i) below)	6,661.97	6,569.38
Service tax matter (refer note (ii) below)	785.14	785.14
<b>Total</b>	<b>7,447.11</b>	<b>7,354.52</b>

**Note:**

- i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim by the Holding Company (common for all years) which has been settled and allowed in favour of the Holding Company by the Hon'ble ITAT, Mumbai for the earlier four years, and therefore the management is of the opinion that the contingent liabilities would not have an adverse impact on the Company in view of the favourable decisions given by the higher authorities in the Company's own case as mentioned above. Further, for FY 2014-15 (AY 2015-16), the Holding Company has considered INR 90.61 lakhs as contingent liability as in view of the management the Holding Company has a refund of INR 1,340.48 lakhs as per the return of income filed and once the issue is decided in favour of the Holding Company for the respective year, the Holding Company will be entitled to a refund of INR 1,340.48 lakhs along with the applicable interest.
- ii) During the current year, an adverse order dated September 25, 2020 was received by the Holding Company against the service tax refund claim. The Holding Company filed an appeal on November 24, 2020 against the said order received. The Commissioner rejected the appeal on January 28, 2021 and upheld the original order passed on September 25, 2020. The Holding Company has again filed an appeal on April 04, 2021 and final decision is awaited.
- 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 Holding Company does not expect the outcome of the matter stated above to have a material adverse effect on the Holding Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Holding Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. The Holding Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.



## CONSOLIDATED FINANCIAL STATEMENTS

### 33. Segment information

Business segment of Group primarily identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems are as follows:

**Agrochemicals** : Insecticides, Herbicides, Fungicides & Biocides

**Non Agrochemicals** : Conveyor Belts, V Belts and Timing Belts ,Dyes and Dye Intermediates and General Chemical

#### Information about business segments

(INR Lakhs)

	Agrochemicals		Non Agrochemicals		Total	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<b>Revenue</b>						
External sales	205,846.13	168,497.58	33,714.64	31,804.24	239,560.77	200,301.82
Other income	2,117.40	2,043.45	546.61	177.81	2,664.01	2,221.26
<b>Revenue from operations</b>	<b>207,963.53</b>	<b>170,541.03</b>	<b>34,261.25</b>	<b>31,982.05</b>	<b>242,224.78</b>	<b>202,523.08</b>
<b>Results</b>						
Segment results	24,988.44	12,749.57	5,905.59	5,288.11	30,894.03	18,037.68
Other income (Unallocated)					1,929.56	1,986.24
Unallocated expenses					(1,643.16)	(1,350.12)
<b>Operating profit</b>					<b>31,180.43</b>	<b>18,673.80</b>
Finance costs					(234.98)	(186.87)
<b>Profit before tax</b>					<b>30,945.45</b>	<b>18,486.93</b>
Income taxes					(8,023.68)	(2,017.76)
<b>Profit after tax</b>					<b>22,921.77</b>	<b>16,469.17</b>
<b>Other segment information</b>						
Segment assets	230,527.57	187,640.24	10,787.85	8,953.50	241,315.42	196,593.74
Unallocated assets					45,070.51	38,080.75
<b>Total assets</b>	<b>230,527.57</b>	<b>187,640.24</b>	<b>10,787.85</b>	<b>8,953.50</b>	<b>286,385.93</b>	<b>234,674.49</b>
Segment liabilities	111,293.96	82,341.24	3,809.64	3,611.44	115,103.60	85,952.68
Unallocated liabilities					9,821.63	8,416.10
<b>Total liabilities</b>	<b>111,293.96</b>	<b>82,341.24</b>	<b>3,809.64</b>	<b>3,611.44</b>	<b>124,925.23</b>	<b>94,368.78</b>
<b>Capital expenditure:</b>						
Tangible assets (Unallocated)					8.87	40.89
Intangible assets (Including IAUD*) (Allocated)	30,879.58	16,381.71	-	-	30,879.58	16,381.71
Intangible assets (Unallocated)					5.92	49.34
Depreciation (Unallocated)					702.78	703.36
Amortization (Allocated)	16,340.64	13,008.61	0.58	0.31	16,341.22	13,008.92
Amortization (Unallocated)					-	-
Capital employed	119,233.61	105,299.00	6,978.21	5,342.06	126,211.82	110,641.06
Capital employed (Unallocated)					35,248.88	29,664.65

\*IAUD-Intangible Asset Under Development

## CONSOLIDATED FINANCIAL STATEMENTS

### Notes

- (i) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
- a) Agrochemicals – This is the main area of the Group's operation and includes the trading of agrochemical products.
  - b) Non Agrochemicals – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure 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.

