

# Sharda Cropchem Limited

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E-mail : office@shardaintl.com  
Regd. Office : Prime Business Park, Dashrathlal Joshi Road, Vile Parle (W),  
Mumbai - 400056, India.  
www.shardacropchem.com



ISO 9001: 2015 Reg. No: 702949  
CJN: L51909MH2004PLC145007



6<sup>th</sup> July, 2023

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051  <b>Trading Symbol: SHARDACROP</b>	<b>BSE Limited</b> Phiroze Jeejeebhoi Tower, Dalal Street, Mumbai – 400 001  <b>Scrip Code: 538666</b>
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**Sub: Notice of the 20<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year Ended 31<sup>st</sup> March, 2023.**

Dear Sir/Madam,

This is with reference to our earlier letter dated 03<sup>rd</sup> July, 2023 regarding, inter-alia, convening of the 20<sup>th</sup> Annual General Meeting ("AGM") of the Members of Sharda Cropchem Limited ("the Company") on Tuesday, 8<sup>th</sup> August, 2023 at 02:30 p.m. (IST) through Video Conferencing / Other Audio Video Means ("VC / OAVM").

Pursuant to Regulation 30 and 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby submit the Annual Report of the Company along with the Notice of AGM for the financial year 2022-23 which is being sent through electronic mode to the Members whose email addresses are registered with the Company / RTA / Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide the Ministry of Corporate Affairs ("MCA") circulars dated 5<sup>th</sup> May, 2020, 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 13<sup>th</sup> January, 2021, 8<sup>th</sup> December, 2021, 14<sup>th</sup> December, 2021, 5<sup>th</sup> May, 2022 & 28<sup>th</sup> December, 2022 (collectively referred to as "MCA Circulars") and the SEBI vide its circulars dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021, 13<sup>th</sup> May, 2022 & 5<sup>th</sup> January, 2023 ("SEBI Circular") respectively.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company has fixed Tuesday, 01<sup>st</sup> August, 2023 as the "cut-off date" to determine the eligibility of the Members to cast their vote by electronic means and e-voting during the AGM of the Company.

Further, pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed on Wednesday, 02<sup>nd</sup> August, 2023, for the purpose of Annual General Meeting of the Company.

## ***Sharda Cropchem Limited***

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The Company has fixed **Tuesday, 01<sup>st</sup> August, 2023** as the “**Record Date**” for determining eligibility of members entitled to receive final dividend for the financial year ended 31<sup>st</sup> March, 2023.

The Notice of the 20<sup>th</sup> AGM and the Annual Report for the financial year 2022-23 is also being available on the website of the Company at [www.shardacropchem.com](http://www.shardacropchem.com).

We request you to please take the same on record.

Thanking you,

Yours Sincerely,

**FOR SHARDA CROP CHEM LIMITED**

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**JETKIN GUDHKA  
COMPANY SECRETARY &  
COMPLIANCE OFFICER**

**Encl: as above**



*Sharda Cropchem Limited*

# Deeper Roots, Crafting Future

ANNUAL REPORT FY 2022-23

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For more investor related information, please visit  
<http://www.shardacropchem.com/annual-report.html>

Or, scan this QR code



### Disclaimer:

This document contains statements about expected future events and financials of Sharda Cropchem Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

### Investor information

Market Capitalisation : ₹ 4,418 Cr  
as on 31 March, 2023  
CIN : L51909MH2004PLC145007  
BSE Code : 538666  
NSE Symbol : SHARDACROP



# Deeper Roots. Crafting Future.

Sharda Cropchem, an epitome of resilience and outstanding growth, embarks on a captivating journey founded on a rock-solid foundation. Through the cultivation of operational efficiencies, the expansion of robust distribution channels, the utilisation of extensive experience, and a strategic focus on developed markets, we create a resounding impact in the dynamic agrochemical landscape.

Driven by a flourishing portfolio of registered molecules, our journey of growth is gaining momentum, setting the stage for enhanced profitability and enduring value. With a laser focus on expansion, we harness opportunities, nurture innovation, and cultivate a growth-centric culture. We embrace a future that seamlessly integrates sustainable practices, ensuring a harmonious balance between growth and environmental responsibility.

As we ascend on our path of success, we stay committed to our principles and strategic foresight. Fearlessly tackling challenges and seizing opportunities, we forge an unshakeable course towards enduring growth. Venturing into new territories and fortifying our presence, we leverage the strength of our Deeper Roots. With a firm resolve, we stand poised, ready to embrace the art of Crafting Future with all our might, while diligently sculpting a thriving ecosystem that holds the promise of a better tomorrow.



**35+**

Years of Expertise



**80+**

Countries



**500+**

Global Resource  
Deployment



**525+**

Distributors



**2,821**

Registrations



# Paving Way for a Promising Future

**Intellectual property-driven Company, engaged in the process of marketing and distribution of agrochemicals.**

Sharda Cropchem Limited (here on referred to as 'the Company' or 'Sharda') embarked on its extraordinary journey in 1987 under the visionary leadership of Mr R.V. Bubna. Originally focused on Dye Intermediates, the Company rapidly diversified its portfolio to encompass agrochemicals and Rubber Belting in the early 1990s. With decades of experience and commitment to excellence, Sharda has firmly established itself as a prominent global player in the agrochemicals, dyes, and dye intermediates industry. This awe-inspiring trajectory sets the stage for a future filled with promise, as the Company charts its path towards sustained prosperity.

With robust determination, the Company has emerged as a leading player in generic crop protection chemicals. Driven by its intellectual property-focused strategy, Sharda specialises in marketing and distributing a wide range of formulations and generic active ingredients. These encompass fungicides, herbicides, insecticides, and biocides, catering to a diverse global customer base. Through its expertise and commitment, the Company has established itself as a trusted partner in the agricultural industry worldwide.

## What distinguishes Sharda?

The Company strategically operates within four out of the six segments of the agrochemical value chain, employing an asset-light business model. By aligning itself with these key segments, Sharda maximises operational efficiency and establishes a robust market presence. This approach sets Sharda apart from innovator companies, allowing it to optimise capital and time, while enabling it to focus on core activities, including R&D. While manufacturing is outsourced, the Company continues to excel in the identification of generic molecules, dossier preparation, registration acquisition, and the efficient marketing and distribution of formulations through third-party distributors and its dedicated sales force.



**₹ 4,045 Cr**

Revenue



**₹ 713 Cr**

EBIDTA



**₹ 342 Cr**

PAT





# Growing Deeper with Robust Offerings

Sharda, an industry leader and 'One Stop Solution Provider for Crop Care Products,' has established itself as a force to be reckoned with in the global market. With a diverse and comprehensive product portfolio, the Company offers a wide range of crop care solutions that cater to the evolving needs of farmers worldwide. By diligently seeking product registrations in key regions, such as Europe and NAFTA, Sharda has solidified its position as a market leader and a preferred choice for farmers, seeking reliable and effective crop care solutions.

Guided by a culture of innovation and driven by a commitment to customer satisfaction, Sharda continues to expand its presence, relentlessly adapting to meet the dynamic demands of the agricultural industry. Drawing on its robust IP management practices and a legacy of strategic investments, Sharda has emerged as a formidable player, proactively identifying generic molecules that are going off-patent. With a dedicated focus on preparing comprehensive dossiers and seeking registrations in its own name, Sharda continues to allocate substantial resources, thus establishing a strong foothold in the market and effectively navigating the competitive landscape.



**2,821**

Total Product Registrations



**1,143**

Registration in Pipeline

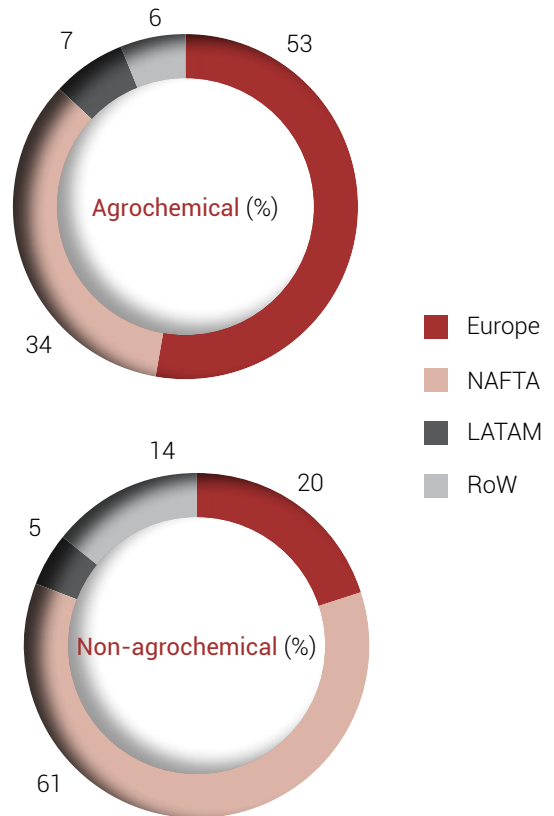


## Agrochemicals

Sharda's expertise and experience give it a remarkable edge as it expands its business globally. Leveraging its deep domain knowledge, the Company is poised to thrive in both existing and new markets. With a steadfast objective of establishing deeper roots, the Company has embarked on a strategic expansion into the biocides segment. This strategic move is bolstered by Sharda's strong market presence and exceptional executional capabilities, enabling the Company to harness substantial growth opportunities.

Sharda is committed to adopting a customer-centric approach, transitioning into a comprehensive 'one-stop solution provider' through its 'Factory to Farmer' strategy. This tailored approach considers the distinct dynamics of various regions, including NAFTA, Europe, LATAM, and other global markets. By aligning its operations with the specific needs of customers worldwide, Sharda solidifies its position as a trusted partner and ensures its ongoing success on a global scale. Additionally, with a strong foothold in the marketing and distribution of agrochemicals, the Company stays committed to cultivating a robust sales force that serves as a key driving force behind its growth trajectory.

As a testimony of Sharda's global presence, the regional breakdown of the distribution of agrochemical revenue as on 31 March, 2023, is depicted in the pie illustration alongside.



## Non-agrochemicals

Sharda recognises the potential and demand in the non-agrochemical sector, and as part of its business expansion strategy, it actively procures and supplies a range of products in this segment. This includes conveyor belts, general chemicals, dyes, and dye intermediates. The Company strategically sources these products from reputable manufacturers in China and India and distributes them across Europe, NAFTA, LATAM, and Row.

The regional breakdown of the distribution of non-agrochemical revenue as on 31 March, 2023, is depicted in the pie illustration above.

 **₹ 3,348 Cr**  
Revenue from Agrochemicals

 **₹ 697 Cr**  
Revenue from Non-Agrochemicals



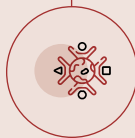
# Crafting Growth with Strategic Business Model

Sharda upholds its commitment to expanding registrations and building an extensive dossier library, exemplifying its focussed pursuit of an asset-light business model. With a strong and dynamic sales force strategically operating in Europe, the USA, Mexico, Colombia, South Africa, and India, Sharda's presence extends to over 80 countries worldwide. This expansive global reach empowers the Company to craft exceptional growth across diverse territories, establishing its position as a leading player in the agrochemical industry.

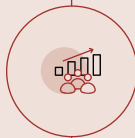
Sharda Cropchem continues to assert its global leadership by sourcing high-quality generic active ingredients and formulating innovative products in collaboration with trusted third-party manufacturers. Its strategy revolves around identifying generic molecules, diligently preparing dossiers, and seeking registrations. With precision and expertise, it navigates the complex landscape of marketing and distributing formulations through third-party distributors and its own sales force. This approach allows the Company to cater to diversified market demand, providing protection for multiple crops, serving different segments, and offering a variety of products. This has been instrumental in helping Sharda seize new opportunities, while managing supply chain disruptions – consistently creating value and staying ahead.



Sharda Cropchem embraces asset light model, optimising the use of time and resources to bolster their core competency, thereby **driving cost competitiveness**

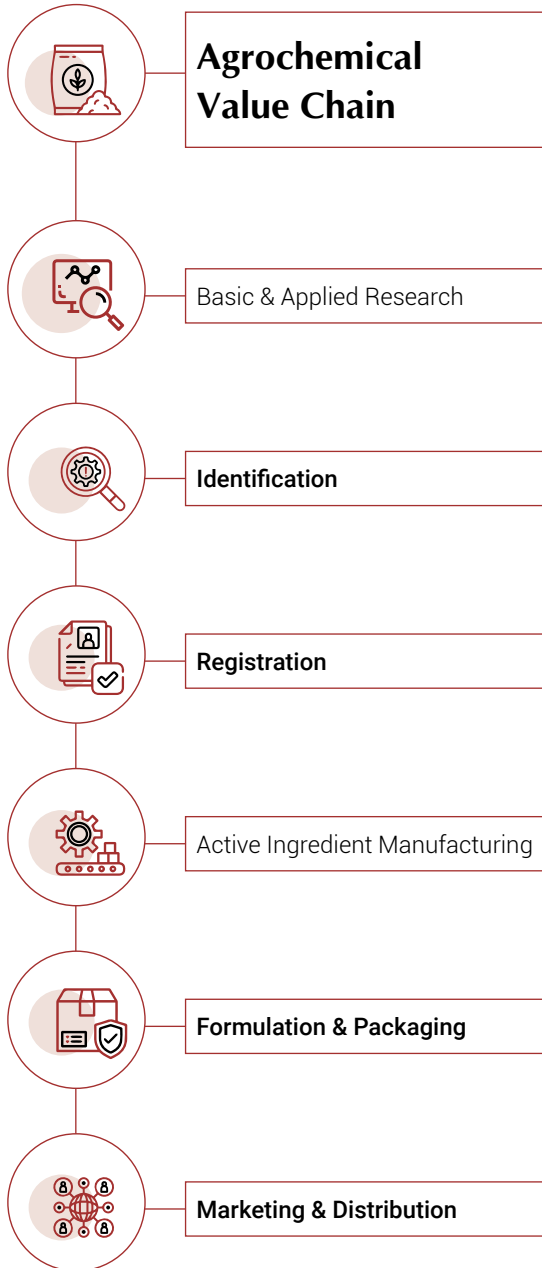


By leveraging this model, the Company boasts of zero manufacturing capital expenditure, thereby allowing it to offer **a diverse range of formulations**



The model also allows the Company to expand its business across various geographies while, **prudently managing the fluctuating market demand**

# Seamless operations





## The Process

As of 2022-23, Sharda had 2,821 registrations and 1,143 application for registrations, spread strategically across Europe, NAFTA, Latin America, and the Rest of the World. The comprehensive dossier library enables Sharda achieve a distinct competitive advantage and empowers it to pursue registrations in numerous countries. Furthermore, this enhances its ability to operate in a diverse range of formulations and generic active ingredients globally. This advantage extends to highly regulated markets where operating without such registrations would be restricted.



### Identifying Products and Registration Opportunities

The Company's fundamental focus is on identifying formulations and generic active ingredients that goes off patent. To achieve this, it undertakes a comprehensive evaluation of multiple factors such as viability, approval time, global scalability, registration time, and market potential. By analysing these factors, it makes well-informed decisions about the products it develops and introduces into the market.



### Registration Process

#### Preparation of dossiers:

To create dossiers, it compiles information and formulates generic active ingredients based on their physical, chemical, and biological characteristics. The Company's research and testing processes strictly adhere to regulatory guidelines. Moreover, it collaborates with GLP-certified laboratories to ensure accurate results. The comprehensive process includes five batch analyses, as well as experiments and testing for physical, chemical, and product properties, along with risk assessments.

#### Applying for registrations:

Once the formulations and ingredients have been identified, the next step involves collecting the essential information and facts needed to prepare and submit a registration application in the applicable jurisdictions. In cases where the data-holder can provide the information, Sharda relies on establishing technical equivalence between products. However, if the required information is not available from the data-holder, the Company conducts relevant studies and tests to acquire it.

### Active Ingredient Manufacturing, Procurement

Sharda focuses on procuring active ingredients primarily from China and India, rather than manufacturing them. Before registering them, it enters into an agreement with a third-party manufacturer to procure generic active ingredients. For the preparation of formulations, Sharda procures the necessary generic active ingredients and outsources the process to third-party formulators in Europe and the US.



## Formulations & Packaging

The Company ensures that the formulations are labelled and packaged by third-party formulators in adherence to the specifications of each country. The labels encompass crucial details such as the name of the formulation or the generic active ingredient, its constituents, and the identity of both the manufacturer and the registration holder. Additionally, it contains information on dosage, precautions, and directions for use.