	March 31, 2021		March 31, 2020	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
INDIA	916.88	10,192.12	2,946.95	10,778.72
EUROPE	114,877.06	38,673.92	95,580.53	37,746.00
LATAM	17,374.81	2,334.45	13,299.34	2,637.82
NAFTA	87,373.92	19,721.26	70,717.66	8,551.16
ROW	19,018.10	4,927.63	17,757.34	6,469.04
<b>Total</b>	<b>239,560.77</b>	<b>75,849.38</b>	<b>200,301.82</b>	<b>66,182.74</b>

(INR Lakhs)

\* 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, 2021 and March 31, 2020



**CONSOLIDATED FINANCIAL STATEMENTS**
**34. Revenue from contracts with customer (Ind AS 115)**

The Group is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world. The revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / 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.

**A) Reconciliation of revenue recognised from Contract liability:**

Particulars	(INR Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Contract liability	731.07	864.78
Add: Addition to contract liability during the year	11,376.84	3,753.70
Less: Recognised as revenue during the year	(11,077.99)	(3,600.50)
Less: Other Adjustments	(75.68)	(286.91)
<b>Closing contract liability</b>	<b>954.24</b>	<b>731.07</b>

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

Particulars	(INR Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contract with customer as per Contract price	256,679.77	211,859.61
Less: Discounts and incentives	(4,743.39)	(3,943.99)
Less:- Sales Returns /credits / reversals	(12,937.05)	(8,085.05)
Less:- Any other adjustments	109.38	(18.13)
<b>Total</b>	<b>239,108.71</b>	<b>199,812.44</b>

**C) Disaggregation of revenue from contract with customers**

Particulars	(INR Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Agrochemicals</b>		
India	916.88	853.86
Europe	103,843.87	86,476.45
Latin America	14,960.98	11,994.31
North America	72,359.45	57,394.57
Rest of the world	13,312.88	11,353.82
<b>Total (A)</b>	<b>205,394.06</b>	<b>168,073.01</b>
<b>Non agrochemicals</b>		
India	-	2,093.09
Europe	10,760.25	8,791.65
Latin America	2,389.60	1,277.66
North America	14,866.81	13,198.53
Rest of the world	5,697.99	6,378.50
<b>Total (B)</b>	<b>33,714.65</b>	<b>31,739.43</b>
<b>Total (A) +(B)</b>	<b>239,108.71</b>	<b>199,812.44</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### D) Sales by performance obligations

(INR Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Agrochemical</b>		
Upon shipment	205,394.06	168,073.01
Upon delivery	-	-
<b>Total (A)</b>	<b>205,394.06</b>	<b>168,073.01</b>
<b>Non agrochemicals</b>		
Upon shipment	33,714.65	31,739.43
Upon delivery	-	-
<b>Total (B)</b>	<b>33,714.65</b>	<b>31,739.43</b>
<b>Total (A)+(B)</b>	<b>239,108.71</b>	<b>199,812.44</b>

### 35. Related party transactions

#### (A) Names of related parties and their relationship

##### (a) Key Managerial personnel and their relatives

Mr. Ramprakash V. Bubna	Chairman & Managing Director
Mrs. Sharda R. Bubna	Whole-time Director
Mr. Ashish R. Bubna	Whole-time Director
Mr. Manish R. Bubna	Whole-time Director
Mrs. Seema A. Bubna	Wife of Whole-time Director
Mrs. Anisha M. Bubna	Wife of Whole-time Director
Ms. Kevika A. Bubna	Daughter of Whole-time Director
Mr. Anil G. Kumta	Director, Axis Cropscience Private Limited (resigned effective 25.06.2020)
Mr. M.S. Sundara Rajan	Independent Director
Mr. P. R. Srinivasan	Independent Director (resigned effective 08.08.2019)
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Ms. Sonal Desai	Independent Director (effective from 01.04.2019)
Mr. Ashish Lodha	Chief Financial Officer (resigned effective 22.10.2019)
Mr. Abhinav Agarwal	Chief Financial Officer (resigned effective 09.01.2021)
Mr. Ashok Vashisht	Chief Financial Officer (effective from 27.01.2021)
Mr. Jetkin N. Gudhka	Company Secretary
Ms. Pooja Dongre	Company Secretary, Axis Cropscience Private Limited

##### (b) Enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives

Jankidevi Bilasrai Bubna Trust



## CONSOLIDATED FINANCIAL STATEMENTS

**(B) Transactions during the year****(a) Key managerial personnel compensation:**

	(INR Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Short- term employee benefits	1,388.44	1,208.54
Post-employment benefits	2.15	1.85