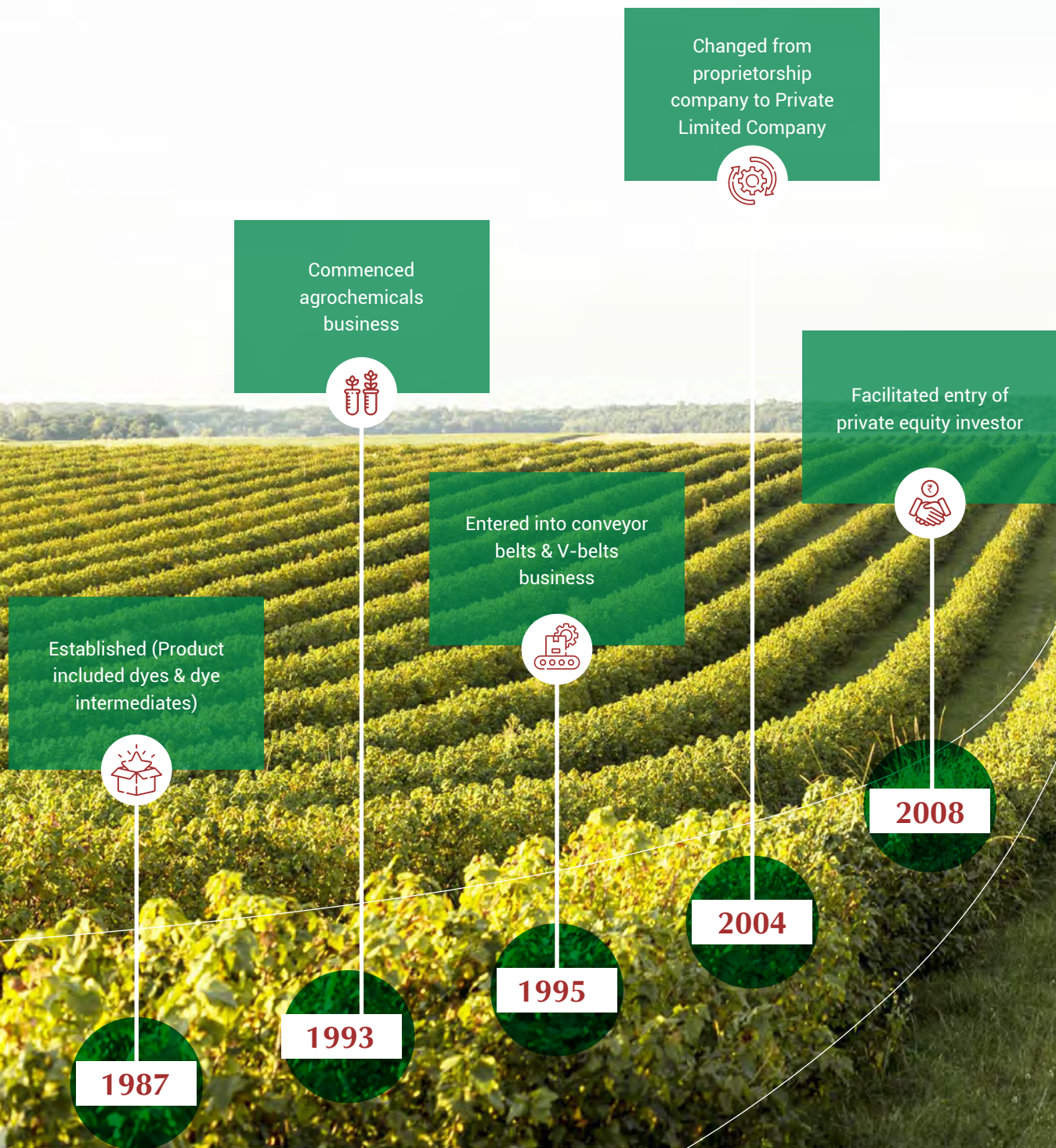
## Marketing and Distributions

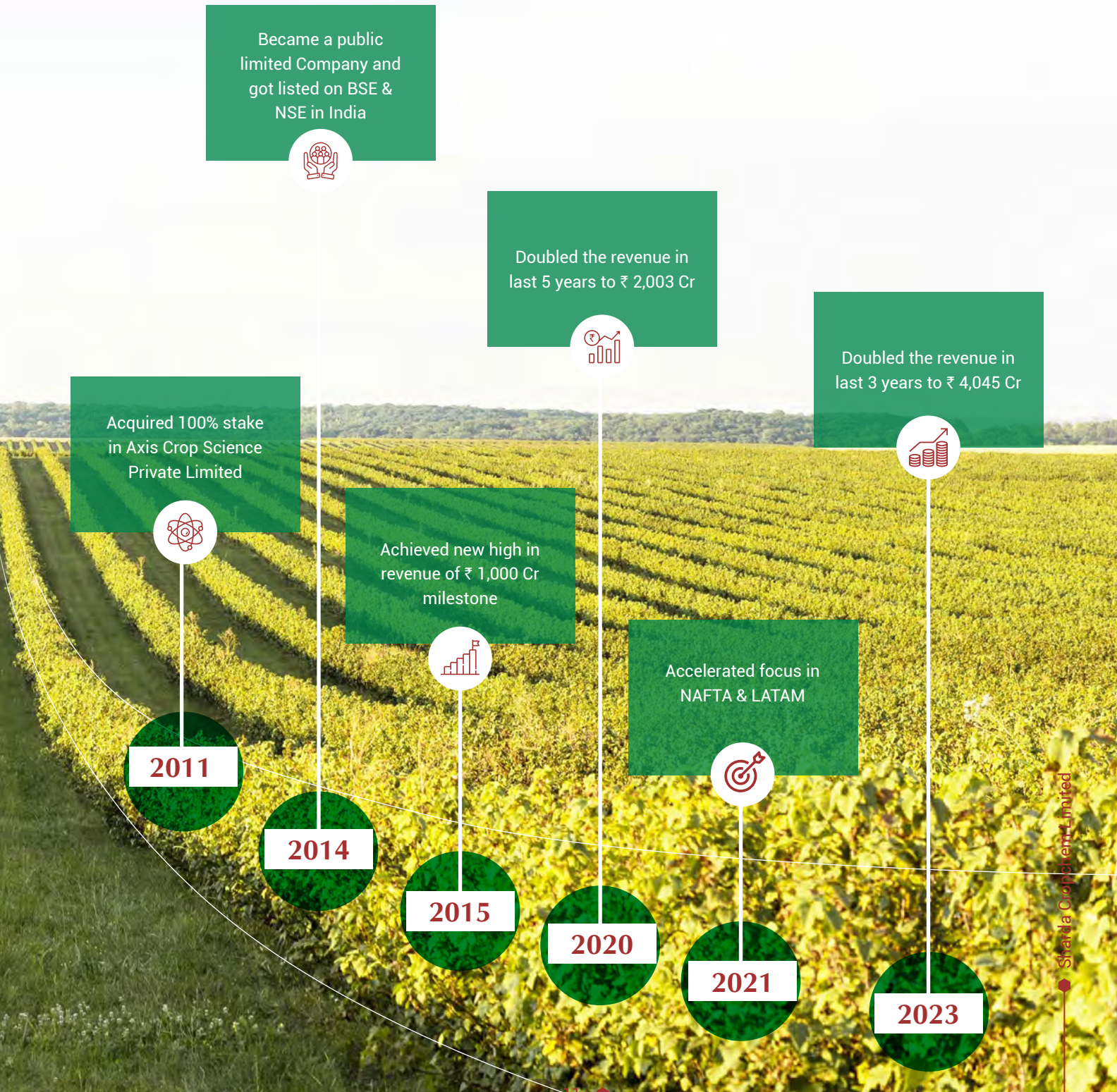
Sharda markets and distributes its agrochemical products in over 80 countries worldwide, with the help of a strong network of over 525 third-party distributors and over 500 global resources. Its presence is spread across the world, setting it apart. The products are proudly sold under the Company's brand name, serving as a testament to the Company's dedication to quality and reliability.





# Surpassing Milestones for an Accomplished Future







# Rooting for Success with Global Footprints

Sharda Cropchem has established itself as a formidable entity in the industry. The brand 'Sharda' has flourished and gained recognition as a dominant player in global markets. The Company's successful business model has enabled it to achieve economies of scale and deliver substantial value to customers worldwide. Furthermore, its strong roots and distinctive capabilities make Sharda stand out at the global stage.

## Reaching Far and Wide by



### Expanding Global Presence:

Having wide global presence opens doors to newer markets, allowing Sharda to discover specialised sales and local marketing talent.



### Penetrating New Markets:

Expanding presence in various countries, backed by third-party distributors and its own sales force benefits the Company, enabling it to introduce its formulations and generic active ingredients to meet diverse market demands.



### Leveraging Factory-to-Farmer Approach:

Adopting a Factory-to-Farmer approach enables the Company to become a 'one-stop solution provider' for its global customers, ensuring their needs are met at every step.



### Benefitting from Globalisation:

Leveraging globalisation has brought in new customers and diverse geocentric revenue streams, allowing the Company to master flexibility and embrace innovation, paving the way for continuous business growth overseas.



### Enhancing Sales Force:

Strengthening and expanding its sales force across Europe, USA, Canada, Mexico, Colombia, South Africa, India, and beyond, allows it to enhance presence in the agrochemical value chain.





**80+**

Presence in Countries across  
Europe, NAFTA, LATAM & RoW



**525+**

Distributors



**500+**

Global Resource Deployment

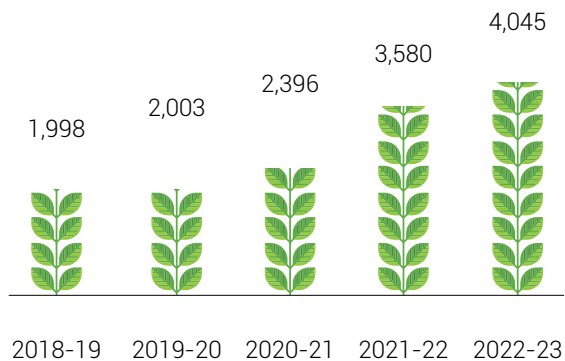


**Disclaimer:** This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/States do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

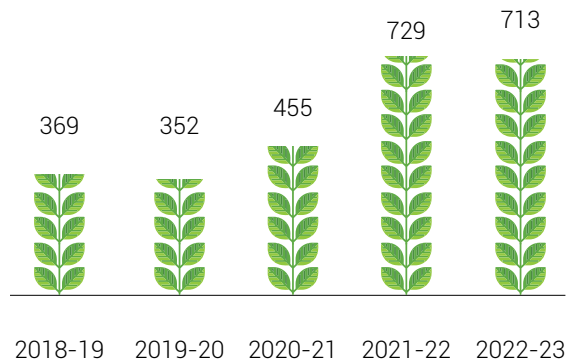


# Building Future on Strong Financials

Revenue (₹ in Cr)

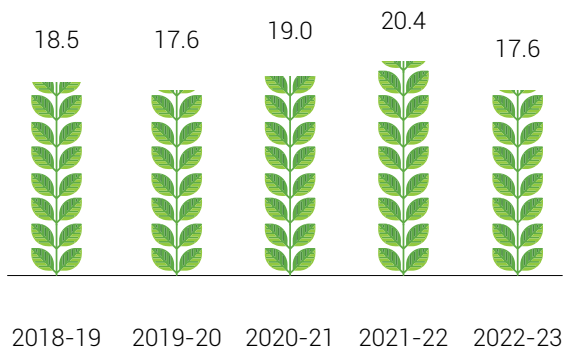


EBITDA (₹ in Cr)

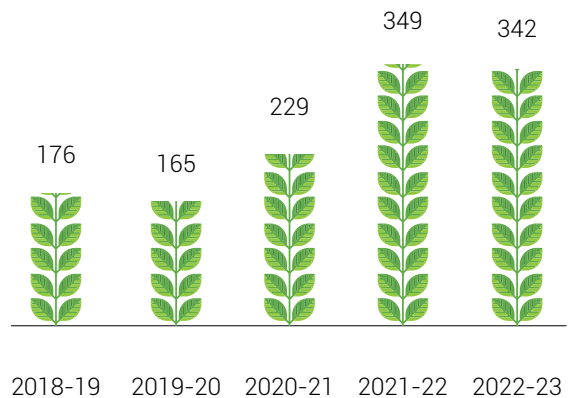


\*EBITDA is excluding IA & IAUD write-off

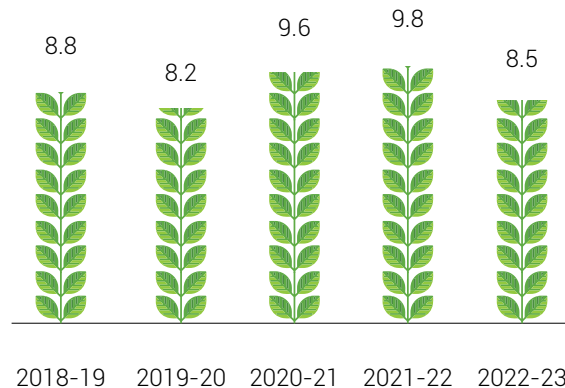
EBITDA Margins (in %)



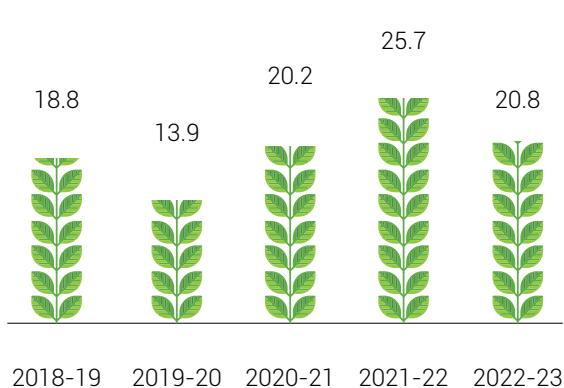
PAT (₹ in Cr)



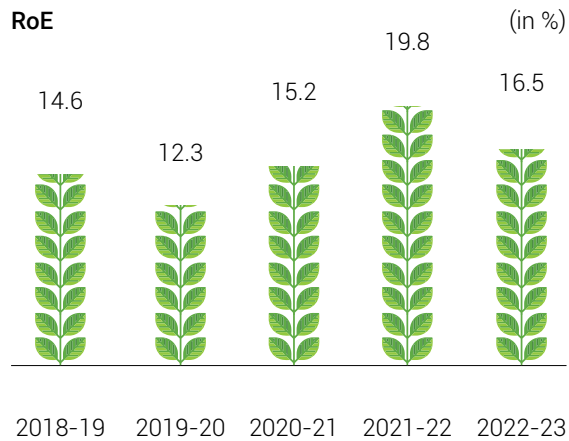
PAT Margins (in %)



RoCE (in %)

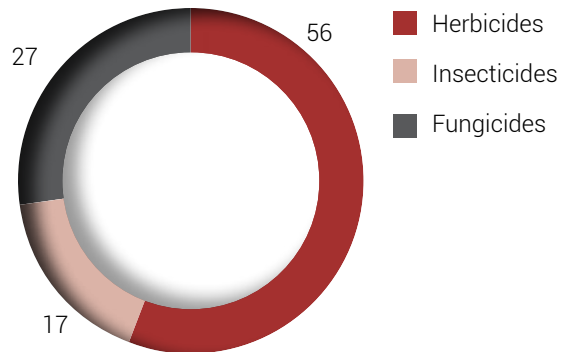


# Operational Highlights

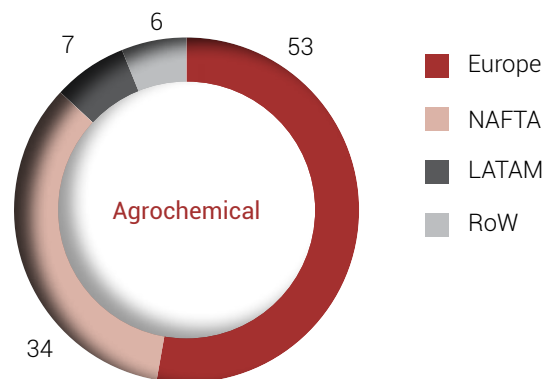


EBITDA: Earnings before Interest, Taxes, Depreciation, and Amortisation  
 PAT: Profit After Tax  
 ROCE: Return on Capital Employed  
 ROE: Return on Equity

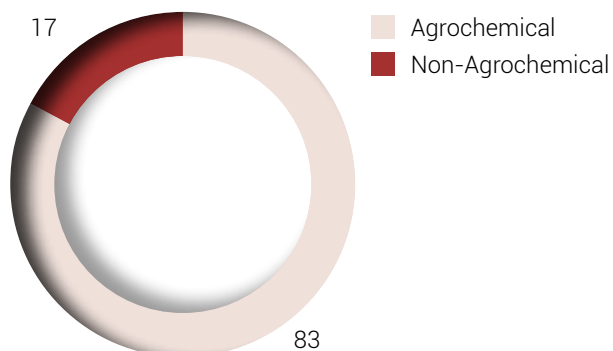
**Revenue Breakup for 2022-23: Product-wise (Agrochemical Segment) (in %)**



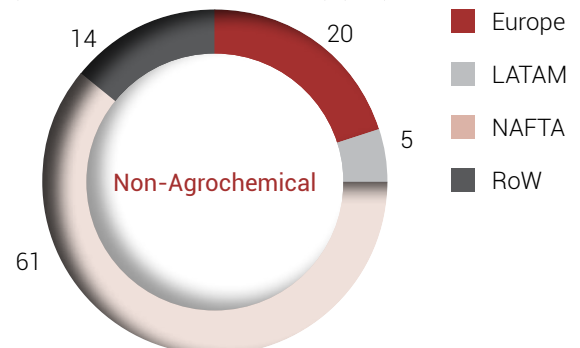
**Revenue Breakup for 2022-23: Region-wise (Agrochemical Segment) (in %)**



**Revenue Breakup for 2022-23: Division-wise (in %)**



**Revenue Breakup for 2022-23: Region-wise (Non-Agrochemical Business) (in%)**





# Shaping Path to Success with Decisive Actions



## Collaborating for Sustainable Resource Development Worldwide

Sharda continues to leverage its market presence and execution capabilities to drive growth and expand its market share. The Company remains steadfast in its commitment to offering farmers a comprehensive range of products and services to improve their yields. It has developed an encompassing strategy for its on-ground operations in different regions across the world of NAFTA, Europe, LATAM, and other key markets in ROW, and will continue to refine and execute the same. Growing stronger by the day, the Company is confident in achieving its objectives and driving success in the future through investments in its sales team and ensuring necessary resources and support.



## Continual Investment in Product Registrations

Sharda's continues with its commitment to invest in product registrations to ensure a robust and growing product portfolio. To achieve this objective, the Company is constantly looking out for generic molecules that will soon go off patent. By doing so, it will increase the market share and offer a wider range of products.



## Expand & Strengthen Distribution Presence

Sharda, by leveraging its existing library of dossiers, plans to expand and strengthen its distribution presence in the untapped markets of the world. Its two-fold strategy of further penetrating existing markets and entering new markets will enable it to broaden its geographical reach and capitalise on new growth opportunities.



## Streamlining Operational Efficiencies

Sharda is fully committed to optimising operations by focusing on operational efficiencies. To achieve this, it is prioritising revenue-generating investments that will drive growth and profitability. At the same time, it is poised to work towards improving its margins through better cost management strategies, ensuring that it eliminates any non-value-added (NVAs) activities.



Sharda Cropchem Limited

# Chairman & MD's Communique

We are a leading global agrochemical company, dedicated to the marketing and distribution of a comprehensive range of agrochemicals. Our core strength lies in procuring a diverse range of formulations and securing registrations for generic molecules worldwide. By leveraging our expertise and product registration capabilities, we strive to consistently identify generic molecules, prepare dossiers, obtain registrations, and effectively market and distribute our products.



“

The solid foundation built by Sharda Cropchem, not only in terms of its product portfolio but also in terms of its values and culture, has played a significant role in helping the Company navigate and overcome disruptions in the past.

”

## Dear Stakeholders,

Looking back, the year 2022-23 presented us with unexpected surprises and hurdles to overcome. Initially, it appeared that the Covid-19 pandemic's impact was diminishing, but geopolitical conflicts in Europe introduced new challenges. These conflicts disrupted global supply chains and triggered an unprecedented energy shock, leading to a significant surge in food and commodity prices. The resulting inflationary pressures hindered global economic growth, reducing it from 6.1% in 2021 to approximately 3.2% in 2022. It is projected to further decline to around 2.2% in 2023. Despite these challenges, India emerged as one of the fastest-growing economies in 2022.

## The Journey from Roots

Notwithstanding various obstacles in different regions, Sharda Cropchem has effectively mitigated their impact through unwavering support and persistent efforts. The solid foundation built by Sharda Cropchem, not only in terms of its product portfolio but also in terms of its values and culture, has played a significant role in helping the Company navigate and overcome disruptions in the past.

Drawing upon its extensive experience and expertise throughout the agrochemical value chain, spanning from research and development to distribution, Sharda Cropchem has established a solid foundation in the realm of agrochemicals. This rich legacy of experience has provided the company with a firm foothold in the industry. Moreover, by adhering to its principles, harnessing its capabilities, and implementing forward-thinking strategies, Sharda Cropchem ensures sustained growth and security for the years to come, generating value for all our stakeholders.

In a dynamic macroeconomic and industry landscape, we have successfully maintained strong relationships with third party manufacturers in China and India, mitigating sourcing dependencies and ensuring quality products at optimal prices. Over the years, we have built a strong network within our global markets. Additionally, we are benefiting through the economies of scale and leveraging our supply chain to deliver value to the customers.

Notably, during the first half of the financial year, we encountered challenges stemming from the depreciation of numerous currencies against the U.S. dollar, primarily influenced by the Russia-Ukraine conflict. As a result, we experienced forex losses. Fortunately, in the second half of the year, we witnessed a rebound in these currencies, which is reflected in our financial performance.

## Financial Performance

Regarding our financial prudence, we have intensified our focus on revenue generating investments and are continually looking to augment our operational efficiencies with the aim of improving our margins.

During the fiscal year 2022-23, we experienced a mix of positive and negative trends in our financial performance. On the positive side, we achieved revenue growth, witnessing an increase from ₹ 3,580 Cr in 2021-22 to ₹ 4,045 Cr in 2022-23. This growth can be attributed to improvements in our product mix and better price realisation.

On the other hand, our gross margins were impacted, experiencing a slight decline from 30.2% in 2021-22 to 29.3% in 2022-23. This drop was primarily due to the weakening of the euro/dollar exchange rate, which resulted in increased input costs, particularly in the first half of 2022-23. The decrease in gross margins directly affected our EBITDA and EBITDA margins, which dropped from ₹ 729 Cr (20.4%) in 2021-22 to ₹ 713 Cr (17.6%) in 2022-23. General inflationary pressures and investments aimed at strengthening our workforce for future growth have contributed to lower EBITDA margins, subsequently impacting overall profitability.



**₹ 328 Cr \***

---

**Cash and Cash Equivalent**

\* Includes FDs of ₹ 114 Cr clubbed in Non Current Other Financial Assets



The profit before tax (PBT) declined from ₹ 464 Cr in 2021-22 to ₹ 431 Cr in 2022-23, primarily due to increased forex losses of ₹ 58 Cr in 2022-23. However, PBT (excluding the forex losses), recorded a growth of 2% in 2022-23. The profit after tax (PAT) also decreased by 2% to ₹ 342 Cr in 2022-23, mainly driven by lower profits in the first half of 2022-23.

Analysing the performance of our Company's agrochemical segment in 2022-23, we witnessed a surge in revenues, increasing from ₹ 3,004 Cr in 2021-22 to ₹ 3,348 Cr in 2022-23, representing a growth rate of approximately 11.4%. This growth can be attributed to increased demand for crop protection chemicals and successful penetration of our products in key regions.

In terms of region-wise breakdown within the agrochemical segment, Europe demonstrated strong growth, with revenues rising from ₹ 1,379 Cr in 2021-22 to ₹ 1,774 Cr in 2022-23, marking a growth rate of around 29%. This surge was a result of effective market presence and the adoption of region-specific strategies. However, the NAFTA region experienced a slight decline in revenues, decreasing from ₹ 1,153 Cr in 2021-22 to ₹ 1,125 Cr in 2022-23, signifying a drop of approximately 2%. The LATAM region also witnessed a decrease in revenues, falling from ₹ 315 Cr in 2021-22 to ₹ 239 Cr in 2022-23, reflecting a decline of around 24%. The Rest of the World (RoW) showed mixed results, with revenues increasing from ₹ 156 Cr in 2021-22 to ₹ 209 Cr in 2022-23, indicating a growth rate of about 34%.

In the non-agrochemical segment, we witnessed growth of 21% in revenues, increasing from ₹ 576 Cr in 2021-22 to ₹ 697 Cr in 2022-23. This growth is attributed to the expansion of our product portfolio and successful

market penetration. Analysing the region-wise breakdown within the non-agrochemical segment, Europe experienced a decline in revenues, decreasing from ₹ 179 Cr in 2021-22 to ₹ 136 Cr in 2022-23, reflecting a downfall of around 24.0%. In contrast, the NAFTA region witnessed a significant increase, with revenues rising from ₹ 287 Cr in 2021-22 to ₹ 424 Cr in 2022-23, marking a growth rate of about 47%. The LATAM region also showed growth, with revenues rising from ₹ 27 Cr in 2021-22 to ₹ 37 Cr in 2022-23, registering a growth rate of approximately 35%. The Rest of the World (RoW) exhibited growth as well, with revenues rising from ₹ 82 Cr in 2021-22 to ₹ 101 Cr in 2022-23, indicating a growth rate of around 23%.

## Opportunity Landscape, Paving the Way Forward

The provision of registrations in each jurisdiction entails distinct legal and procedural requirements. The Company has successfully obtained the regulatory approvals from these jurisdictions. Additionally, we are well equipped to respond to all the potential issues as well as have the readiness to efficiently respond and comply with the regulatory requirements.

With the competitive advantage of a large pipeline of registrations, a strong global presence, and a unique asset-light business model, we are well-positioned to capitalise on the existing and emerging opportunities. As of 31 March, 2023, we have achieved a total of 2,821 registrations, and currently have 1,143 applications in the pipeline. With this we are ready to leverage the opportunity landscape and drive sustainable growth in the coming years with strong value chain.





## Future Strategic Priorities

Our key strategic priorities for the next leg of growth revolves around the following:

-  **Market Expansion:** Expanding and strengthening distribution presence by utilising the existing dossier library and following two-fold strategies of penetrating into both existing and new markets.
-  **Strengthening Sales Force:** Continuing leveraging our market presence and capabilities, adopting a factory-to-farmer approach, with focus on key markets in NAFTA, Europe, LATAM, and ROW.
-  **Increasing Product Registrations:** Identifying off-patent generic molecules and investing in dossier preparation and registrations in our own name.
-  **Bolstering Value:** Enhancing focus on revenue-generating investments, margin improvements and cost management. By doing so we aim to eliminate non-value-added activities and drive accelerated and value-accretive growth.

These priorities will drive our growth, enhance our market position, and optimise operations, while crafting future opportunities.

## Empowering Communities, Building Sustainable Foundation

With a focus on prioritising employees, shareholders, and customers, we foster an inclusive workplace that paves the way for success. Harnessing the expertise and experience of our knowledgeable team, we boldly venture into new geographical territories. Our commitment to empowering women, promoting equality, and implementing transparent HR practices allows us to attract top talent and build strong connections throughout our organisation.

Through our strong commitment to social responsibility, we utilise our CSR budget to make a positive impact on the community. In our pursuit of creating a better world, we actively invest in various impactful initiatives. These include investment in medical relief, eradicating hunger, women's empowerment, animal welfare, promotion of sports, rural development and building a sustainable future together.

## Note of Thanks

In conclusion, I would like to express my sincere gratitude to all our stakeholders for their unwavering support and trust in the Company. Our strong roots and commitment to excellence, innovation, and sustainable practices has guided us through turbulent times and positioned us for future success. Looking ahead, we remain dedicated to our strategic priorities, focusing on growth, market expansion, and operational efficiency. With the steadfast support of our skilled workforce, dedicated customers, and esteemed partners, we are confident in our ability to navigate the ever-evolving business landscape and deliver sustainable value to all our stakeholders. Together, we will continue to craft a brighter future for the Company and the communities we serve.

With Best Wishes,

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





# Rooted in a Strong Foundation for Excellence



## Asset Light Model

Sharda's asset light business model sets it apart by prioritising the identification of valuable generic molecules, preparation of dossiers, and acquiring registrations. It outsources active ingredient and formulation manufacturing, which grants it flexibility, with limited capital requirements allowing cost competitiveness. This strategy helps it to redirect valuable resources towards expanding its product portfolio and broadening its geographic reach.



## Large Pipeline of Registrations

Sharda has shown an impressive capability in managing smart product registrations by strategically identifying generic molecules that are about to go off-patent. This has enabled the Company to focus on obtaining registrations and enhance its portfolio of formulations and generic active ingredients across major markets. As of 31 March, 2023, it has acquired an outstanding 2,821 registrations, which highlights its continuous dedication to expanding its intellectual property portfolio.

Moreover, Sharda has a strong registration pipeline that places it in a favourable position for future growth. Alongside its robust current portfolio, it filed 1,143 applications for registration globally, which are currently at different stages of processing.

It's consistent track record of generating profits and free cash flows has provided it with the necessary resources to expand its portfolio in accordance with its strategic vision. Through this approach, it aims to establish economies of scale in its product offerings to the global market, which will unlock untapped potential.



## Diversified Sourcing Arrangements

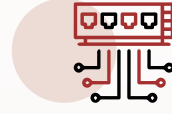
Sharda has developed a strong network of relationships with third party agrochemical manufacturers, primarily based in China and India. In addition, the Company has partnered with third party formulators from the US and Europe to ensure its sourcing capabilities are diversified and reliable. The sourcing strategy of working with multiple manufacturers has resulted in obtaining quality products at optimal prices, giving it a competitive edge in the market.

Despite the constant fluctuations in currency market, the Company has achieved flexibility to supply formulations or generic active ingredients. This success is due to the strong bonds it has built with third-party manufacturers and formulators, which has enabled it to offer customers a wide range of products at competitive market prices.



## > Global Presence

As part of our strategic growth plan, we at Sharda Cropchem are dedicated to strengthening and expanding our sales force across 80+ countries. Our primary focus is on regions such as Europe, NAFTA, Latin America, and the Rest of the world to establish a more robust position in the agrochemical value chain. This allows Sharda to penetrate new markets more efficiently and also strengthens our presence in the current markets.



## > Widespread Distribution Network

Sharda, as a global player, is committed to expanding and strengthening entire agrochemical value chain with 525+ third party distributors and 500+ global resources. Its extensive experience in multiple geographies and products has given it an invaluable insight into local weather and soil conditions. Thus, allowing it to create unique product variants that cater to the specific needs of the esteemed customers.



Sharda Cropchem Limited



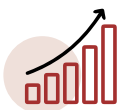
## Social

Community care is at the core



## Environment

Environmental stewardship by conserving natural resources with green initiatives



## Economic

Capital improvement and economic stewardship

# Crafting a Resilient Future on Solid Foundations





Sharda Cropchem Limited

# Cultivating Sustainable Practices to Empower Future

Sharda, driven by its unrelenting commitment to sustainability, embarks on a transformative journey to minimise its environmental footprint. As a mindful corporate entity, it engages with the partner post reviewing its business sustainability profile. By doing so, it optimises efficiency, mitigates risks, and propels its sustainability agenda, paving the way for a greener and empowered future.





## Powered by Efficiency



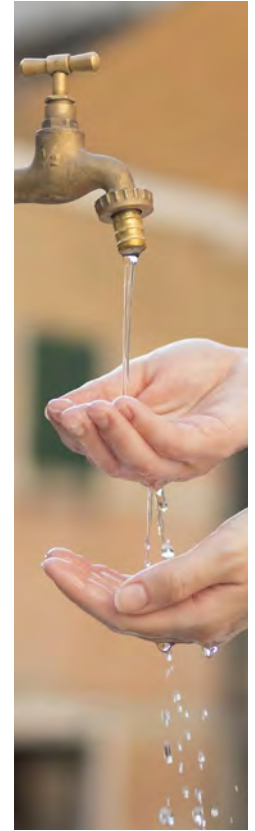
### Energy

Sharda's business allows it to move towards environmental stewardship, which reflects in its efforts to reduce indirect emissions. The Company's focus on energy consumption across diverse operations and processes highlights its dedication to improved energy management, resulting in a reduced environmental impact. By requiring less energy to generate revenue, Sharda has successfully improved its energy intensity per rupee of turnover, contributing to a more sustainable and environmentally conscious approach.




### Water

Sharda understands the importance of water and has prioritised responsible water management, resulting in a total water consumption of 2,548.73 KL in 2022-23 and 2,389.8 2 KL in 2021-22. The Company has implemented measures to enhance water usage optimisation, encompassing initiatives within its offices that have resulted in increased operational efficiency. These initiatives contribute to sustainable resource management practices and have led to a decrease in water intensity per rupee of turnover. This decrease signifies more efficient water management and a reduced environmental impact, as it indicates that less water is required to generate each unit of revenue.




## 736.75 GJ

Total Energy Consumption




## 0.24 to 0.22 GJ/Cr

Energy Intensity per Rupee of Turnover



## 2,548.73 KL

Total Energy Consumption



## 0.81 to 0.77 KL/Cr

Water Intensity per Rupee of Turnover (water consumed/turnover)



Sharda Cropchem Limited

# Creating Value with Stronger Connection

Sharda recognises that its exceptional human resources, robust distributor relationships, and extensive global reach are the pillars of its strength. With a talented team, the Company is strategically positioned to launch products, identify generics, seek registrations, and expand its presence across the agrochemical value chain in over 80 countries. Its continued investment in people ensures it has the best talent propelling its success forward.







## Embracing Equal Opportunities

Sharda firmly adheres to its policies. It is committed to nurturing a workplace where everyone has a fair chance to succeed, regardless of their marital status, race, gender, ethnic or social origin, culture, language, or religion.



## Diversity and Inclusion

At Sharda, we celebrate diversity in all its forms and actively foster an inclusive culture that values and respects every individual's unique perspectives, experiences, and backgrounds. Women employees comprise 55.49% of our workforce, leading to a diverse and inclusive work environment that fosters innovation and different perspectives.

By upholding equal opportunity policy, it creates a harmonious and empowering workplace that enables each individual to thrive and contribute their best, united by a shared vision and commitment to excellence.



# 182

Total Employees



# 55.49% GJ

Women Employees



# Zero

No. of Fatalities










# Zero

No. of Compliants Registered



## Ensuring a Safe and Healthy Workplace

-  Fire and Burglar Alarm System: Prioritises fire detection and prevention, and promotes workplace safety with fire and smoke sensors.
-  Fire Extinguishers: Puts in place comprehensive fire-fighting measures, including strategically placed fire extinguishers for immediate response and control.
-  Earthing Pits and Lightning Conductors: Promotes electrical safety with earthing pits and lightning conductors, minimising the risk of electrical hazards.
-  Important Contact Numbers: Displays essential emergency contacts, such as fire brigade, police stations, and ambulances for quick access.
-  CCTV Surveillance: Monitors all activities with vigilant CCTV system, offering comprehensive detection, recording, and security against potential sabotage.
-  First Aid Kit: Prioritises the well-being of its employees with easily accessible first aid boxes for immediate medical assistance.
-  Regular Maintenance: Undertakes periodic maintenance of fire safety equipment and measures ensuring optimal functionality and effectiveness.

Collectively, these comprehensive measures establish a safe and secure work environment, placing the well-being and safety of all stakeholders as a top priority.



Sharda Cropchem Limited

# Fostering Well-being with Deep-Rooted Actions

Sharda goes above and beyond its business objectives by creating value and actively engaging with society. Through investments in communities and initiating deep-rooted actions, the Company strives to foster a vibrant culture and foster well-being. It aims to promote social development, catalysing positive change and uncovering new opportunities for a brighter future.





## CSR Focus

The Company's CSR initiatives are focussed on diverse areas including promoting education, providing medical relief, eradicating hunger, empowering women, promoting animal welfare, supporting Olympic sports and contributing towards rural development projects. It strongly believes that these initiatives will help build a sustainable future for society.



**₹ 8.66 Cr**

Amount Spent on CSR



## CSR Projects



● **CSR Project**

● No. of Persons Benefited from CSR Projects





# Board of Directors



1

**Mr Ramprakash V Bubna**  
**Chairman & Managing Director, Founder and Promoter**

Mr Ramprakash V. Bubna holds a bachelor's degree in Technology in Chemical Engineering from IIT, Bombay. He has over 55 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 Agrochemicals Limited. Moreover, Mr Ramprakash V. Bubna is one of the Founders and Promoters of the Company.



2

**Mrs Sharda R Bubna**  
**Whole-time Director, Founder and Promoter**

Mrs Sharda R. Bubna 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 Promoters of the Company.



3

**Mr Ashish R Bubna**  
**Whole-time Director, Founder and Promoter**

Mr Ashish R. Bubna graduated from the University of Mumbai with a bachelor's degree in commerce. He has over 32 years of experience in the marketing of chemicals, agrochemicals and related fields. He has been instrumental in strategising early investment in product registrations and building the library of product dossiers. Mr Ashish R. Bubna is responsible for the marketing, procurement, registrations, and logistics functions of the agrochemical business, and is one of the Founders and Promoters of the Company.



4

**Mr Manish R Bubna**  
**Whole-time Director, Founder and Promoter**

Mr Manish R. Bubna holds a bachelor's degree in Chemical Engineering from the University Department of Chemical Technology, Bombay University. He has over 30 years of experience in chemicals, agrochemicals, and related fields. Mr Manish R. Bubna has spearheaded the Company's foray into the conveyor belt and general chemicals business. Additionally, he also oversees the information technology, logistics and documentation functions of the Company. He is also one of the Founders and Promoters of the Company.



5

**Mr M. S. Sundara Rajan**  
**Independent Director, Founder and Promoter**

Mr M. S. Sundara Rajan holds a postgraduate degree in Economics from the University of Madras with a specialisation in Mathematical Economics and National Income and Social Accounting. He is also a certified Associate of Indian Institute of Company Secretaries of India. Mr M.S. Sundara Rajan was Chairman & Managing Director (CMD) of Indian Bank and has a total experience of over 39 years in the banking industry. He has previously worked with the Union Bank of India for over 33 years. Moreover, he has been ranked 45th in Economic Times India Inc.'s most potential CEOs list (2009). Additionally, Mr M.S. Rajan secured the second spot among CEOs of nationalised banks and ranked sixth among CEOs of commercial banks. Since July 2011, he has been an Independent Director of the Company.



6

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

Mr Shitin Desai is a veteran with more than 42 years of experience in the banking and financial services sector. He served as a consultant to 'Bank of America Merrill Lynch' and held the position of Executive Vice Chairman at 'DSP Merrill Lynch Ltd.', where he was also one of the Founding Directors. He is the Chairman and Independent Director on the Board of 'Julius Baer Wealth Advisors (India) Pvt. Ltd.', and serves as an Independent Director on the Board of 'Sharda Cropchem Limited.' Additionally, Mr Shitin Desai is a Director on the Board of 'Piramal Fund Management Pvt. Ltd.' (Real Estate), and is a Director on the Board of 'Foundation for Promotion of Sports & Games', a Not-for-Profit (Section 25) Company that assists potential athletes to achieve their dreams and win Olympic gold medals. Furthermore, he is 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 of the Committee on Takeovers appointed by SEBI, the Investor Education and Protection Fund constituted by the Ministry of Corporate Affairs, the RBI Capital Market Committee, the Advisory Group of Securities Market of RBI and the Insider Trading Committee. Mr Shitin Desai has been associated with Sharda Cropchem since December 2013.



7

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

Mr Shobhan Thakore holds bachelor's degrees in Arts (Politics) and Law, and serves as a solicitor at the Bombay High Court and Supreme Court of England and Wales. Additionally, he has been an advisor to leading Indian companies on matters related 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. Mr Shobhan Thakore has been an Independent Director of the Company since December 2013.



8

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

Ms Sonal Desai is a qualified Chartered Accountant with an Executive Diploma in Hospital Administration from the Tata Institute of Social Sciences (TISS). She was superannuated from Hindustan Petroleum Corporation in August 2017 (a Fortune 500 Company with a turnover of above US\$ 31 Bn). Currently, Ms Sonal Desai is an Executive Director at Sushrut Hospital (a 100-bedded Charitable Trust Hospital). Additionally, she serves as an advisor to Prashanti Medical Trust (Sathya Sai Hospital), which provides free heart surgeries to economically underprivileged patients at its hospitals in Rajkot and Ahmedabad. Her last assignment prior to superannuation at HPCL was Executive Director-Refinery Finance (one level below the Board) with the additional responsibility of Head-Corporate Social Responsibility (CSR). The vast experience of 35 years of handling not only pure finance and accounting functions but also commercial and embedded functions resulted in a rare blend of leadership experience and functional competence. Her assignments provided her with unique experience and expertise in business areas, such as Marketing, Operations, Projects and Refineries Management. She has been associated with Company as an Independent Director since April, 2019.