**(b) With Key Managerial Personnel and their relatives**

	(INR Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Rent paid:</b>		
Mr. Ramprakash V. Bubna	270.00	270.00
Mr. Ashish R. Bubna	86.40	86.40
Mr. Manish R. Bubna	94.50	94.50
Mrs. Seema A. Bubna	77.96	89.10
Mrs. Anisha M. Bubna	11.14	-
<b>Remuneration to Key Management Personnel:</b>		
Mr. Ramprakash V. Bubna	199.29	198.29
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	151.92	152.45
Mr. Manish R. Bubna	151.21	152.04
Ms. Kevika A. Bubna	22.02	-
Mr. Ashish Lodha	-	24.13
Mr. Abhinav Agarwal	43.46	4.29
Mr. Ashok Vashisht	13.30	-
Mr. Jetkin N. Gudhka	17.38	17.85
Ms. Pooja Dongre	4.53	4.50
<b>Consultancy paid:</b>		
Mr. Anil Kumta	2.16	24.00
<b>Director's Sitting Fees paid:</b>		
Mr. M.S. Sundara Rajan	3.00	3.90
Mr. P. R. Srinivasan	-	0.90
Mr. Shitin Desai	3.30	3.60
Mr. Shobhan Madhukant Thakore	1.80	1.50
Ms. Sonal Desai	3.30	3.30
<b>Directors' Commission paid:</b>		
Mr. Ramprakash V. Bubna	322.79	267.09
Mr. Ashish R. Bubna	216.27	178.95
Mr. Manish R. Bubna	216.27	178.95

## CONSOLIDATED FINANCIAL STATEMENTS

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Dividend paid</b>		
Mr. Ramprakash V. Bubna	281.05	843.16
Mrs. Sharda R. Bubna	281.82	843.16
Mr. Ashish R. Bubna	303.60	910.80
Mr. Manish R. Bubna	303.60	910.80
Mrs. Seema A. Bubna	90.00	270.00
Mrs. Anisha M. Bubna	90.00	270.00
Mr. Abhinav Agarwal	0.01	-
Mr. Jetkin Gudhka	0.03	0.01
<b>Loan repaid to Directors:</b>		
Mr. Anil Kumta	9.26	-
<b>Interest on loan taken:</b>		
Mr. Anil Kumta *	-	0.74
<b>Reimbursement of expenses:</b>		
Mr. Anil Kumta (Travel Expenses)	-	1.14
<b>Fixed deposits of directors placed as lien with bank for credit facility:</b>		
Mr. Ramprakash V. Bubna	220.29	-
Mrs. Sharda R. Bubna	1,539.73	-
<b>Post-employment benefits:</b>		
Mr. Ashish R. Bubna	0.70	0.79
Mr. Manish R. Bubna	0.66	0.55
Ms. Kevika A. Bubna	0.25	-
Mr. Ashish Lodha	-	(0.12)
Mr. Abhinav Agarwal	-	0.07
Mr. Ashok Vashisht	0.22	-
Mr. Jetkin Gudhka	0.32	0.56

### \*Rate of Interest

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Mr. Anil Kumta	NA	8%

### (c) With enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Donations paid to:</b>		
Jankidevi Bilasrai Bubna Trust	17.00	43.50



## CONSOLIDATED FINANCIAL STATEMENTS

**(C) Outstanding balance as at Balance Sheet date**

	Year ended March 31, 2021	(INR Lakhs) Year ended March 31, 2020
<b>Loan taken from directors balance</b>		
Mr. Anil Kumta	-	9.26
<b>Interest payable on loan taken from directors</b>		
Mr. Anil Kumta	-	0.14
<b>Fixed deposits of directors placed / (released)* as lien with bank for credit facility:</b>		
<b>Outstanding as at the Balance Sheet date</b>		
Mr. Ramprakash V. Bubna	220.29	-
Mrs. Sharda R. Bubna	1,539.73	-
<b>Director's Commission Payable</b>		
Mr. Ramprakash V. Bubna	184.81	152.93
Mr. Ashish R. Bubna	123.83	102.46
Mr. Manish R. Bubna	123.83	102.46
<b>Post-employment benefits</b>		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	11.12	10.42
Mr. Manish R. Bubna	10.57	9.91
Ms. Kevika A. Bubna	0.25	
Mr. Abhinav Agarwal	-	0.07
Mr. Ashok Vashisht	0.22	
Mr. Jetkin N. Gudhka	3.05	2.73

\*Fixed deposit of directors released on May 18, 2021 which was placed as lien with bank for credit facility.