Sharda Cropchem Limited

# Corporate Information

## Board of Directors

### Mr Ramprakash V Bubna

Chairman & Managing Director, Founder and Promoter

### Mrs Sharda R Bubna

Whole-time Director, Founder and Promoter

### Mr Ashish R Bubna

Whole-time Director, Founder and Promoter

### Mr Manish R Bubna

Whole-time Director, Founder and Promoter

### Mr M. S. Sundara Rajan

Independent Director, Founder and Promoter

### Mr Shitin Desai

Independent Director

### Mr Shobhan Thakore

Independent Director

### Ms Sonal Desai

Independent Director

## Key Managerial Personnel

### Mr Ashok Vashisht

Chief Financial Officer

### Mr 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

**Telephone:** 91 22 6678 2800

**Fax:** 91 22 6678 2828

**Email Address:** [co.sec@shardaintl.com](mailto:co.sec@shardaintl.com)

**Website:** [www.shardacropchem.com](http://www.shardacropchem.com)

## Auditors

B S R & Associates LLP

## Registrar and Transfer Agent:

KFin Technologies Private Limited  
Selenium Tower B,  
6th Floor, Plot No 31 & 32 Financial  
District, Nanakramguda, Serilingampally Mandal  
Hyderabad - 500 032

**Telephone:** 91 040 6716 1606

**Fax:** 91 40 2311 4087

## Banker

Union Bank of India

[www.shardacropchem.com](http://www.shardacropchem.com)



# Management Discussion and Analysis



# Economic Overview

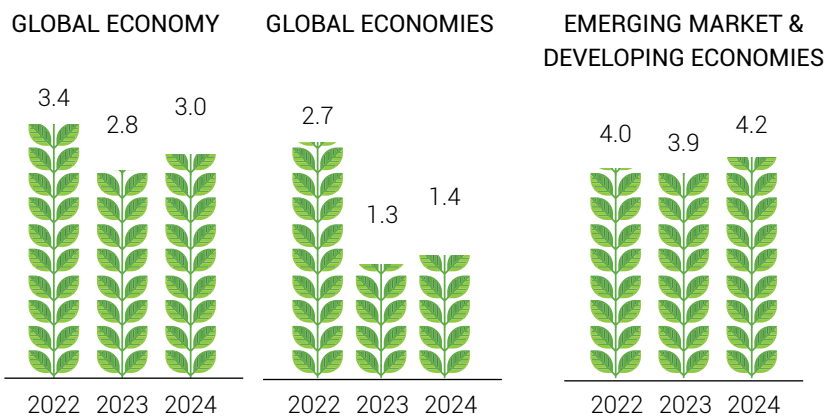


## Global Economy

The global economy has been recovering well since the start of 2022, with economies such as the United States, China, and India showcasing a progressive growth pace. Various countries across the globe took necessary actions to prepare for future black swan disasters after acquiring valuable experience from the pandemic. As the global economy prepares to stage its most powerful post-recession rebound, suppressed demand brought on by economic stagnation and a significant improvement in the supply situation is now primarily driving the recovery in growth.

According to the International Monetary Fund (IMF), the growth rate contracted slightly from 3.4% in 2022 to 2.8% in 2023, still the world remains on a positive trajectory towards economic stability with expected growth rate of 3.0% in 2024. Going ahead, the advanced economies are expected to experience a significant slowdown in growth, declining from 2.7% in 2022 to 1.3% in 2023 & 1.4% in 2024, mainly due to the fragmentation in geoeconomics. Conversely, emerging market and developing economies are projected to have stronger economic prospects, with the average growth rate expected to reach 3.9% in 2023, with a projected increase to 4.2% in 2024.

### WORLD ECONOMIC OUTLOOK 2023-24 (%)



(Source: IMF World Economic Outlook April 2023)



## Outlook

Despite exceeding expectations in terms of actual growth in 2022, various factors, including aggressive policy tightening, geopolitical uncertainties, increased protectionism, and declining business and consumer sentiments, have dampened the global growth outlook for the present and upcoming years. The latest projections from the World Economic Outlook by the International Monetary Fund suggest that a global recession is not imminent in the current or following year. However, there is a possibility of a technical recession in Europe and potentially in the United States if there are two consecutive quarters of negative GDP growth. Nonetheless, according to the IMF's forecasts, the US economy is not expected to contract in terms of GDP in the current or following year. Thus, while the global economy is on a path to recovery, uncertainties and challenges persist. Policy responses prioritising stability, inclusivity, and sustainability will be crucial in shaping the future trajectory of the global economy.

**Source:** <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

IMF World Economic Outlook April 2023)

# Indian Economy

Despite the multitude of crisis faced by the world economy, such as liquidity issues and banking crises, the Indian economy has undergone a remarkable transformation and emerged as a global economic powerhouse. This growth is propelled by factors like increased domestic consumption, higher capital expenditure, foreign investments, favourable government policies, a thriving manufacturing sector, and impressive exports. This includes an increased focus on innovation and initiatives such as the PM Gati Shakti, the National Logistics Policy, and the Production-Linked Incentive programmes. India's exceptional economic performance is evident as it ranked among the fastest-growing economies in 2022, securing fifth in terms of GDP, which stood at approximately US\$ 3.5 Tn as of March 2023, according to the World Bank.

Although there are concerns about elevated headline inflation, projections from the World Bank and the Reserve Bank of India (RBI) suggest a gradual easing, with an average expected rate of 5.2% in 2023-24 compared to 6.6% in the previous fiscal year. This easing can be attributed to declining global commodity prices and moderation in domestic demand. The RBI has taken proactive steps to manage inflation by raising the policy interest rate and withdrawing accommodative measures. Furthermore, India's financial sector remains robust, supported by improvements in asset quality and strong credit growth in the private sector.



Based on RBI projection India's GDP is projected to 7.2% in 2023 and 6.5% in 2024. Moreover, the capital expenditure was increased by 33%, amounting to ₹ 10 Lakhs Cr, while constituting 3.3% of GDP. This substantial investment in infrastructure is expected to impact the economy and drive sustainable growth significantly. The Government's increased capital allocation, focusing on infrastructure, productivity, and sustainable growth, is expected to substantially impact the economy.

The Union Budget 2023-24 outlined the vision of Amrit Kaal, which shall reflect an empowered and inclusive economy. The vision is to 'Envision a prosperous and inclusive India', in which the fruits of development reach all regions and citizens, especially the youth, women, farmers, OBCs, Scheduled Castes and Scheduled Tribes with the support of various government schemes.

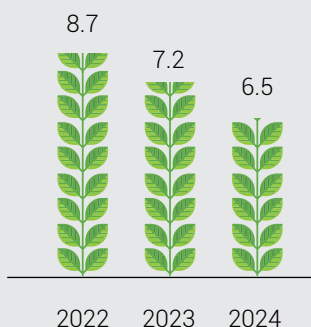
Additionally, measures such as green growth and financial sector reforms aim to strengthen India's self-reliant growth engine, attracting investments and creating new job opportunities. However, challenges, including slower consumption growth, external conditions, rising borrowing costs, and sluggish income growth, may impede private consumption and hinder overall economic development.

(Source: <https://www.imf.org/en/Publications/WEO>

<https://pib.gov.in/PressReleasePage.aspx?PRID=1895289>

<https://www.forbesindia.com/article/explainers/gdp-india/85337/1> )

## Indian Economic Outlook 2023-24 (%)





## Industry Overview



### Global Crop Protection Industry

As of 2022, the Global Crop Protection Chemicals market was valued at US\$ 88.0 billion. Over the next few years, crop protection chemicals are expected to play a crucial role in enhancing agricultural productivity. The primary groups of crop protection agents include herbicides, insecticides, biopesticides and fungicides. These chemicals are instrumental in managing and minimising the impact of weeds, pests, and plant diseases that pose risks to agricultural crops. Consequently, they contribute to the growth and maintenance of increased crop output. Furthermore, their effectiveness leads to higher productivity per acre, reducing the need to convert natural areas such as woodlands, forests, native prairies, plains, grasslands, and other wildlife habitats into farmland. Over the years, the Crop Protection Chemical industry has experienced notable changes, characterised by robust growth and influenced by shifting crop mix patterns, rising demand for biopesticides, and environmental regulations. Nonetheless, the availability of arable land has been diminishing due to increasing urbanisation and higher population concentrations in urban areas rather than rural regions. Looking ahead, market projections indicate that the industry is expected to reach a

value of US\$ 116.5 billion by 2028, exhibiting a compounded annual growth rate (CAGR) of 4.28% during the period from 2023 to 2028.

*The Global Crop Protection Market is divided into four regions: Europe, North America, Latin America and the Rest of the World (ROW).*

The European crop protection market is estimated to register a CAGR of 5% from 2022- 2027 driven by increased awareness, advances in farming practices, and technological progress. These key factors continuously help the European region command a bigger crop protection market share.

North America, ranked as the third-largest Agrochemicals market globally, is anticipated to expand at a CAGR of 11.8% from 2022 to 2027. Within North America, the United States holds the highest share in terms of revenue and volume. Pesticides and fertilisers represent the two primary components of the agrochemicals industry, with fertilisers constituting approximately 70% of the market. In addition, the region is known for its production of major crops such as corn, soybean, cotton, and wheat.



Latin America's crop protection chemicals market is forecasted to experience a CAGR of 6.1% between 2023 and 2028. This growth is attributed to a flourishing agricultural sector, the expansion of farmland, urbanisation, limited availability of cultivable land, and the rising demand for crop protection chemicals. Moreover, governments in the region are striving to curb the conversion of natural areas, while the consumption of plant-based food is driving the adoption of chemicals to achieve higher crop yields.

(Source: <https://www.imarcgroup.com/crop-protection-chemicals-market>)

<https://www.marketdataforecast.com/market-reports/europe-crop-protection-pesticides-market>

<https://www.industryarc.com/Research/North-American-Crop-Protection-Chemicals-Market-Research-500146>

<https://www.mordorintelligence.com/industry-reports/latin-america-crop-protection-pesticides-market-industry>)



## Indian Crop Protection Industry

India's Crop Protection Chemicals Market was valued at US\$ 3 Bn in 2020 and is projected to reach US\$ 4 Bn by 2026. Based on the projections by India Crop Protection Market Outline 2022-28, the crop protection market is expected to witness a CAGR of 3% during the forecast period.

India's population is growing and the per capita size of land is reducing. Thus, the use of pesticides in India will need to improve to cater to the increasing demand. Alongside, the market is expected to observe increasing domestic consumption, diminishing availability of farmable land, along with growing exports and rising public alertness regarding pesticides and biopesticides. The exports by the Indian crop protection industry are estimated to witness a double-digit growth in coming years with the adoption of appropriate strategies and sophisticated technology. The biopesticides market is likely to witness the fastest growth in comparison to synthetic chemicals in India.

As consumer awareness regarding health and environmental concerns grows, the Indian population is increasingly inclined towards eco-friendly options rather than non-eco-friendly products. This shift in consumer preference is expected to gradually drive the adoption of crop protection products in the market, resulting in improved crop yields. In response, major industry players are entering into planned agreements for research and development (R&D) activities to develop new molecules, enabling them to maintain cost competitiveness. As awareness continues to expand and demand rises, competition in the industry is expected to gradually strengthen.





# Global Crop Protection Market Category-wise



## Herbicides

The global herbicides market size is expected to grow from US\$ 34.37 Bn in 2022 to US\$ 38.04 Bn in 2023 at a CAGR of 10.7%. Maintaining this consistent growth rate would result in the herbicide market reaching approximately US\$ 63 billion by 2028. Herbicides, commonly known as 'weed killers,' are chemical substances used to kill or control the growth of unwanted plants. Herbicides help improve agricultural productivity. Hence, facilitating higher demand for high agriculture productivity to meet the global food demand. As a result, the demand for crop protection and maintenance herbicides is expected to rise. A significant advantage of chemical herbicides is their ease of application, which helps reducing labour costs.

(Source: [https://www.thebusinessresearchcompany.com/report/herbicides-global-market-report#:~:text=This%20herbicide%20market%20research%20report,\(CAGR\)%20of%2010.7%25.](https://www.thebusinessresearchcompany.com/report/herbicides-global-market-report#:~:text=This%20herbicide%20market%20research%20report,(CAGR)%20of%2010.7%25.))



## Fungicides

The global fungicides market was valued at US\$ 20.8 Bn in 2022. It is estimated to reach US\$ 28.0 Bn by 2027, recording a CAGR 6.1% during the forecast period. Fungicides, widely employed as pesticides, effectively eliminate fungi and their spores, offering protection against blights, rust, mildews, and fungal infections in crops. Fungicides play a crucial role by reducing damage caused by these fungal threats. They find common usage in fruits, vegetables, and cereals. The cereal and vegetable sectors predominantly drive the global demand for fungicides. Governments and agricultural communities are actively raising awareness about the significance of using fungicides and other pesticides in farming practices.

(Source: <https://www.marketsandmarkets.com/Market-Reports/fungicides-356.html#:~:text=%5B303%20Pages%20Report%5D%20The%20global,more%20or%20less%20without%20selectivity>)



## Insecticides

The global insecticides market size was worth US\$ 14.0 Bn in 2021, and is expected to reach a value of US\$ 22.0 Bn by 2030, witnessing a CAGR of 5%. Insecticides play a vital role in enhancing crop yields, particularly in the cereal and grains sectors where crops like corn, rice, and wheat are commonly treated with these pesticides. Given the widespread cultivation of cereals across countries, there is substantial global demand for insecticides. Additionally, insecticides find application across a wide range of crops such as sorghum, sunflower, cotton, soybean and grapes among others. This increasing utilisation of insecticides across various crops contributes to the growth of the insecticides market. Furthermore, factors such as a growing population, increased food demand, shrinking agricultural land, and crop losses caused by pests and diseases further drive the market for crop protection chemicals.

(Source: <https://straitresearch.com/report/insecticides-market>)



## Bio-based

The global bio-based market was valued at US\$ 21.30 Bn in 2021, and is anticipated to reach US\$ 81.64 Bn by 2028, witnessing a CAGR of 25.10%. The growing concerns among consumers regarding the food products they consume and their impact on health and the environment are compelling market players to shift from synthetic chemicals to bio-based alternatives. This shift includes the increased utilisation of biopesticides in agricultural production, which reduces the risk of harmful interventions in the food chain. Additionally, the adoption of simple residue management techniques and relatively lower research and development investments in emerging biopesticides are driving the growth of bio-based sub-segments in the global market.

(Source: <https://www.fnfresearch.com/bio-based-materials-market>)

## Others

The market for other crop protection chemicals was worth US\$ 1.53 Bn in 2020, and is estimated to reach US\$ 1.82 Bn by 2026, accounting a CAGR of 2.4%. Among the various crop protection chemicals are molluscicides, plant growth regulators, desiccants, rodenticides, and acaricides. Molluscicides, acaricides, and rodenticides hold the largest share in this category. These products can be applied as foliar sprays, in granular formulations, as seed treatments, or for various forms of soil treatment. However, rodenticides are primarily used as baits. Molluscicides encompass metaldehyde, methiocarb, ferrous phosphate, and others. Among these, metaldehyde holds the major market share, followed by methiocarb. Metaldehyde is widely preferred in molluscicide products due to its user-friendly nature and affordability.





## Region-wise

The market has been divided into four regions: Europe, North America, Latin America and Rest of the World (ROW).

### Europe

Europe holds a remarkable market share in crop protection owing to increased awareness, advances in farming practices and technology advancement. The ban on the use of glyphosate, neonicotinoids, and parquat is expected to boost the growth of the European biopesticide market. The Europe Crop Protection Market was estimated at US\$ 27.73 Bn in 2021 and is projected to reach US\$ 32.0 Bn by 2026, at a CAGR of 5.1%, from 2022-2027. At present, it stands as the second-largest global market for biopesticides. The organic and completely natural food market is witnessing a remarkable surge in demand, creating an enticing growth opportunity for the utilisation of biopesticides. The pesticide market is primarily driven by the imperative to enhance crop yield and efficiency. Farmers are compelled to increase their yields with a growing population and diminishing arable land. Consequently, farmers are adopting new agricultural practices to achieve higher crop yields.

(Source: <https://www.marketdataforecast.com/market-reports/europe-crop-protection-pesticides-market>)

### North America

The North American Crop Protection Chemical market primarily comprises synthetic and bio-based products. It includes insecticides, fungicides, herbicides, and other crop protection chemicals that are applied to control crop-harming organisms or viruses. The Crop Protection Chemicals market size is projected to reach US\$ 17.1 Bn by 2027, with a CAGR of 11.8% during the forecast period 2022-2027.

One major factor contributing to the growth of the global Agrochemical industry is the increased demand for medicinal plants used in herbal medicines in the North Americans markets. Further, Agrochemicals are used for crops, including cereals, grains, pulses, fruits, vegetables, oilseeds, and non-crop plants like ornamentals and turfs.

The market is experiencing growth due to several factors, including the rising population and income levels, which are driving the demand for high-quality crops. In response, farmers are embracing agricultural technologies to enhance productivity. Furthermore, governments are taking initiatives and investing in the agricultural sector to meet the increasing food demand. These collective efforts contribute to the overall growth of the market.

(Source: <https://www.industryarc.com/Research/North-American-Crop-Protection-Chemicals-Market-Research-500146>)



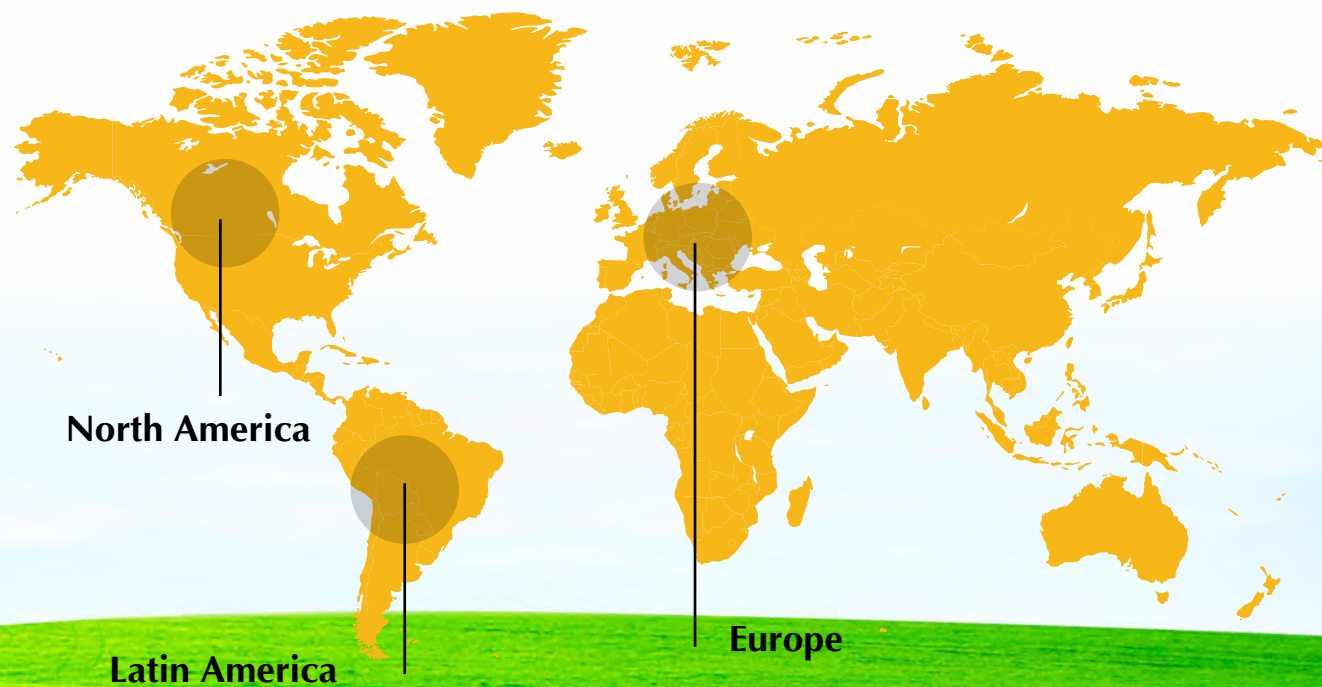
## Latin America

Latin America is the world's second-largest contributor, accounting for nearly 23% of worldwide market share. The crop protection chemicals market for the region is expected to rise at a CAGR of around 6.1% during 2023-2028. The Agricultural industry in this region has had massive growth, with significant increase of farmland, allowing the Crop Protection Chemical markets to develop. Latin America has the potential to be the global breadbasket of the world because of its growing use of innovation and speculation in sustainable agriculture. The herbicides category, conquered the market, accounting for more than half of the sales. Due to its huge market share, the herbicide business in the region has experienced numerous mergers and acquisitions by many corporations.

(**Source:** <https://www.mordorintelligence.com/industry-reports/latin-america-crop-protection-pesticides-market-industry> )

## Outlook

In conclusion, the European crop protection market is primed for significant growth, fuelled by increasing awareness, advancements in farming techniques, and the prohibition of hazardous chemicals. The North American market capitalises on the demand for superior-quality produce, while Latin America's commitment to sustainable agriculture solidifies its position as a global agricultural frontrunner.



**Disclaimer:** This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/States do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.



## Key Demand Drivers



### Growing demand for food and Agriculture Production

The Food and Agriculture Organisation (FAO) estimates that the world's current population to be 7.6 Bn, and likely to reach 8.6 Bn by 2030 and 9.8 Bn by 2050. With this projected increase in population, there is also a parallel increase in the demand for grain and food. For instance, as per FAO, the food demand in the US is projected to escalate by 50-90% by 2050. Numerous factors, such as climate change, the outbreak of pests, lack of investments and partial agricultural land, makes it challenging to yield enough to safeguard food security. Due to the increasing population, global food production needs to increase by ~70% by 2050 to meet the growing demand for food globally.

(Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6718354/>)

<https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100> )



### Climatic Conditions

Agriculture is affected by climate change, with predominantly adverse effects in developing countries. Climate change also affects the ecology of weeds, pests and diseases, with possible consequences for crop protection and pesticide use. Raised atmospheric carbon dioxide (CO<sub>2</sub>) influences plant growth and the nutritional quality of most plant species, with potential bottom-up effects. Crop protection has always been a critical aspect of farming, and the speed of changes can increase with climate change. Coping with these changes requires farmers to consider five fundamental measures. Climate is a minor factor when it comes to pesticide use, as the main drivers are the economy, policy, education and agronomy.

(Source: [https://www.researchgate.net/publication/278670856\\_Climate\\_Change\\_and\\_Crop\\_Protection\\_-\\_Anything\\_can\\_happen#:~:text=Climate%20change%20also%20influences%20the,with%20potential%20bottom%20up%20effects](https://www.researchgate.net/publication/278670856_Climate_Change_and_Crop_Protection_-_Anything_can_happen#:~:text=Climate%20change%20also%20influences%20the,with%20potential%20bottom%20up%20effects))



## Increased Area Under Organic Farmland

The global organic food industry has experienced exponential double-figure growth rates to meet food sufficiency and the significance of safe farming practices. Over the last three decades, organic food and farming remained persistent globally. Since biopesticides, biofertilizers, and other chemical-free fertilisers are used on a huge scale in organic farming. Hence, biopesticides are evolving as a beneficial substitute for synthetic pesticides. The rise in demand for organic products has led farmers towards organic cultivation practices, which require biopesticides. Therefore, a rapid adoption rate of organic farming has enhanced the demand and production of biopesticides.

(Source: <https://www.mordorintelligence.com/industry-reports/global-crop-protection-chemicals-pesticides-market-industry>)



## Asia-Pacific Region Dominates the Global Market

Asia-Pacific is the foremost consumer of crop protection chemical products, owing to its huge agricultural base. China, Japan, India, and Australia accounted for more than 80% share of Asia-Pacific's crop protection chemicals market in 2020.

Key factors motivating the Crop protection chemicals market comprise higher demand for food grains, partial availability of farmable land, elevating exports, growth in horticulture and floriculture, and growing public awareness regarding herbicides, fungicide, pesticides, biopesticides and other eco-friendly agro chemicals. Though, in Japan, companies are extremely focussed on conducting R&D activities, which is the support of introducing new and advanced pesticide products, enhancing the demand for the crop protection chemicals market in Asia. Also, the Japanese Government has come up with several policies regarding the protection of soil, water, biodiversity, rural landscape, and food security to create a bearable farming environment in the region. On the other hand, China is actively encouraging a more profound amalgamation of scientific and technological innovation with the financial system, with the aim of creating a supportive ecosystem for the Agrochemical industry. Such an ecosystem is considered crucial for fostering a powerful nation. Hence, Asia-Pacific region has many opportunities for market players regarding both conventional and biopesticides.

(Source: <https://www.mordorintelligence.com/industry-reports/global-crop-protection-chemicals-pesticides-market-industry>)





## Business Overview

Sharda Cropchem ('The Company') is one of the fastest-growing global agrochemicals companies with a leadership position in the generic crop protection chemicals industry. The Company operates through an asset-light business model, and its core competency lies in developing product dossiers and obtaining product registrations in different countries. Sharda Cropchem focuses on the identification of generic molecules, preparing dossiers, seeking registrations, marketing & distributing formulations through third-party distributors and/or own sales force. Currently, the Company's entire agrochemical value chain comprises 525+ third-party distributors and 500+ Global resources. Serving the Company's esteemed clientele in 80+ countries. Hereon, there are two business verticals wherein the Company is established: agrochemicals business and non-agrochemicals business.

The Company boasts several key advantages, including an expanding global presence, a diverse product portfolio, strong supplier relationships, affordable, high-quality products, efficient customer service, and a comprehensive offering as a one-stop solution for crop care protection.

The Company has a strong foothold especially in advanced markets such as Europe, North America and Latin America, which are traditionally considered high entry barrier markets. Additionally, the Company maintains a significant presence in other regulated markets, including Latin America (LATAM) and the Rest of the World (RoW) markets.





## Business Outline

The Company is strategically focused on expanding its presence in both the agrochemical and non-agrochemical markets. This entails sourcing from a diverse network of trusted suppliers and providing customers with a wide range of high-quality agrochemical products at flexible and affordable costs.

### Agrochemicals

Sharda Cropchem actively safeguards crops by marketing and distributing generic active ingredients and formulations, ensuring effective crop protection.

The Company offers various formulations and generic active ingredients in fungicide, herbicide, and insecticide segments for protecting different crops. By serving in turf & specialty markets and producing disinfectants, the Company caters to various market demands.

### Non-agrochemical

Under the non-agrochemical division, Sharda Cropchem has developed a portfolio which includes supply of belts, general chemicals, dyes and dye intermediates.



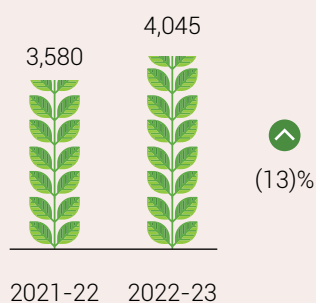


# Financial Highlights

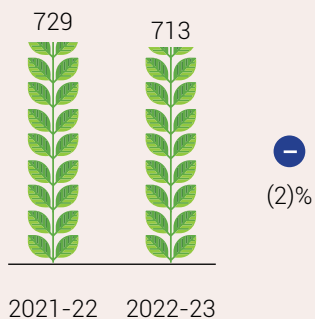
## Key financial highlights as per the consolidated financials

▲ Increase    ▼ Decrease    - No major variance

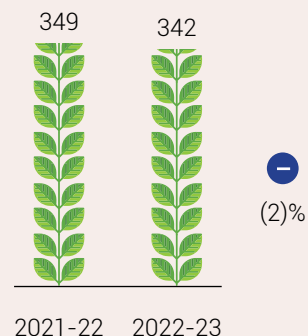
Revenue from Operations (₹ in Cr)



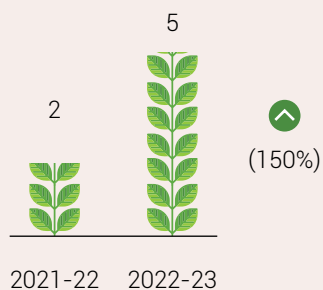
EBITDA (₹ in Cr)



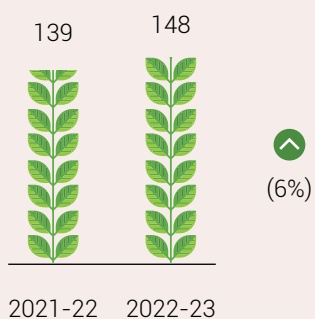
PAT (₹ in Cr)



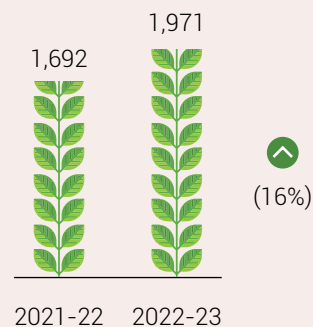
Finance Cost (₹ in Cr)



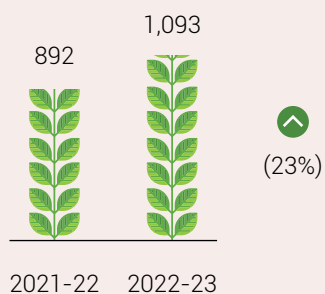
Non-Current Liabilities (₹ in Cr)



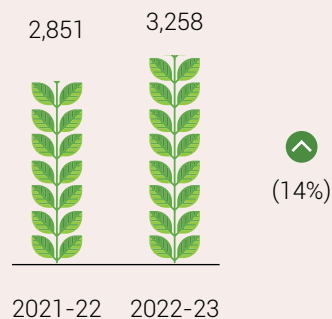
Current Liabilities (₹ in Cr)



Non Current Assets (₹ in Cr)



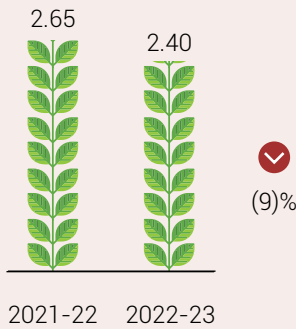
Current Assets (₹ in Cr)



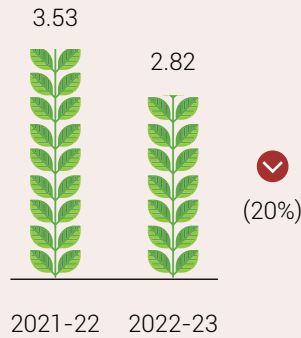
## Key financial ratios based on the consolidated figures

▲ Increase     
 ▼ Decrease     
 - No major variance

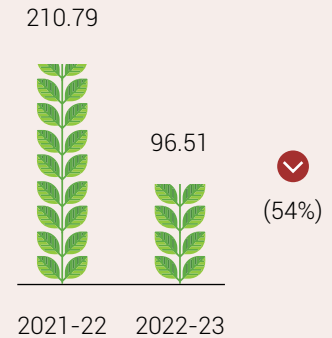
Debtors Turnover Ratio



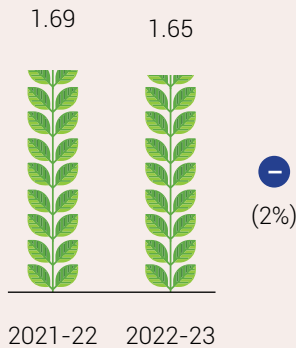
Inventory Turnover Ratio



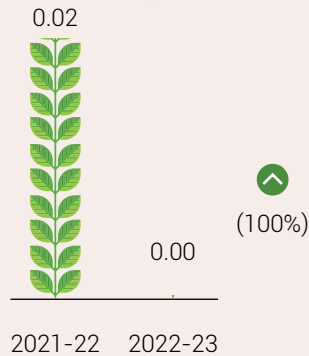
Interest Coverage Ratio



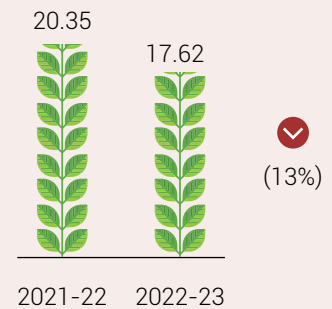
Current Ratio



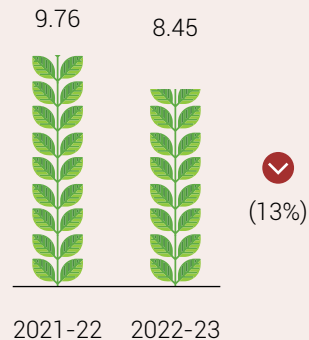
Debt-to-Equity Ratio



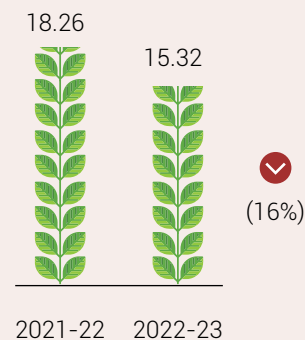
Operating Profit Margin (%)



Net Profit Margin (%)



Return on Net Worth (%)





Sharda Cropchem Limited

## Inclusive Workplace and Empowerment

Sharda Cropchem values its employees, shareholders, and customers. The Company believes that its extensive domain knowledge and the vast experience of its Promoters and Management team provide a significant competitive advantage, enabling it to expand its operations in existing and new geographies. As an inclusive workplace, the Company values the contributions of its employees. It strives to create an environment where everyone can thrive and fulfil their potential.

Sharda Cropchem is committed to diversity and inclusion and takes pride in having a workforce comprising mostly women, who make up more than 55% of its employees' strength. It recognises and supports the potential of women in leadership roles. The Company also encourages them to promote diversity, equality, and inclusivity within their teams. As of 31 March, 2023, the Company had a total of 182 employees.

In addition, Sharda Cropchem remains committed to investing in its most valuable asset – human capital. By onboarding highly qualified professionals and key personnel, the Company ensures that it has the best talent to drive its business forward. Its open and transparent Human Capital Management has enabled the Company to attract and retain top talent in the industry. Sharda Cropchem remains steadfast in its commitment to fostering a culture of continuous learning, growth, and development for all its employees as it expands its capabilities and nurtures future. It is devoted to fulfilling the needs of its employees, shareholders, and customers by offering competitive rewards, policies, and practices.





## Risk Management

At Sharda Cropchem, the Company anticipates potential risks and understands the importance of mitigating them effectively. By proactively addressing risks and seeking positive outcomes, the Company enhances stability and contributes value to both its business and the community. The Company's Risk Management System (RMS) is designed to consider multiple factors, such as technological challenges, errors in strategic management, natural disasters, and adapting to evolving trends. The Company adopts a holistic approach encompassing various aspects to manage risks comprehensively and minimising their impact. This enables the Company to effectively dilute risks and promote a more secure and prosperous environment for its business and stakeholders.

Risk	Mitigation
<p><b>Climate Risk</b> The Company's topline and bottomline can be adversely impacted by climate change.</p>	<p>To mitigate this risk, the Company continuously expand geographical and portfolio diversity to minimise the financial impact.</p>
<p><b>Regulatory Risk</b> As a company in a highly regulated industry, Sharda Cropchem recognises the potential consequences of non-compliance with relevant regulations and standards. This includes the possibility of facing fines, legal penalties, and damage to its reputation.</p>	<p>The Company has put a reliable compliance management process in place and has engaged legal professionals in all the major geographies to keep itself updated on the key regulatory changes and mitigate the key risks proactively.</p>
<p><b>Delay in Registration of Products</b> The registration of products may experience delays, which can subsequently postpone the commencement of business operations. These delays can be attributed to legal discrepancies in formulations and generic active components across different countries. Such delays can significantly impact the Company's revenue generation from these new products and potentially lead to missed opportunities in the market.</p>	<p>The Company has taken multiple registrations in different geographies and is also expanding in its product portfolio to mitigate this risk.</p>
<p><b>Customers Credit Risk</b> The Company faces the risk of Customers Credit Risk, which refers to the possibility of customers defaulting on payments or encountering credit-related issues.</p>	<p>The Company has adopted rigorous measures, such as conducting customer due diligence and continuously assessing creditworthiness. Additionally, it has secured comprehensive global insurance coverage to effectively mitigate the risk associated with customer credit.</p>
<p><b>Data Loss Due to Technological Breakdown</b> The risk of data loss due to technological breakdowns can disrupt the Company's operations, cause financial losses, and harm reputation.</p>	<p>The Company adheres to an IT Policy that emphasises regular data backup, guaranteeing that vital information is consistently backed up at predetermined intervals. Additionally, the utilisation of third-party cloud backup services provides an additional level of protection. The Company also maintains a comprehensive Disaster Recovery Plan (DRP) that outlines data recovery procedures. Employees undergo IT training to proficiently carry out backup procedures in the event of system breakdown.</p>



## Internal control systems and adequacy

The Company's internal controls are continually reviewed by a leading and reputed external agency. This results in an unbiased and independent examination of the adequacy and effectiveness of the internal control systems to achieve the objective of optimal business functioning of the Company. The scope of activities includes safeguarding and protecting the Company's assets against unauthorised use or disposition, maintaining proper accounting records and verifying the authenticity of all transactions. It has an effective compliance management system, which gives preventative warnings in case of any violations. To ensure that the management system 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. Renowned Internal Auditors are instrumental in ensuring the effective implementation of risk management policies, fostering organisation-wide awareness of risks in various business areas and corporate functions. They are also responsible for establishing formal reporting and monitoring procedures, creating maintenance plans to keep risk management information up-to-date, implementing an Enterprise Risk Management (ERM) framework in critical business areas and corporate functions, integrating risk management with the business planning process, and aligning the role of assurance functions.

## NOTICE

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Members of M/s. Sharda Cropchem Limited will be held on Tuesday, 8 August, 2023 at 2:30 pm IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2023, 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 2022-23.
4. To appoint a Director in place of Mr Ashish R. Bubna (DIN: 00945147), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

5. To approve the appointment of the Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendations of the

Audit Committee and the Board of Directors of the Company, M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No 101248W/W-100022), be and are hereby appointed as the Statutory Auditors of the Company for a term of five (5) consecutive years, to hold office from the conclusion of the forthcoming 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting to be held in the year 2028, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Chairman & Managing Director on behalf of the Board of Directors of the Company and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

### SPECIAL BUSINESS:

6. To re-appoint Mr Ramprakash V. Bubna (DIN: 00136568) as Chairman & Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and as per the terms of the Articles of Association of the Company and as per the recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors the Company, the Company hereby approves the re-appointment and the terms of remuneration of Mr Ramprakash V. Bubna (DIN: 00136568) as the Chairman and Managing Director of the Company for a period of five (5) years with effect from 1 January, 2024 upto 31 December, 2028 upon the terms and conditions as may be agreed to between the Company and the Chairman & Managing Director.