The credit facility is further secured by personal guarantees of four directors of the Holding Company.

**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.

## CONSOLIDATED FINANCIAL STATEMENTS

### 36. Hedging activities and derivatives

#### Derivatives not designated as hedging instruments

The Group 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 Group 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, 2021		As at March 31, 2020	
		Amount (FC Mn.)	Amount (INR Lakhs)	Amount (FC Mn.)	Amount (INR Lakhs)
Forward contract- Sell	EUR	3.64	3,381.26	5.00	4,107.97
	CAD	4.15	2,419.32	0.25	138.92
	GBP	1.69	1,693.18	0.64	651.04
	USD to INR	-	-	5.83	4,275.18
	EUR to INR	-	-	0.50	401.56
Forward contract- Buy	CAD	-	-	0.25	126.74

### 37. Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair level hierarchy.

As at March 31, 2021		(INR Lakhs)						
	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
<b>Non current</b>								
Other financial assets	March 31, 2021	-	-	940.23	-	-	-	-
<b>Current</b>								
Investment in mutual funds	March 31, 2021	8,301.31	-	-	-	8,301.31	-	8,301.31
Derivative financial assets	March 31, 2021	80.95	-	-	-	80.95	-	80.95
Loans	March 31, 2021	-	-	-	-	-	-	-
Trade Receivables	March 31, 2021	-	-	116,256.47	-	-	-	-
Cash and cash equivalents	March 31, 2021	-	-	8,555.12	-	-	-	-
Bank balances other than cash and cash equivalents	March 31, 2021	-	-	17,498.13	-	-	-	-
Other financial assets	March 31, 2021	-	-	2,724.40	-	-	-	-
<b>Total Financial Assets</b>		<b>8,382.26</b>	<b>-</b>	<b>145,974.35</b>	<b>-</b>	<b>8,382.26</b>	<b>-</b>	<b>8,382.26</b>
<b>Financial Liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
<b>Non current</b>								
Trade creditors	March 31, 2021	240.44	-	-	-	-	240.44	240.44
Lease liabilities	March 31, 2021	-	-	837.88	-	837.88	-	837.88
Other financial liabilities other than lease liabilities	March 31, 2021	-	-	321.67	-	-	-	-



CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2021

(INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Current</b>								
Borrowings	March 31, 2021			6,784.72				
Derivative financial liabilities	March 31, 2021	3.10	-	-		3.10	-	3.10
Trade creditors	March 31, 2021	-	-	80,675.42				
Lease liabilities	March 31, 2021	-	-	453.10				
Other financial liabilities other than lease liabilities	March 31, 2021	-	-	14,902.65				
<b>Total Financial liabilities</b>		<b>243.54</b>	<b>-</b>	<b>103,975.44</b>	<b>-</b>	<b>840.98</b>	<b>240.44</b>	<b>1,081.42</b>

As at March 31, 2020

(INR Lakhs)

	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
<b>Non Current</b>								
Other financial assets	March 31, 2020	-	-	1155.12				
<b>Current</b>								
Investment in mutual funds	March 31, 2020	11,553.49	-	-		11,553.49		11,553.49
Derivative financial assets	March 31, 2020	33.32	-	-		33.32		33.32
Loans	March 31, 2020	-	-	0.03		0.03		0.03
Trade Receivables	March 31, 2020	-	-	98,891.82				
Cash and cash equivalents	March 31, 2020	-	-	7,775.70				
Bank balances other than cash and cash equivalents	March 31, 2020	-	-	7,568.48				
Other financial assets	March 31, 2020	-	-	1,094.77				
<b>Total Financial Assets</b>		<b>11,586.81</b>	<b>-</b>	<b>116,485.92</b>	<b>-</b>	<b>11,586.84</b>	<b>-</b>	<b>11,586.84</b>
<b>Financial Liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
<b>Non Current</b>								
Borrowings	March 31, 2020	-	-	9.26				
Trade creditors	March 31, 2020	238.10	-	-			238.10	238.10
Lease liabilities	March 31, 2020	-	-	1,290.98		1,290.98		1,290.98
Other financial liabilities other than lease liabilities	March 31, 2020	-	-	14.63				
<b>Current</b>								
Lease liabilities	March 31, 2020	-	-	418.37				
Trade creditors	March 31, 2020	-	-	68,658.83				
Other financial liabilities	March 31, 2020	-	-	8,563.68				
<b>Total Financial liabilities</b>		<b>238.10</b>	<b>-</b>	<b>78,955.75</b>	<b>-</b>	<b>1,290.98</b>	<b>238.10</b>	<b>1,529.08</b>

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

## CONSOLIDATED FINANCIAL STATEMENTS

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

### Valuation Technique used to determine Fair Value:-

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments at fair value in the balance sheet.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Mutual Funds (Level 2)	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as on the reporting date provided by respective Asset Management Companies.. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Foreign Currency Forward Contracts (Level 2)	The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
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.	Not applicable	Not applicable

## 38. Financial risk management objectives and policies

### 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.

### A. 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.

#### i) 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.





## CONSOLIDATED FINANCIAL STATEMENTS

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (Refer note 36).