## NOTICE (CONTD.)

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and is hereby authorised to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms, agreements with the Registrar of Companies, Mumbai in order to give effect of the above resolution."

7. To re-appoint Mrs. Sharda R. Bubna (DIN: 00136760) as Whole-Time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and as per the terms of the Articles of Association of the Company and as per the recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors the Company, the Company hereby approves the re-appointment and the terms of remuneration of Mrs. Sharda R. Bubna (DIN: 00136760) as the Whole-Time Director of the Company for a period of five (5) years with effect from 1 January, 2024 upto 31 December, 2028 upon the terms and conditions as may be agreed to between the Company and the Whole-Time Director.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and is hereby authorised to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms, agreements with the Registrar of Companies, Mumbai in order to give effect of the above resolution."

8. To re-appoint Mr Ashish R. Bubna (DIN: 00945147) as Whole-Time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and as per the terms of the Articles of Association of the Company and as per the recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors the Company, the Company hereby approves the re-appointment and the terms of remuneration of Mr Ashish R. Bubna (DIN: 00945147) as the Whole-Time Director of the Company for a period of five (5) years with effect from 1 January, 2024 upto 31 December, 2028 upon the terms and conditions as may be agreed to between the Company and the Whole-Time Director.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and is hereby authorised to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms, agreements with the Registrar of Companies, Mumbai in order to give effect of the above resolution."

9. To re-appoint Mr Manish R. Bubna (DIN: 00137394) as Whole-Time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and as per the terms of the Articles of Association of the Company and as per the recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors the Company, the Company hereby approves the re-appointment and the terms of remuneration of

## NOTICE (CONTD.)

Mr Manish R. Bubna (DIN:00137394) as the Whole-Time Director of the Company for a period of five (5) years with effect from 1 January, 2024 upto 31 December, 2028 upon the terms and conditions as may be agreed to between the Company and the Whole-Time Director.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and is hereby authorised to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary

forms, agreements with the Registrar of Companies, Mumbai in order to give effect of the above resolution."

### BY ORDER OF BOARD OF DIRECTORS

Sd/-

**JETKIN GUDHKA**

Date: 12 May, 2023

Place: Mumbai

COMPANY SECRETARY

Membership No. A26487

## NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May, 2020 read with circulars dated 8 April, 2020, 13 April, 2020, 13 January, 2021, 8 December, 2021, 14 December, 2021, 5 May, 2022 & 28th December, 2022 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular dated 12 May, 2020, 15 January, 2021, 13 May, 2022 & 5 January, 2023 (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.
2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 9 of the Notice is annexed hereto. The Board of Directors has considered and decided to include item Nos. 6 to 9 as given above, as Special Business in the forthcoming AGM.
3. 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.
4. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. 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.
6. 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/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Company



## NOTICE (CONTD.)

- at [co.sec@shardaintl.com](mailto:co.sec@shardaintl.com) and / or to KFin Technologies Private Limited ("RTA") at [evoting@kfintech.com](mailto:evoting@kfintech.com) / [raghu.veedha@kfintech.com](mailto:raghu.veedha@kfintech.com) respectively.
7. 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.
  8. The Company has fixed Tuesday, 1 August, 2023 as the **"Record Date"** for determining entitlement of members to final dividend for the financial year ended 31 March, 2023, if approved at the AGM. The Register of Members and the Share Transfer Books of the Company will remain closed on Wednesday, 2 August, 2023.
  9. Members holding shares in dematerialised form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to RTA / Company at their email addressed given above.
  10. Members seeking any information with regard to the financial statements are requested to write to the Company at least ten (10) days before the AGM to enable the management to keep the information ready at the Meeting.
  11. In case of joint holders attending the AGM, 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.
  12. 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. Physical copy of the Notice of the AGM along with Annual Report for the financial year 2022-23 shall be sent to those Members who request for the same. The AGM Notice is also disseminated on the website of our RTA.
  13. Notice of AGM along with Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.shardacropchem.com](http://www.shardacropchem.com), website of stock exchanges i.e BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).
  14. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding', 'Register of Contracts and Arrangements' and 'Register of Members' maintained as per the Companies Act, 2013 shall be accessible to the members.
  15. During the year 2022-23, the Company declared and paid an Interim Dividend of ₹ 3.00 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.  
  
During the year, the Company declared a final dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial Year ended 31 March, 2022 which has approved at the Annual General Meeting of the Company held on 2 August, 2022.  
  
Further, Company had also declared interim dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial year 2022-23.
  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.  
  
The details of the unclaimed dividend & shares transferred to IEPF during 2022-23 have been provided in the report on Corporate Governance which forms part of this Annual Report.

## NOTICE (CONTD.)

17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Members w.e.f. 01 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 1 August, 2023. 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 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 1 August, 2023.
  20. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25 January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this, as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.
  21. 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).
- 22. 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.



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- 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 Friday, 4 August, 2023 till 5:00 PM (IST) on Monday, 7 August, 2023.
- 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 Friday, 4 August, 2023 till 5:00 PM (IST) on Monday, 7 August, 2023.

### 23. 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.

### 24. 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 9 December, 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 Scrutiniser to scrutinise 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 Scrutiniser, after scrutinising the votes, will, not later than two (2) working days from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared alongwith the consolidated scrutiniser'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 Friday, 4 August, 2023 (9:00 am) and ends on Monday, 7 August, 2023 (5:00 pm).** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, **as on the cut-off date of Tuesday, 1 August, 2023**, 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. Tuesday, 1 August, 2023.**



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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 9 December,

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
<p><b>1. Users already registered for IDeAS facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Click on URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>ii. Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>iii. Enter your User ID and Password for accessing IDeAS,</li> <li>iv. On successful authentication, you will enter your IDeAS service login.</li> <li>v. Click on “Access to e-Voting” under <b>Value Added Services</b> on the panel available on the left hand side.</li> <li>vi. Click on “Active e-voting Cycles” option under e-voting.</li> <li>vii. 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.</li> </ol>	<p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>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></li> <li>ii. Enter your User ID and Password for accessing Easi / Easiest.</li> <li>iii. 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.</li> </ol>
<p><b>2. Users not registered for IDeAS facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, click on URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>ii. Select “Register Online for IDeAS”.</li> <li>iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.</li> <li>iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>	<p><b>2. Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, click on URL <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></li> <li>ii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.</li> <li>iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>



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Procedure to login through websites of Depositories	
NSDL	CDSL
<p><b>3. Users may directly access the e-voting module of NSDL as per the following procedure:</b></p> <ol style="list-style-type: none"> <li>Click on URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>Click on the button “Login” available under “Shareholder / Member” section.</li> <li>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.</li> <li>On successful authentication, you will enter the e-voting module of NSDL.</li> <li>Click on “Active E-voting Cycles / VC or OAVMs” option under e-voting.</li> <li>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.</li> </ol>	<p><b>3. Users may directly access the e-voting module of CDSL as per the following procedure;</b></p> <ol style="list-style-type: none"> <li>Click on URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> / <a href="https://www.evotingindia.com">https://www.evotingindia.com</a>.</li> <li>Provide demat account number and PAN.</li> <li>System will authenticate user by sending OTP on registered mobile &amp; email as recorded in the demat account.</li> <li>On successful authentication, you will enter the e-voting module of CDSL.</li> <li>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.</li> </ol>

**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	Contact details in case of technical issue on CDSL website
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**vi. 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:**

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.

- 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.

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### **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. Tuesday, 1 August, 2023** may obtain the user ID and password in the manner as mentioned below:
    - a. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.  
 Example for NSDL:  
 MYEPWD <SPACE> IN12345612345678  
 Example for CDSL:  
 MYEPWD <SPACE> 1402345612345678  
 Example for Physical:  
 MYEPWD <SPACE> XXXX1234567
    - b. If e-mail address or mobile number of the member is registered against Folio No. or DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
    - c. A member may call 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 /



## NOTICE (CONTD.)

she can use his / her existing User ID and password for casting the vote through remote e-voting.

- 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

Sd/-

**JETKIN GUDHKA**

COMPANY SECRETARY

Membership No. A26487

Date: 12 May, 2023

Place: Mumbai

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

Pursuant to Section 102 of Companies Act, 2013('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under item no. 5 to 9 of the accompanying Notice dated 12 May, 2023.

#### Item No. 5:

##### To approve the appointment of the Statutory Auditors of the Company.

In terms of 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 LLP, Chartered Accountants, (Firm Registration No 116231W/W-100024) were appointed as the Statutory Auditors of the Company at the 15th Annual General Meeting (AGM) of the Company held on 30 August, 2018 to hold office for a period of five (5) years i.e. from the conclusion of 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting to be held in the year 2023. Accordingly, M/s. B S R & Associates LLP, Chartered Accountants will complete their current term on conclusion of this AGM in terms of said approval and Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company, subject to the approval of the shareholders, for a period of five (5) consecutive years i.e. from the conclusion of this 20th AGM till the conclusion of the 25th AGM of the Company to be held in the year 2028, to examine and audit the accounts of the Company.

Both B S R & Co. LLP and B S R & Associates LLP are a part of the B S R & Associates, a network registered with the Institute of Chartered Accountants of India (ICAI).

M/s. B S R & Co. LLP, Chartered Accountants have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said reappointment, if made, will be in accordance with the conditions prescribed under the Companies Act. They have further confirmed that they are not disqualified to act as the Statutory Auditors in terms of the Act and the rules made thereunder.

Pursuant to Section 139 of the Act, approval of the members is required for the appointment of Statutory Auditors and fixing their remuneration by means of an Ordinary Resolution. Accordingly, the consent of the members is sought for the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 5 of the Notice.

#### Item No. 6:

##### To re-appoint Mr Ramprakash V. Bubna (DIN: 00136568) as Chairman & Managing Director of the Company.

The Board of Directors of your Company has at its meeting held on 12 May, 2023, re-appointed Mr Ramprakash V. Bubna (DIN: 00136568) as the Chairman & Managing Director ("CMD") of the Company with effect from 1 January, 2024 upto 31 December, 2028. The re-appointment is subject to the approval of the Members of the Company by way of Special Resolution\*. The re-appointment was made based

## NOTICE (CONTD.)

on recommendation by the Nomination and Remuneration Committee & Audit Committee meeting held on 12 May, 2023.

*\*Since Mr Bubna has crossed the age limit of seventy, the Company need to re-appoint him as Chairman & Managing Director by way of Special Resolution as required under section 196(3)(a) of the Companies Act, 2013 and rules made there under for the time being in force.*

Mr Ramprakash V. Bubna is one of the founders of the Company. He holds Bachelor's Degree of Technology, in Chemical Engineering from IIT, Bombay. He has over 55 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.

It would be in the interest of the Company to continue to avail of his rich experience as Chairman & Managing Director of the Company.

Pursuant to the provision of the Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration was placed before the Nomination and Remuneration Committee, Audit Committee and Board of Directors at their Meetings held on 12 May, 2023 and same has been approved by the Committees and the Board.

The principal terms and condition of appointment of Mr Ramprakash V. Bubna is given below:

**a) Tenure of appointment:**

The appointment of CMD is for a period of five (5) years from 1 January, 2024 to 31 December, 2028.

**b) Duties and Power.**

The CMD shall devote his whole time, attention and abilities to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time. The CMD will take instructions from the Board and shall well and faithfully serve the Company and use his/her utmost endeavor to promote the interest thereof.

**c) Remuneration:**

**i) Salary & Commission:**

The CMD shall be entitled for Basic Salary of 2,25,00,000/- (Rupees Two Crore Twenty-Five

Lakhs only) per annum and commission of 1% of Net profits as per provisions of Section 197 & 198 the Companies Act, 2013.

**ii) Perquisites and Allowances:**

**Category A**

**Medical Re-imburement:**

He will be eligible for the Mediclaim policy coverage, as per the Company policy.

**Leave Travel Concession:**

As per the Company policy.

**Category B**

He will be eligible for contribution towards Provident Funds/ Superannuation Fund/Annuity Fund, as per Company policy, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income Tax Act, 1961.

The Company shall pay Gratuity, as per the provisions of The Payment of Gratuity Act, 1972, at the rate not exceeding half month's salary for each completed year of service.

Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

The perquisites under this category shall not be included in the computation of ceiling on remuneration.

**Category C**

The Company shall provide a car with a driver at the cost of the Company for business use of the Company.

The Managing Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

"Family" means the spouse, dependent children and dependent parents of the Managing Director

Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be reimbursed.



## NOTICE (CONTD.)

### iii) Minimum Remuneration:

The remuneration referred to above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Managing Director and other Whole Time Directors of the Company taken together. Provided however that in the event of absence or inadequacy of profit, the Managing Director shall be entitled to remuneration mentioned under (a) above and perquisites as above within the minimum remuneration specified in Schedule V of the Companies Act, 2013. However, the Managing Director shall not be paid any sitting fees for attending the Board or Committee meetings.

### iv) Term And Termination:

The appointment notwithstanding the 5 years tenure fixed with effect from 1 January, 2024 may be terminated by either party by giving three months' notice in writing.

In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company, to the Managing Director. However, no compensation for the loss of office will be payable by the Company as contemplated under the provisions of Section 202 of the Companies Act, 2013. The Managing Director shall not be liable to retirement by rotation.

Mr Bubna and his family members are concerned and interested in the resolutions mentioned in item No. 6 to 9 of the Notice. None of the Independent Director/s or Key Managerial Personnel or their relatives is interested in the resolutions stated above.

### Item No. 7:

#### To re-appoint Mrs. Sharda R. Bubna (DIN: 00136760) as Whole - Time Director of the Company.

The Board of Directors of your Company has at its meeting held on 12 May, 2023, re-appointed Mrs. Sharda R. Bubna (DIN: 00136760) as Whole - Time Director ("WTD") of the Company with effect from 1 January, 2024 upto 31 December,

2028. The re-appointment is subject to the approval of the Members of the Company by way of Special Resolution\*. The re-appointment was made based on recommendation by the Nomination and Remuneration Committee & Audit Committee meeting held on 12 May, 2023.

*\*Since Mrs. Bubna will cross the age limit of seventy, the Company need to re-appoint her as Whole-Time Director (WTD) by way of Special Resolution as required under section 196(3)(a) of the Companies Act, 2013 and rules made there under for the time being in force.*

Mrs. Bubna is one of the founders of the Company. She 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.

It would be in the interest of the Company to continue her as Whole-Time Director of the Company.

Pursuant to the provision of the Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration was placed before the Nomination and Remuneration Committee, Audit Committee and Board of Directors at their Meetings held on 12 May, 2023 and same has been approved by the Committees and the Board.

The principal terms and condition of appointment of Mrs. Sharda R. Bubna is given below:

#### a) Tenure of appointment:

The appointment of WTD is for a period of five (5) years from 1 January, 2024 to 31 December, 2028.

#### b) Duties and Power:

The Whole-time Director shall devote her time, attention and abilities to the business of the Company and shall perform such duties as may be entrusted to her by the Board from time to time. The WTD will take instructions from the Board and shall well and faithfully serve the Company and use her utmost endeavor to promote the interest thereof.

#### c) Remuneration:

##### i) Salary & Commission:

The WTD shall be entitled for Basic Salary of ₹ 37,50,000/- (Rupees Thirty-Seven lakhs Fifty Thousand Only) per annum.

## NOTICE (CONTD.)

### ii) **Perquisites and Allowances:**

#### **Category A**

##### **Medical Re-imburement:**

She will be eligible for the Medclaim policy coverage, as per the Company policy.

##### **Leave Travel Concession:**

As per the Company policy.

#### **Category B**

She will be eligible for contribution towards Provident Funds / Superannuation Fund / Annuity Fund, as per Company policy, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income Tax Act, 1961.

The Company shall pay Gratuity, as per the provisions of The Payments of Gratuity Act, 1972, at the rate not exceeding half month's salary for each completed year of service.

Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

The perquisites under this category shall not be included in the computation of ceiling on remuneration.

#### **Category C**

The Company shall provide a car with a driver at the cost of the Company for business use of the Company.

The Company shall provide telephone including mobile phone at the residence of the Whole Time Director at the cost of the Company.

The Whole Time Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

"Family" means the spouse, dependent children and dependent parents of the Whole Time Director.

Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

### iii) **Minimum Remuneration:**

The remuneration referred to above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Whole Time Director and other Whole Time Directors of the Company taken together. Provided however that in the event of absence or inadequacy of profit, the Whole Time Director shall be entitled to remuneration mentioned under (a) above and perquisites as above within the minimum remuneration specified in Schedule V of the Companies Act, 2013. However, the WTD shall not be paid any sitting fees for attending the Board or Committee meetings.

### iv) **Term And Termination:**

The appointment notwithstanding the 5 years tenure fixed with effect from 1 January, 2024 may be terminated by either party by giving three months' notice in writing.

In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company, to the Whole Time Director.

However, no compensation for the loss of office will be payable by the Company as contemplated under the provisions of Section 202 of the Companies Act, 2013.

Mrs. Sharda R. Bubna will be liable to retire by rotation.

Mrs. Bubna and her family members are concerned and interested in the resolutions mentioned in item No. 6 to 9 of the Notice. None of the Independent Director/s or Key Managerial Personnel or their relatives is interested in the resolutions stated above.

### **Item No. 8:**

#### **To re-appoint Mr Ashish R. Bubna (DIN: 00945147) as Whole - Time Director of the Company.**

The Board of Directors of your Company has at its meeting held on 12 May, 2023, re-appointed Mr Ashish R. Bubna (DIN: 00945147) as the Whole – Time Director ("WTD") of the Company with effect from 1 January, 2024 upto 31 December,



## NOTICE (CONTD.)

2028. The re-appointment is subject to the approval of the Members of the Company by way of an Ordinary Resolution. The re-appointment was made based on recommendation by the Nomination and Remuneration Committee & Audit Committee meeting held on 12 May, 2023.

Mr Ashish R. Bubna is one of the founders of the Company. He holds a Bachelor's Degree in Commerce from the University of Mumbai. He has over 33 years of experience in marketing of chemicals, agrochemicals and related businesses. He has been instrumental in strategising early investment in product registrations and building the library of product dossiers. He is responsible for marketing, procurement, registrations and logistics functions of the agrochemical business

It would be in the interest of the Company to continue to avail of his rich experience as Whole-Time Director of the Company.

Pursuant to the provision of the Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration was placed before the Nomination and Remuneration Committee, Audit Committee and Board of Directors at their Meetings held on 12 May, 2023 and same has been approved by the Committees and the Board.

The principal terms and condition of appointment of Mr Ashish R. Bubna is given below:

### a) Tenure of appointment:

The appointment of WTD is for a period of five (5) years from 1 January, 2024 to 31 December, 2028.

### b) Duties and Power:

The WTD shall devote his whole time, attention and abilities to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time. The WTD will take instructions from the Board and shall well and faithfully serve the Company and use his utmost endeavor to promote the interest thereof.

### c) Remuneration:

#### i) Salary & Commission:

The WTD shall be entitled for Basic Salary of ₹ 1,87,50,000/- (Rupees One Crore Eighty-Seven Lakhs Fifty Thousand Only) per annum and commission of 0.67% of Net profits as per provisions of Section 197 & 198 the Companies Act, 2013.

### ii) Perquisites and Allowances:

#### Category A

##### Medical Re-imbusement:

He will be eligible for the Mediclaim policy coverage, as per the Company policy.

##### Leave Travel Concession:

As per the Company policy.

#### Category B

He will be eligible for contribution towards Provident Funds/ Superannuation Fund/Annuity Fund, as per Company policy, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income Tax Act, 1961.

The Company shall pay Gratuity, as per the provisions of The Payment of Gratuity Act, 1972, at the rate not exceeding half month's salary for each completed year of service.

Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

The perquisites under this category shall not be included in the computation of ceiling on remuneration.

#### Category C

The Company shall provide a car with a driver at the cost of the Company for business use of the Company.

The Company shall provide telephone including mobile phone at the residence of the Whole Time Director at the cost of the Company.

The Whole Time Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

"Family" means the spouse, dependent children and dependent parents of the Whole Time Director.

Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.



## NOTICE (CONTD.)

### iii) **Minimum Remuneration:**

The remuneration referred to above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Whole Time Director and other Whole Time Directors of the Company taken together. Provided however that in the event of absence or inadequacy of profit, the Whole Time Director shall be entitled to remuneration mentioned under (a) above and perquisites as above within the minimum remuneration specified in Schedule V of the Companies Act, 2013. However, the WTD shall not be paid any sitting fees for attending the Board or Committee meetings.

### iv) **Term And Termination:**

The appointment notwithstanding the 5 years tenure fixed with effect from 1 January, 2024 may be terminated by either party by giving three months' notice in writing.

In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company, to the Whole Time Director.

However, no compensation for the loss of office will be payable by the Company as contemplated under the provisions of Section 202 of the Companies Act, 2013.

Mr Ashish R. Bubna will be liable to retire by rotation.

Mr Bubna and his family members are concerned and interested in the resolutions mentioned in item No. 6 to 9 of the Notice. None of the Independent Director/s or Key Managerial Personnel or their relatives is interested in the resolutions stated above.

### **Item No. 9:**

#### **To re-appoint Mr Manish R. Bubna (DIN: 00137394) as Whole - Time Director of the Company.**

The Board of Directors of your Company has at its meeting held on 12 May, 2023, re-appointed Mr Manish R. Bubna (DIN: 00137394) as the Whole – Time Director ("WTD") of the Company with effect from 1 January, 2024 upto 31 December,

2028. The re-appointment is subject to the approval of the Members of the Company by way of an Ordinary Resolution. The re-appointment was made based on recommendation by the Nomination and Remuneration Committee & Audit Committee meeting held on 12 May, 2023.

Mr Manish R. Bubna is one of the founders of the Company. He holds a Bachelor's Degree in Chemical Engineering from the University Department of Chemical Technology, Bombay University. He has over 31 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.

It would be in the interest of the Company to continue to avail of his rich experience as Whole-Time Director of the Company.

Pursuant to the provision of the Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration was placed before the Nomination and Remuneration Committee, Audit Committee and Board of Directors at their Meetings held on 12 May, 2023 and same has been approved by the Committees and the Board.

The principal terms and condition of appointment of Mr Manish R. Bubna is given below:

#### **a) Tenure of appointment:**

The appointment of WTD is for a period of five (5) years from 1 January, 2024 to 31 December, 2028.

#### **b) Duties and Power:**

The WTD shall devote his whole time, attention and abilities to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time. The WTD will take instructions from the Board and shall well and faithfully serve the Company and use his utmost endeavor to promote the interest thereof.

#### **c) Remuneration:**

##### **i) Salary & Commission:**

The WTD shall be entitled for Basic Salary of ₹ 1,87,50,000/- (Rupees One Crore Eighty-Seven Lakhs Fifty Thousand Only) per annum and commission of 0.67% of Net profits as per



## NOTICE (CONTD.)

provisions of Section 197 & 198 the Companies Act, 2013.

### ii) **Perquisites and Allowances:**

#### **Category A**

##### **Medical Re-imburement:**

He will be eligible for the Mediclaim policy coverage, as per the Company policy.

##### **Leave Travel Concession:**

As per the Company policy.

#### **Category B**

He will be eligible for contribution towards Provident Funds/ Superannuation Fund/Annuity Fund, as per Company policy, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income Tax Act, 1961.

The Company shall pay Gratuity, as per the provisions of The Payment of Gratuity Act, 1972, at the rate not exceeding half month's salary for each completed year of service.

Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

The perquisites under this category shall not be included in the computation of ceiling on remuneration.

#### **Category C**

The Company shall provide a car with a driver at the cost of the Company for business use of the Company.

The Company shall provide telephone including mobile phone at the residence of the Whole Time Director at the cost of the Company.

The Whole Time Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

"Family" means the spouse, dependent children and dependent parents of the Whole Time Director.

Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

### iii) **Minimum Remuneration:**

The remuneration referred to above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Whole Time Director and other Whole Time Directors of the Company taken together. Provided however that in the event of absence or inadequacy of profit, the Whole Time Director shall be entitled to remuneration mentioned under (a) above and perquisites as above within the minimum remuneration specified in Schedule V of the Companies Act, 2013. However, the WTD shall not be paid any sitting fees for attending the Board or Committee meetings.

### iv) **Term And Termination:**

The appointment notwithstanding the 5 years tenure fixed with effect from 1 January, 2024 may be terminated by either party by giving three months' notice in writing.

In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company, to the Whole Time Director.

However, no compensation for the loss of office will be payable by the Company as contemplated under the provisions of Section 202 of the Companies Act, 2013.

Mr Manish R. Bubna is liable to retire by rotation.

Mr Bubna and his family members are concerned and interested in the resolutions mentioned in item No. 6 to 9 of the Notice. None of the Independent Director/s or Key Managerial Personnel or their relatives is interested in the resolutions stated above.

### **BY ORDER OF BOARD OF DIRECTORS**

Sd/-

**JETKIN GUDHKA**

COMPANY SECRETARY  
Membership No. 26487

Date: 12 May, 2023

Place: Mumbai

NOTICE (CONTD.)

## ANNEXURE

### Details of Directors seeking Appointment/ Re-appointment at the AGM

Particulars	Mr Ramprakash V. Bubna	Mrs Sharda R. Bubna	Mr Ashish R. Bubna	Mr Manish R. Bubna
Date of Birth (Age)	20 July, 1946 (76 Years)	4 May, 1953 (70 Years)	9 October, 1972 (50 Years)	30 June, 1974 (48 Years)
Date of Appointment	12 March, 2004	12 March, 2004	12 March, 2004	12 March, 2004
Category	Executive Director	Executive Director	Executive Director	Executive Director
Qualification	B. Tech (Chemical Engineering)	B.A. (Bachelor of Arts)	B.Com (Bachelor of Commerce)	B.E (Chemical Engineering)
Terms and conditions of appointment/ re-appointment	Refer Item No.6 of the Notice	Refer Item No.7 of the Notice	Refer Item No.8 of the Notice	Refer Item No.9 of the Notice
Number of shares held in the Company	1,40,52,686	1,40,91,147	1,51,80,000	1,51,80,000
Directorship held in other Public Companies (excluding foreign companies and Section 8 companies)	NIL	NIL	NIL	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL	NIL	NIL
Relationships between Directors inter-se	1) Husband of Mrs Sharda Bubna 2) Father of Mr Ashish Bubna and Mr Manish Bubna	1) Wife of Mr Ramprakash Bubna 2) Mother of Mr Ashish Bubna and Mr Manish Bubna	1) Son of Mr Ramprakash Bubna and Mrs Sharda Bubna 2) Brother of Mr Manish Bubna	1) Son of Mr Ramprakash Bubna and Mrs Sharda Bubna 2) Brother of Mr Ashish Bubna
No. of Board Meetings attended during the year	4	4	2	3



# BOARDS' REPORT

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

The Board of Directors are pleased to submit the report of the business and operations of your Company ("the Company" or "Sharda Cropchem Limited"), along with the audited financial statements, for the financial year ended 31 March, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from operations	3,31,273.30	2,94,643.58	4,04,515.66	3,57,976.68
Other income	17,356.76	4,840.88	4,028.05	2,887.77
Total Income	3,48,630.06	2,99,484.46	4,08,543.71	3,60,864.45
Expenses excluding interest, depreciation and amortisation expenses	2,82,306.51	2,35,548.94	3,40,206.49	2,89,685.80
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	66,324.09	63,935.52	68,337.22	71,178.65
Depreciation and amortisation expenses	24,806.46	24,529.26	24,811.74	24,533.49
Finance Cost	386.91	162.69	451.00	221.29
Profit before tax (PBT)	41,130.18	39,243.57	43,074.48	46,423.87
Tax Expense	8,655.93	10,954.49	8,876.21	11,496.13
Net Profit for the year	32,474.25	28,289.08	34,198.27	34,927.74
Other Comprehensive Income	4.06	15.18	3,302.31	305.12
Total Comprehensive Income	32,478.31	28,304.26	37,500.58	35,232.86
* Adjusted EBITDA	55,347.92	63,621.05	71,264.22	72,859.69

## STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The standalone and consolidated financial statements of your Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial highlights and the results of the operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

Further, a statement containing the salient features of the financial statements of our subsidiaries pursuant to sub-section 3 of Section 129 of the Companies Act, 2013 in the prescribed form AOC-1 is appended as Annexure 1 to the Board's report. The statement also provides the details of performance and the financial positions of each of the subsidiaries.

## OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:

The Company's consolidated revenue from operations increased by 13% on YoY basis to ₹ 404,515.66 Lakhs in 2022-23. This was driven by strong growth in Europe, NAFTA & ROW regions in existing business as well as new business. The Company has 2,821 product registrations as on 31 March, 2023.

In 2022-2023, EBITDA margins were marginally lower by 2%. PAT decreased by 2% from last year mainly due to lower gross margin essentially because of challenging macro environment in the first half of the year. All the major currencies had depreciated against US\$. The financial performance of the Company was impacted in the first half of the year due to depreciation of Euro against US\$, as the Company drives nearly 50% of the revenue in Euro currency. The Company had taken various measures to mitigate this impact and the situation has improved from Q4 2022-23 onwards.

## BOARDS' REPORT (CONTD.)

The Company 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.

The 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. The Company has also invested ₹ 355 Cr on product registrations during the financial year 2022-23.

### CHANGE IN NATURE OF BUSINESS:

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

### MATERIAL CHANGES OR COMMITMENTS:

There are no material changes or commitments that took place after the closure of 2022-23 till date which will have any material or significant impact on the financials of the Company.

### TRANSFER TO RESERVE:

The Company does not propose to transfer amounts to the general reserves.

### DIVIDEND:

During the year, the Board of Directors declared an Interim Dividend of ₹ 3.00 per share in their meeting dated 24 January, 2023 on the paid-up equity shares of the Company. The aggregate gross amount of Interim Dividend Distributed is ₹ 2,706.61 Lakhs subject to TDS as applicable. The Directors have recommended a final dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial Year ended 31 March, 2023 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 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 2022-23 amounts to ₹ 6.00 per share and would involve a total cash outflow of ₹ 5,413.23 Lakhs, subject to TDS as applicable.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <http://www.shardacropchem.com/unclaimed-unpaid-dividend.html>

In light of the aforesaid provisions, the Company has transferred the unclaimed dividends outstanding from last seven consecutive years to IEP Account. Further, shares of the Company in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during 2022-23 are as follows:

Financial year	Amount of unclaimed dividend transferred (Amt in ₹)	Number of shares transferred
2014-15	24,810	467
2015-16	1,13,391	6
<b>Total</b>	<b>1,38,201</b>	<b>473</b>

### DIVIDEND DISTRIBUTION 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>



## BOARDS' REPORT (CONTD.)

### PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY:

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 is available on the website of the Company viz. <http://shardacropchem.com/policy.html>.

### SHARE CAPITAL:

The paid-up equity share capital of the Company as on 31 March, 2023 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.

During the year, none of the promoters acquired / sold any shares of the Company.

### DEPOSITS:

The 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 31 March, 2023, the Company's total income is ₹ 1,096.38 Lakhs (Previous year: ₹ 937.35 Lakhs) and Profit for the year is ₹ 124.62 Lakhs (Previous year: ₹ 85.30 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 31 March, 2023, there were no operations in the Company. However, the Loss for the year is ₹ 0.42 Lakhs (Previous Year: ₹ 0.47 Lakhs).

##### Sharda Agrochem Doel Skopje, Macedonia

Sharda Agrochem Doel Skopje is engaged in the business of dealing in agrochemical products in Macedonia. For the year ended 31 December, 2022, the Company's total income is Nil (Previous Year: ₹ 0.50 Lakhs) and Loss for the year is ₹ 0.05 Lakhs (Previous Year: Profit of ₹ 0.44 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 31 December, 2022, the Company's total income is ₹ 1.28 Lakhs (Previous Year: ₹ 0.92 Lakhs) and Loss for the year is Nil (Previous Year: ₹ 0.51 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 31 March, 2023, the Company's total income is ₹ 28,593.17 Lakhs (Previous year: ₹ 19,865.57 Lakhs) and Profit for the year is ₹ 879.32 Lakhs (Previous year: ₹ 626.21 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 31 December, 2022, the Company's total income is ₹ 2.30 Lakhs (Previous Year: ₹ 6.99 Lakhs) and Loss for the year is ₹ 3.32 Lakhs (Previous Year: Profit of ₹ 5.83 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 31 December, 2022, Company's total income is ₹ 39.06 Lakhs (Previous Year: ₹ 44.86 Lakhs) and there is no profit in the Company.

##### 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

## BOARDS' REPORT (CONTD.)

in agrochemical products in Brazil. During the year ended 31 December, 2022, the Company's total income is Nil (Previous Year: ₹ 23.19 Lakhs) and Profit for the year is Nil (Previous year: ₹ 23.19 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 period ended 18 April, 2022, the Company's total income is Nil (Previous Year: ₹ 1.31 Lakhs) and Loss for the period is Nil (Previous year: ₹ 1.79 Lakhs).

\* M/s. Sharda Hellas Agrochemicals Limited was closed during the year 2022-23.

### **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 31 March, 2023, the Company's total income is ₹ 13,576.91 Lakhs (Previous year: ₹ 16,098.92 Lakhs) and Loss for the year is ₹ 86.81 Lakhs (Previous year: ₹ 65.78 Lakhs).

### **Sharda International DMCC, U.A.E.**

Sharda International DMCC is engaged in trading in agrochemicals, conveyor belts and chemicals in UAE and abroad. For the year ended 31 March, 2023, the Company's total income is ₹ 69,971.46 Lakhs (Previous year: ₹ 58,202.08 Lakhs) and Profit for the year is ₹ 16,819.95 Lakhs (Previous year: ₹ 7,528.50 Lakhs).

### **Sharda Italia SRL, Italy**

Sharda Italia SRL is engaged in the business of dealing in agrochemical products in Italy. For the year ended 31 March, 2023, the Company's total income is ₹ 11,695.80 Lakhs (Previous Year: ₹ 7,730.17 Lakhs) and Profit for the year is ₹ 172.55 Lakhs (Previous year: ₹ 265.98 Lakhs).

### **Sharda Peru SAC, Peru**

Sharda Peru SAC is engaged in the business of dealing in agrochemical products in Peru. For the year ended 31 December, 2022, the Company's total income is ₹ 36.06 Lakhs (Previous Year: ₹ 26.25 Lakhs) and Profit for the year is Nil (Previous year: ₹ 0.09 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 31 March, 2023, the Company's total income is ₹ 23,576.40 Lakhs (Previous year: ₹ 8,562.56 Lakhs) and Profit for the year is ₹ 184.10 Lakhs (Previous year: Loss of ₹ 95.39 Lakhs).

### **\*Sharda Polska SP. ZO.O., Poland**

Sharda Polska SP. ZO.O. is engaged in the business of dealing in agrochemical products in Poland.

\*Sharda Polska SP. ZO.O. got merged with Sharda Poland SP. ZO.O w.e.f 1 March, 2022 pursuant to court order.

### **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 31 December, 2022, the Company's total income is Nil (Previous Year: ₹ 0.26 Lakhs) and Loss for the year is Nil (Previous year: ₹ 0.23 Lakhs).

### **Sharda Swiss SARL, Switzerland**

Sharda Swiss SARL is engaged in the business of dealing in agrochemical products in Switzerland. For the year ended 31 December, 2022, the Company's total income is ₹ 2.88 Lakhs (Previous Year: NIL) and Loss for the year is ₹ 0.07 Lakhs (Previous year: ₹ 0.07 Lakhs).

### **Sharda Taiwan Limited, Taiwan**

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

### **Sharda Ukraine LLC, Ukraine**

Sharda Ukraine LLC is engaged in the business of dealing in agrochemical products in Ukraine. For the year ended 31 December, 2022, the Company's total income is ₹ 7.17 Lakhs (Previous Year: ₹ 12.17 Lakhs) and Profit for the year is ₹ 0.21 Lakhs (Previous year: Loss of ₹ 0.32 Lakhs).



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### Sharda USA LLC, USA

Sharda USA LLC is engaged in the business of dealing in agrochemical products in USA. For the year ended 31 December, 2022, the Company's total income is NIL (Previous Year: NIL) and Loss for the year is Nil (Previous year: Loss of ₹ 0.04 Lakhs).

### 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 31 December, 2022, the Company's total income is ₹ 17.70 Lakhs (Previous Year: ₹ 5.15 Lakhs) and Loss for the year is Nil (Previous year: Loss of ₹ 0.01 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 31 March, 2023, the Company's total income is ₹ 681 Lakhs (Previous Year: ₹ 566.13 Lakhs) and Profit for the year is ₹ 12.42 Lakhs (Previous year: ₹ 2.93 Lakhs).

### Sharda Maroc SARL, Morocco

Sharda Maroc SARL is engaged in the business of dealing in agrochemical products in Morocco. For the year ended 31 December, 2022, the Company's total income is ₹ 1,018.46 Lakhs (Previous Year: ₹ 1,012.41 Lakhs) and Profit for the year is ₹ 17.97 Lakhs (Previous year: Loss of ₹ 5.54 Lakhs).

## SUBSIDIARY COMPANIES – INDIRECT

### Euroazijski Pesticide d.o.o., Croatia

Euroazijski Pesticidi d.o.o. is engaged in the business of dealing in agrochemical products in Croatia. For the year ended 31 March, 2023, the Company's total income is ₹ 129.35 Lakhs (Previous Year: ₹ 139.39 Lakhs) and Profit for the year is ₹ 13.18 Lakhs (Previous year: Loss of ₹ 6.79 Lakhs).

### Sharda Benelux BVBA, Belgium

Sharda Benelux BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended 31 December, 2022, the Company's total income is ₹ 0.58 Lakhs (Previous Year: ₹ 1.76 Lakhs) and Loss for the year is ₹ 0.07 Lakhs (Previous year: Profit of ₹ 0.79 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 December, 2022, the Company's total income is ₹ 21.05 Lakhs (Previous Year: 0.34 Lakhs) and Profit for the year is ₹ 2.50 Lakhs (Previous year Profit of ₹ 4.81 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 31 March, 2023, the Company's total income is ₹ 357.77 Lakhs (Previous year: ₹ 217.22 Lakhs) and Loss for the year is ₹ 21.34 Lakhs (Previous year: ₹ 70.66 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 31 March, 2023, the Company's total income is ₹ 9,114.14 Lakhs (Previous year: ₹ 9,051.40 Lakhs) and Profit for the year of ₹ 27.93 Lakhs (Previous year: Loss of ₹ 301.25 Lakhs).