The carrying amounts of the Group's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Nature of instrument	Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amount (FC Mn.)	Amount (INR Lakhs)	Amount (FC Mn.)	Amount (INR Lakhs)
<b>Unhedged currency exposure on:-</b>					
<b>a) Receivables</b>	<b>HRK</b>	12.16	1,378.49	12.19	1,328.42
	<b>USD</b>	41.59	30,406.80	35.45	26,800.28
	<b>EUR</b>	40.59	34,806.95	34.23	28,526.43
	<b>GBP</b>	2.10	2,111.75	3.44	3,221.15
	<b>AUD</b>	0.48	268.62	0.32	150.24
	<b>PLN</b>	20.32	3,747.18	21.72	3,966.37
	<b>CZK</b>	23.69	779.09	25.27	766.35
	<b>CAD</b>	22.15	12,893.36	18.44	9,915.97
<b>b) Payables</b>	<b>USD</b>	113.26	82,800.35	79.06	59,760.80
	<b>EUR</b>	16.60	14,232.47	14.98	12,484.13
	<b>MXN</b>	-	-	0.17	5.47
	<b>HUF</b>	491.04	1,161.94	352.69	816.94
	<b>CZK</b>	5.87	193.02	5.90	179.00
	<b>PLN</b>	3.80	701.20	4.36	795.91
	<b>CHF</b>	0.01	6.70	0.01	10.32
	<b>GBP</b>	0.07	65.52	0.10	95.19
	<b>PHP</b>	0.22	3.29	0.22	3.22
	<b>CAD</b>	2.15	1,252.86	3.10	1,668.72
	<b>ZAR</b>	0.40	19.96	0.37	15.59
	<b>AUD</b>	0.01	7.67	-	-
	<b>HRK</b>	0.30	33.84	0.17	18.28
	<b>JPY</b>	2.61	17.25	18.05	126.97
	<b>AED</b>	0.07	27.91	0.14	28.86
<b>c) Bank Balance</b>	<b>USD</b>	0.29	208.99	0.57	433.60
	<b>EUR</b>	4.80	4,114.32	2.80	2,334.30
	<b>CAD</b>	0.02	14.46	0.06	29.97
	<b>PLN</b>	2.40	441.98	1.10	201.18
	<b>GBP</b>	0.03	25.86	-	1.66
	<b>AUD</b>	0.28	155.14	0.66	304.24
	<b>AED</b>	-	-	0.20	41.67
<b>d) Advance received from customers</b>	<b>AUD</b>	-	-	0.01	2.46
	<b>EUR</b>	0.07	58.82	0.03	22.50
	<b>GBP</b>	-	-	-	3.47
<b>e) Other receivables</b>	<b>AED</b>	0.02	4.17	-	-

## CONSOLIDATED FINANCIAL STATEMENTS

### ii) 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 Groups's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD Rate	Effect on profit and loss	(INR Lakhs) Effect on equity
March 31, 2021	1%	(523.93)	(388.08)
	-1%	523.93	388.08
March 31, 2020	1%	(329.61)	(293.63)
	-1%	329.61	293.63

	Change in EUR Rate	Effect on profit and loss	(INR Lakhs) Effect on equity
March 31, 2021	1%	205.16	151.97
	-1%	(205.16)	(151.97)
March 31, 2020	1%	160.19	142.71
	-1%	(160.19)	(142.71)

### B. Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 116,256.47 Lakhs and INR 98,891.82 Lakhs as of March 31, 2021 and March 31, 2020, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

#### Trade Receivables

The Group has established credit policy under which each new customer is analysed individually for credit worthiness before Group's standard payment terms (credit period ranges from 30 to 180 days) and delivery terms and conditions are offered. The Group 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, 2021 (INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables	84.41	116,172.06	116,256.47

The following table represents ageing of trade receivables for March 31, 2020 (INR Lakhs)

	More than 6 months	Less than 6 months	Total
Trade Receivables	279.75	98,612.07	98,891.82

**Allowances for doubtful trade receivables** (INR Lakhs)

	Opening	Addition	Reversal	Closing
March 31, 2021	2,682.08	796.12	1,186.92	2,291.28
March 31, 2020	1,246.10	1,738.80	302.82	2,682.08

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 Group does not foresee any impairment loss.

## CONSOLIDATED FINANCIAL STATEMENTS

### C. 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, 2021, the Group had a working capital of INR 95,996.31 Lakhs including cash and cash equivalents of INR 8,555.12 Lakhs and current investments of INR 8,301.31 Lakhs. As of March 31, 2020, the Group had a working capital of INR 82,840.12 Lakhs including cash and cash equivalents of INR 7,775.70 Lakhs and current investments of INR 11,553.49 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	(INR Lakhs)			
	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	-	-	-	-
Trade Payables	80,675.42	27.66	212.78	80,915.86
Other financial liabilities	15,358.85	1,159.55	-	16,518.40

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	(INR Lakhs)			
	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	-	-	9.26	9.26
Trade Payables	68,658.83	18.26	219.84	68,896.93
Other financial liabilities	8,982.05	1305.61	-	10,287.66

### 39. 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-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The capital structure of the Group consists of net debt (borrowings as detailed in note 16 and lease liabilities in Note 18 offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

Particulars	(INR Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Total debt (bank and other borrowings)	6,784.72	9.26
Lease Liabilities (non current and current)	1,290.98	1,709.35
Less : Liquid investments and bank deposits	25,799.44	19,121.97
	<b>(17,723.74)</b>	<b>(17,403.36)</b>
Equity	161,460.70	140,305.71
<b>Debt to equity (net)</b>	<b>(0.11)</b>	<b>(0.12)</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 40. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:</b>		
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	410.31	165.40
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	-	-
<b>Total</b>	<b>410.31</b>	<b>165.40</b>
i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) , along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
ii) the amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year ) but without adding interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
iii) Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
iv) 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.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group Management. This has been relied upon by the auditors,

### 41. Details of CSR expenditure (as per the provisions of Section 135 of the Companies Act, 2013):

(INR Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
1) Gross amount required to be spent by the Group	562.96	573.10
2) Shortfall from previous year	17.19	-
<b>Total</b>	<b>580.15</b>	<b>573.10</b>
3) Amount spent		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 28 )	644.68	555.91
<b>Total</b>	<b>644.68</b>	<b>555.91</b>
4) Amount unspent	<b>(64.53)</b>	<b>17.19</b>

# CONSOLIDATED FINANCIAL STATEMENTS



Sharda Cropchem Limited

## 42. Additional information related to the subsidiaries considered in the preparation of Consolidated Financial Statements

Sr. No.	Name of the Entity	Year Ended March 31, 2021				Year Ended March 31, 2020				(INR Lakhs)							
		Share in profit or loss		Share in other comprehensive income		Share in profit or loss		Share in other comprehensive income									
		Net Assets *	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Net Assets *	Amount	As % of consolidated profit / (loss)		Amount	As % of consolidated other comprehensive income					
<b>Parent</b>																	
1	Sharda Cropchem Limited	93.07%	150,267.91	91.54%	20,979.34	16.21%	6.10	91.42%	20,985.44	93.45%	131,086.88	116.51%	19,186.53	-0.33%	(2.76)	110.87%	19,185.77
<b>Indian Subsidiaries</b>																	
2	Axis Crop Science Private Limited	0.08%	121.70	0.36%	81.52	2.98%	1.12	0.36%	82.64	0.03%	39.06	0.21%	33.97	-0.40%	(3.30)	0.18%	30.67
<b>Foreign Subsidiaries</b>																	
3	Eurozajski Pesticide d.o.o	0.01%	13.89	0.04%	8.52	1.04%	0.39	0.04%	8.91	0.00%	5.29	0.02%	2.56	-0.03%	(0.25)	0.01%	2.31
4	Nihon Agro Service Kabushiki Kaisha	0.00%	2.09	0.01%	3.11	-0.32%	(0.12)	0.01%	2.99	0.00%	(0.90)	0.00%	(0.46)	-0.01%	(0.08)	0.00%	(0.54)
5	Sharda Agrochem Doel Skopje	0.00%	3.89	0.00%	(0.10)	1.09%	0.41	0.00%	0.31	0.00%	3.58	0.00%	(0.09)	0.00%	0.01	0.00%	(0.08)
6	Sharda Balkan Agrochemicals Limited	0.00%	0.52	0.00%	0.23	0.11%	0.04	0.00%	0.27	0.00%	0.26	0.00%	(0.43)	0.00%	(0.01)	0.00%	(0.44)
7	Sharda Benelux BVBA	0.00%	0.20	0.01%	3.03	-0.11%	(0.04)	0.01%	2.99	0.00%	(2.84)	0.00%	(0.51)	-0.03%	(0.24)	0.00%	(0.75)
8	Sharda Bolivia SRL	0.00%	(4.72)	0.29%	65.68	-0.03%	(0.01)	0.29%	65.67	-0.05%	(71.77)	-0.02%	(3.62)	-0.04%	(0.32)	-0.02%	(3.94)
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%	190.35	0.15%	35.04	33.02%	12.43	0.21%	47.47	0.11%	148.48	0.13%	21.35	-4.49%	(37.54)	-0.09%	(16.19)
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	0.30%	492.09	1.30%	297.30	6.99%	2.63	1.31%	299.93	0.14%	192.16	0.25%	41.92	1.53%	12.76	0.32%	54.68
13	Sharda Cropchem Tunisia SARL	0.00%	0.52	0.00%	0.28	0.05%	0.02	0.00%	0.30	0.00%	0.22	0.00%	(0.28)	0.00%	0.03	0.00%	(0.25)
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	0.30%	488.84	1.69%	387.61	85.76%	32.28	1.83%	419.89	0.06%	77.79	1.41%	232.56	-2.12%	(17.68)	1.24%	214.88
16	Sharda Del Ecuador CIA. LTDA	0.00%	0.26	0.00%	(0.00)	0.00%	0.01	0.00%	0.01	0.00%	0.25	0.00%	(0.00)	0.00%	0.01	0.00%	0.01
17	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	-0.01%	(23.81)	-0.02%	(4.78)	13.63%	5.13	0.00%	0.35	-0.02%	(24.15)	0.01%	2.08	0.03%	0.24	0.01%	2.32
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%	3.34	0.01%	2.71	0.13%	0.05	0.01%	2.76	0.00%	0.63	0.00%	0.15	0.00%	(0.01)	0.00%	0.14
21	Sharda Hellas Agrochemicals Limited	0.00%	1.81	0.00%	1.01	0.29%	0.11	0.00%	1.12	0.00%	0.69	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
22	Sharda Hungary Kft	0.43%	688.45	0.64%	146.83	42.30%	15.92	0.71%	162.75	0.37%	525.70	0.91%	149.32	-2.29%	(19.09)	0.75%	130.23
23	Sharda International Africa (PTY) Ltd.	0.06%	98.15	0.08%	19.23	41.47%	15.61	0.15%	34.84	0.05%	66.00	0.37%	60.57	-1.63%	(13.63)	0.27%	46.94
24	Sharda International DMCC	6.42%	10,372.01	25.00%	5,728.63	0.00%	-	24.96%	5,728.63	6.72%	9,425.37	32.66%	5,378.30	0.00%	-	31.08%	5,378.30
25	Sharda Italia SRL	0.43%	686.92	1.51%	345.46	16.74%	6.30	1.53%	351.76	0.24%	335.15	1.62%	267.41	2.30%	19.25	1.66%	286.66

CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Name of the Entity	Year Ended March 31, 2021						Year Ended March 31, 2020									
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income					
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income				
26	Sharda Malaysia SDN. BHD.	0.00%	-	0.00%	0.96	-0.90%	(0.34)	0.00%	0.62	0.00%	(0.94)	0.00%	0.05	0.01%	0.06	0.00%	0.11
27	Sharda Peru SAC	0.00%	0.63	0.04%	9.13	0.21%	0.08	0.04%	9.21	-0.01%	(8.58)	-0.04%	(6.93)	-0.02%	(0.18)	-0.04%	(7.11)
28	Sharda Poland SP. ZO.O	0.23%	367.50	0.82%	187.32	-17.00%	(6.40)	0.79%	180.92	0.13%	186.58	0.18%	29.05	0.17%	1.43	0.18%	30.48
29	Sharda Polska SP. ZO.O.	0.00%	6.18	0.08%	19.11	-0.13%	(0.05)	0.08%	19.06	-0.01%	(12.89)	-0.06%	(10.56)	-0.03%	(0.26)	-0.06%	(10.82)
30	Sharda Spain S.L.	0.00%	0.23	0.00%	(0.16)	0.08%	0.03	0.00%	(0.13)	0.00%	0.36	0.00%	(0.24)	0.00%	(0.00)	0.00%	(0.24)
31	Sharda Swiss SARL	0.00%	6.91	0.00%	(0.08)	1.99%	0.75	0.00%	0.67	0.00%	6.23	0.00%	(0.16)	0.03%	0.23	0.00%	0.07
32	Sharda Taiwan Limited	0.00%	1.88	0.00%	(0.75)	0.50%	0.19	0.00%	(0.56)	0.00%	2.43	0.00%	-	0.01%	0.11	0.00%	0.11
33	Sharda Ukraine LLC	0.00%	0.39	0.00%	0.01	-0.19%	(0.07)	0.00%	(0.06)	0.00%	0.45	0.00%	0.18	0.01%	0.06	0.00%	0.24
34	Sharda Uruguay SA	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
35	Sharda USA LLC	0.00%	1.89	0.01%	2.01	-0.08%	(0.03)	0.01%	1.98	0.00%	(0.08)	0.00%	-	0.00%	-	0.00%	-
36	Shardacan Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Sharda Maroc SARL	0.01%	8.23	0.00%	-	0.29%	0.11	0.00%	0.11	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Shardaserb DO.O.	0.00%	0.01	0.00%	0.38	-0.05%	(0.02)	0.00%	0.36	0.00%	(0.35)	0.00%	(0.06)	0.00%	(0.00)	0.00%	(0.06)
38	Sharpar S.A.	0.01%	21.35	0.00%	(0.17)	-1.94%	(0.73)	0.00%	(0.90)	0.02%	22.99	0.00%	(0.22)	-0.21%	(1.78)	-0.01%	(2.00)
39	Sharzam Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
40	Siddhivinayak International Limited	0.30%	488.04	0.01%	3.20	0.00%	-	0.01%	3.20	0.36%	501.36	0.00%	(0.70)	0.00%	-	0.00%	(0.70)
41	Sharda Private (Thailand) Limited	0.03%	50.52	0.07%	15.02	0.40%	0.15	0.07%	15.17	0.03%	35.34	0.03%	4.43	0.21%	1.78	0.04%	6.21
42	Sharda Impex Trading LLC	-0.01%	(11.76)	-0.05%	(11.93)	0.00%	-	-0.05%	(11.93)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Consolidation adjustments</b>																	
	Adjustment arising out of consolidation	-1.81%	(2,916.48)	-23.58%	(5,402.92)	-156.11%	(58.76)	-23.79%	(5,461.68)	-1.59%	(2,235.07)	-54.14%	(8,916.07)	107.28%	896.15	-46.35%	(8,019.92)
	Minority interests in all subsidiaries	0.02%	30.75	-0.02%	(4.37)	11.56%	4.35	0.00%	(0.02)	-0.02%	(26.40)	-0.02%	(2.93)	0.04%	0.37	-0.01%	(2.56)
	<b>Total</b>	<b>100.00%</b>	<b>161,460.70</b>	<b>100.00%</b>	<b>22,917.41</b>	<b>100.00%</b>	<b>37.64</b>	<b>100.00%</b>	<b>22,955.05</b>	<b>100.00%</b>	<b>140,279.31</b>	<b>100.00%</b>	<b>16,469.17</b>	<b>100.00%</b>	<b>835.36</b>	<b>100.00%</b>	<b>17,304.53</b>

\* Net assets = total assets minus total liabilities



## CONSOLIDATED FINANCIAL STATEMENTS

**43. Estimation of uncertainties relating to the global health pandemic from COVID-19 :**

The Governments of various countries notified lockdown to contain the outbreak of COVID-19. Due to this, there have been several restrictions imposed by the Governments across the globe. However, the operations of the Group did not face any disruption. There is no significant impact of COVID-19 pandemic on the financial position and performance of the Group for the financial year ended March 31, 2021.

In light of these circumstances, the Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial asset, inventories, trade receivables, property plant and equipment, Intangible assets and Intangible assets under development, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as Group current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the data and based on current estimates, the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

**44. Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to

- Change in existing presentation requirements for certain items in Balance sheet, for eg. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity Share capital
- Additional disclosure requirements in specified formats, for eg. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.
- Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.
- Additional Regulatory Information, for eg., compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.
- Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Group is evaluating the same.

**45. Disclosure on Specified Bank Notes**

The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

**46. Other matters**

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Group for the year.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

Place : Mumbai

Date : May 26, 2021

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

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place : Mumbai

Date : May 26, 2021

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place : Mumbai

Date : May 26, 2021







Sharda Cropchem Limited



**Sharda Cropchem Limited**

**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](mailto:co.sec@shardaintl.com)  
**Website:** [www.shardacropchem.com](http://www.shardacropchem.com)