### Sharda Europe BVBA, Belgium

Sharda Europe BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended 31 March, 2023, the Company's total income is ₹ 2.64 Lakhs (Previous Year: ₹ 2.13 Lakhs) and Loss for the year is ₹ 2.30 Lakhs (Previous year: ₹ 0.28 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 31 March, 2023, the Company's total income is ₹ 3,690.71 Lakhs (Previous year: ₹ 2,892.22 Lakhs) and Profit for the year is ₹ 73.46 Lakhs (Previous year: ₹ 279.31 Lakhs).



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### Sharpar S.A., Paraguay

Sharpar S.A. is engaged in the business of dealing in agrochemical products in Paraguay. For the year ended 31 December, 2022, the Company's total income is ₹ 7.63 Lakhs (Previous Year: ₹ 8.79 Lakhs) and Profit for the year is ₹ 0.10 Lakhs (Previous year: ₹ 0.09 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 31 March, 2023, the Company's total income is Nil (Previous Year: ₹ 5.07 Lakhs) and Loss for the year is ₹ 0.56 Lakhs (Previous year: Profit of ₹ 4.40 Lakhs).

### Sharda Agrochem Limited, United Kingdom

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

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

Sharda Impex Tradinc LLC is engaged in the business of dealing in agrochemical products in UAE and abroad. The Company's total income is ₹ 32.81 Lakhs (Previous Year: NIL) and Loss for the year is ₹ 48.78 Lakhs (Previous year: ₹ 55.29 Lakhs).

## MATERIAL SUBSIDIARY

The Company does not have any Material Indian Subsidiary as per the parameters laid down by the Companies Act, 2013. The Policy on Material Subsidiary is uploaded on the Company's website viz. <http://www.shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 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 22 January, 2022.

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 31 March, 2023, 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 has re-appointed Mr Manish R. Bubna (DIN: 00137394) at Annual General Meeting dated 2 August, 2022 as he was retiring by rotation and being eligible, offered herself for re-appointment.

The Company has received declarations from the Independent Directors confirming that they met 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

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

### Directors Retiring by Rotation

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

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

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



## BOARDS' REPORT (CONTD.)

### Appointment/Resignation of the Key Managerial Personnel

In terms of Section 2(51) and Section 203 of the Companies Act, the following are the KMPs of the Company as on 31 March, 2023:

Mr Ramprakash V. Bubna, Chairman & Managing Director

Mrs Sharda R. Bubna, Whole-time Director

Mr Ashish R. Bubna, Whole-time Director

Mr Manish R. Bubna, Whole-time Director

Mr Ashok Vashisht, Chief Financial Officer

Mr Jetkin Gudhka, Company Secretary & Compliance Officer

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 12 May, 2023, subject to the approval of the members of the Company, re-appointed Mr Ramprakash V. Bubna (DIN: 00136568) as the Chairman and Managing Director, Mrs. Sharda R. Bubna (DIN: 00136760), Mr Ashish R. Bubna (DIN: 00945147) & Mr Manish R. Bubna, as the Whole-Time Director(s) of the Company for a period of 5 (five) years with effect from 1 January, 2024 upto 31 December, 2028 upon the terms and conditions as set out in the Agreement. Requisite proposal seeking their approval for re-appointment and payment of remuneration forms part of the Notice convening the 20th Annual General Meeting of the Company.

### 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.

The Board met Four times during the 2022-23 viz 13 May, 2022, 25 July, 2022, 21 October, 2022 and 24 January, 2023.

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

### Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors of the Company was held on 24 January, 2023, wherein the performance of the Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors.

### COMMITTEES OF THE BOARD:

The 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.

### FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

Pursuant to the SEBI regulations, the Company has worked out a Familiarisation programme for the Independent Directors, with a view to familiarise 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 Familiarisation programme, the Company apprises the Independent Directors about the business

## BOARDS' REPORT (CONTD.)

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 familiarised with Company's vision, core values, ethics and corporate governance practices.

Details of Familiarisation 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 ₹ 67,660,805/- towards CSR activities out of which during the year, the Company has spent ₹ 86,615,340/- 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 optimisation 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 22 January, 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 22 January, 2020. The Company has not received any complaint of sexual harassment during the Financial Year 2022-23.

### **AUDITORS:**

#### **a) Statutory Auditors:**

The Company has appointed M/s. B S R & Associates LLP, Chartered Accountants, (Firm Registration No



## BOARDS' REPORT (CONTD.)

116231W/W-100024) as the Statutory Auditors of the Company till the conclusion of 20th Annual General Meeting of the Company.

M/s. B S R & Associates LLP have expressed their unwillingness to continue as the Statutory Auditors of the Company.

The Company proposes to appoint M/s. M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No 101248W/W-100022) as the Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of the forthcoming 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2028, to examine and audit the accounts of the Company.

The requisite resolution for approval by the members of the Company has been set out in the Notice of the 20th AGM of your Company.

M/s. B S R & Co. LLP, have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The Auditor's Report on Standalone and Consolidated financial statements is a part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### 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:

ursuant 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 2022-23. The Secretarial Audit Report is annexed to this report as Annexure – 3.

### Reply to the qualification in Secretarial Report:

**Qualification:** Pursuant to the Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, The Company has upgraded to web-based System Driven Disclosure system in place of Microsoft excel based system during the year under review. The same has already been disclosed by the Company to the stock exchanges in its periodical filings.

Further, we are unable to express our opinion in respect of compliance of Reg. 3(2B) of PIT Regulations the course of audit as we did not find any instance of notice given by the Company to any person to maintain confidentiality with whom any unpublished price sensitive information pursuant to 'legitimate purpose' if any shared by the Company.

### Reply:

The Company has upgraded itself to the web-based System Driven Disclosure system and the above observation is self-explanatory.

The Company executes Non-Disclosure Agreement with all the parties with whom confidential / UPSI information is shared.

### CORPORATE GOVERNANCE:

The 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

## BOARDS' REPORT (CONTD.)

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.

### 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 draft of the form MGT-7 (Annual Return) of the Company for the financial year ended 31 March, 2023 is uploaded on the website of the Company and can be accessed at [www.shardacropchem.com](http://www.shardacropchem.com).

### 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 - 4 and Annexure - 5 hereunder and forms part of this report.

### DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during 2022-23.

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:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- 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;

- 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;
- They have prepared the annual accounts on a going concern basis;
- 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;
- 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:

- 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 March, 2023	Year ended 31 March, -2022
Foreign Exchange Earnings	3,12,355.18	2,89,300.05
Foreign Exchange Outgo	2,81,798.76	2,43,882.88



## BOARDS' REPORT (CONTD.)

### 2) Maintenance of Cost Record:

Pursuant to Section 148 of the Companies Act, the Company has maintained the Cost Accounting Records for 2022-23. 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 maintained 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 Limited and The National Stock Exchange of India Limited. There is no default in paying annual listing fees.

### ACKNOWLEDGEMENT:

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

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

For and on behalf of Board of Directors

**RAMPRAKASH V. BUBNA**

PLACE : MUMBAI

CHAIRMAN & MANAGING DIRECTOR

DATE : 12 MAY, 2023

(DIN: 00136568)

# ANNEXURE - 1

**Form AOC-1**  
**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures 2022-23**  
**(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 & 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
1	Axis Crop Science Private Limited	Apr-Mar	₹	1.0000	500.00	(162.76)	865.66	528.42	-	1,056.81	119.31	(5.31)	124.62	-	100%
2	Nihon Agro Service Kabushiki Kaisha	Apr-Mar	JPY	0.6164	0.59	0.49	1.52	0.43	-	-	0.00	0.42	(0.42)	-	100%
3	Sharda Agrochem Dooel Skopje	Jan-Dec	MKD	1.2923	3.68	0.14	3.97	0.16	-	-	(0.05)	-	(0.05)	-	100%
4	Sharda Balkan Agrochemicals Limited	Jan-Dec	EURO	88.4797	2.82	(2.81)	0.00	-	-	-	0.00	-	0.00	-	100%
5	Sharda Costa Rica SA*	Apr-Mar	CRC	0.1523	0.00	(0.00)	-	-	-	-	(0.00)	-	(0.00)	-	99%
6	Sharda Cropchem Espana, S. L.	Apr-Mar	EURO	89.0093	2.59	1,197.76	10,655.94	9,455.68	-	28,499.63	1,168.29	288.47	879.81	-	100%
7	Sharda Cropchem Israel Limited*	Jan-Dec	NIS	-	-	-	-	-	-	-	-	-	-	-	100%
8	Sharda Cropchem Tunisia SARL	Jan-Dec	TND	26.6786	0.76	2.08	3.07	0.23	-	-	(3.32)	-	(3.32)	-	99%
9	Sharda De Guatemala S.A.	Jan-Dec	GTQ	10.5523	0.34	(0.34)	-	-	-	-	-	-	-	-	98%
10	Sharda Del Ecuador CIA. Ltda.	Jan-Dec	US\$	82.7300	0.20	0.09	3.78	3.49	-	-	-	-	-	-	99.50%
11	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	Jan-Dec	BRL	15.6500	8.29	(8.29)	-	-	-	-	-	-	-	-	99%
12	Sharda Dominicana S.R.L.*	Jan-Dec	RDS\$	-	-	-	-	-	-	-	-	-	-	-	99%
13	Sharda El Salvador S.A. DE CV*	Jan-Dec	US\$	82.7300	-	-	-	-	-	-	-	-	-	-	99%
14	Sharda Hellas Agrochemicals Limited #	Jan-Dec	EURO	88.4797	-	-	-	-	-	-	-	-	-	-	100%
15	Sharda Hungary Kft	Apr-Mar	HUF	0.2348	7.23	507.65	6,323.51	5,808.63	-	13,576.71	(62.03)	24.78	(86.81)	-	100%
16	Sharda International DMCC ***	Apr-Mar	US\$	82.1725	44.73	21,506.49	28,724.43	7,173.20	-	71,172.59	17,200.78	-	17,200.78	-	100%
17	Sharda Italia SRL	Apr-Mar	EURO	89.0093	7.81	1,162.26	8,609.35	7,439.28	-	11,694.85	295.21	122.66	172.55	-	99%
18	Sharda Maroc SARL	Jan-Dec	DHS	8.0451	8.12	13.11	632.34	611.11	-	1,018.39	22.46	4.49	17.97	-	99.80%
19	Sharda Peru SAC	Jan-Dec	PEN	21.7539	0.33	0.46	1.59	0.79	-	-	-	-	-	-	99.95%
20	Sharda Poland SP. ZOO.	Apr-Mar	PLN	19.0817	5.34	382.61	19,681.31	19,293.37	-	23,578.98	147.00	54.70	92.31	-	100%
21	Sharda Polska SP. ZOO.***	Jan'21-Feb'22	PLN	-	-	-	-	-	-	-	-	-	-	-	100%
22	Sharda Spain S.L.	Jan-Dec	EURO	88.4797	1.96	(1.96)	-	-	-	-	-	-	-	-	100%
23	Sharda Swiss SARL	Jan-Dec	CHF	89.4430	8.62	(1.27)	10.49	3.14	-	-	(0.07)	-	(0.07)	-	100%
24	Sharda Taiwan Limited	Jan-Dec	TWD	2.6901	2.04	(0.09)	1.95	-	-	-	0.00	-	0.00	-	100%
25	Sharda Ukraine LLC	Jan-Dec	UAH	2.2420	4.25	(3.97)	1.12	0.84	-	-	0.21	-	0.21	-	100%
26	Sharda USA LLC	Jan-Dec	US\$	82.7300	-	2.11	2.11	-	-	-	0.00	-	0.00	-	100%
27	Shardacan Limited*	Jan-Dec	CAD	-	-	-	-	-	-	-	-	-	-	-	100%



ANNEXURE - 1 (CONTD.)

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
											(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)		
28	Shardaserb. D.O.O.	Jan-Dec	RSD	0.7553	0.17	(0.17)	0.01	-	-	-	0.00	-	0.00	-	100%
29	Sharzam Limited*	Jan-Dec	ZMW	-	-	-	-	-	-	-	-	-	-	-	99.99%
30	Sharda Agrochem Limited (From 11.02.2021)	Apr-Mar	Pound Sterling	-	-	-	-	-	-	-	-	-	-	-	100%
31	Eurozijski Pesticidi d.o.o. ***	Apr-Mar	EURO	89.0093	2.36	11.49	18.27	4.42	-	-	15.58	1.56	14.02	-	100%
32	Sharda Benelux BVBA ***	Jan-Dec	EURO	88.4797	5.49	(4.57)	0.98	0.06	-	-	(0.07)	-	(0.07)	-	100%
33	Sharda Impex Trading LLC *** (From 17 March, 2021)	Apr-Mar	AED	22.3698	67.11	(128.03)	28.74	89.66	-	-	(53.82)	-	(53.82)	-	100%
34	Sharda Bolivia SRL ***	Jan-Dec	BOB	11.9462	1.19	1.38	30.55	27.97	-	-	19.57	17.00	2.56	-	99%
35	Sharda Colombia S.A.S. ***	Apr-Mar	COP	0.0178	51.21	35.98	312.79	225.61	-	351.09	(34.78)	(13.72)	(21.06)	-	99.48%
36	Sharda De Mexico S. De Ri De Cv ***	Apr-Mar	MXN	4.5416	422.94	(141.36)	6,456.16	6,174.58	-	10,130.13	18.99	(10.18)	29.17	-	99.99%
37	Sharda Europe BVBA ***	Apr-Mar	EURO	89.0093	5.52	(4.79)	3.30	2.57	-	-	(2.45)	-	(2.45)	-	100%
38	Sharda International Africa (PTY) Limited ***	Apr-Mar	ZAR	4.6074	0.00	419.03	2,569.08	2,150.04	-	3,569.79	99.04	27.73	71.31	-	100%
39	Sharda Malaysia SDN. BHD. *** (Upto 15 December, 2020)	Apr-Feb	MYR	-	-	-	-	-	-	-	-	-	-	-	100%
39	Sharpar S.A. ***	Jan-Dec	PYG	0.0116	3.47	19.28	34.56	11.81	-	-	0.18	0.07	0.11	-	90%
40	Siddhivinayak International Limited ***	Apr-Mar	US\$	82.1725	581.84	(28.99)	552.85	-	-	-	(0.57)	-	(0.57)	-	100%
41	Sharda Private (Thailand) Limited **	Apr-Mar	THB	2.4180	41.67	26.80	74.02	5.55	-	681.00	15.52	3.10	12.42	-	100%

Notes:

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

\*\* During the year ended 31 March, 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 10 November, 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 10 November, 2017

\*\* During the year ended 31 March, 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 17 March, 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. 17 March, 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.

\*\*\* Sharda Polska is merged with Sharda Poland during the year 2021-22 and accordingly assets and liabilities are presented.

## Sharda Hellas Agrochemicals Limited is closed on 11 April, 2022



## ANNEXURE – 2

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline on CSR policy of the Company:

The CSR policy, approved by the Board of Directors, is available on the Company's website at <http://www.shardacropchem.com/policy.html>.

In line with the CSR policy and in accordance with Schedule VII of the Companies Act, 2013, the Company has undertaken various activities towards CSR expenditure in the following activities/projects:

- a. Eradicating hunger and providing water and sanitation facilities;
- b. Promotion of education including vocational and special education to children and women;
- c. Empowerment of women;
- d. Animal welfare;
- e. Promotion of Olympic sports;
- f. Rural development projects;
- g. Medical Relief.

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ramprakash V. Bubna	Chairman	1	1
2	Mrs. Sharda R. Bubna	Member	1	1
3	Mr. Shitin Desai	Member	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

- a. Composition of the CSR Committee – <http://www.shardacropchem.com/committee-details.html>
- b. CSR Policy – <http://www.shardacropchem.com/policy.html>
- c. CSR Projects - <http://www.shardacropchem.com/policy.html>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

#### 5. Details of the amount available for set off and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		None	

#### 6. Average Net Profit of the Company as per section 135(5):

₹ 3,383,040,249/-

#### 7. a. Two percent of average net profit of the Company as per section 135(5):

₹ 67,660,805/-

#### b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NIL

#### c. Amount required to be set off for the financial year, if any.

NIL



## ANNEXURE - 2 (CONTD.)

## d. Total CSR obligation for the financial year (7a+7b-7c):

₹ 67,660,805/-

## 8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	Name of the Fund	Date of transfer
86,615,340				
				NIL

## (b) Details of CSR amount spent against ongoing projects for the financial year.

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes / No)	Mode of Implementation- through Implementing Agency	
				State	District						Name	CSR Registration number
Not applicable												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year.

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation	
				State	District			Name	CSR registration number
1	Medical Relief	Promoting Health Care	Yes	Maharashtra	Kolhapur	2,00,000	Yes	-	-
2	Medical Relief	Promoting Health Care	Yes	Maharashtra	Mumbai	25,000	Yes	-	-
3	Eradicating Hunger	Eradicating hunger	Yes	Rajasthan	Jhunjhunu	40,000	Yes	-	-
4	Education and Medical Relief	Promoting Education and Health Care	Yes	Rajasthan	Udaipur	3,46,60,000	Yes	-	-
5	Organising eye camp for needy and poor people	Promoting Health Care	Yes	Rajasthan	Jhunjhunu	1,78,800	Yes	-	-
6	Distribution of food to needy and poor people	Eradicating hunger	Yes	Maharashtra	Mumbai	29,75,000	Yes	-	-
7	Sponsorship for Animal food and medical care	Animal welfare	Yes	Rajasthan	Sikar	85,00,000	Yes	-	-

**ANNEXURE - 2 (CONTD.)**

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation	
				State	District			Name	CSR registration number
8	Sponsorship for Education of economically backward students	Promoting Education	Yes	Rajasthan	Jhunjhunu	47,41,915	Yes	-	-
9	Education and Medical Relief	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	11,50,000	Yes	-	-
10	Distribution of education material and medical help	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	1,91,500	Yes	-	-
11	Renovation of temple	Eradicating hunger	Yes	Maharashtra	Mumbai	1,00,00,000	Yes	-	-
12	Renovation of temple & providing food	Eradicating hunger	Yes	Maharashtra	Mumbai	1,00,00,000	Yes	-	-
13	Renovation of temple & providing health care	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	3,21,000	Yes	-	-
14	Organising eye camp for needy and poor people	Promoting Health Care	Yes	Rajasthan	Jhunjhunu	9,82,200	Yes	-	-
15	Payment of school fees, medical help and financial assistance	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	19,00,000	Yes	-	-
16	Distribution of Anajdaan, medical help etc. to the needy and poor people	Eradicating Hunger	Yes	Maharashtra	Mumbai	1,00,000	Yes	-	-
17	Payment of school / college fees	Promoting Education	Yes	Maharashtra	Mumbai	1,50,000	Yes	-	-
18	Renovation of Upashray	Religious purpose	Yes	Maharashtra	Mumbai	15,00,000	Yes	-	-
19	Renovation of Upashray	Religious purpose	Yes	Maharashtra	Mumbai	15,00,000	Yes	-	-
20	Dharam shala Renovation	Religious purpose	Yes	Maharashtra	Mumbai	9,50,000	Yes	-	-
21	School & collage fees of students	Promoting Education	Yes	Rajasthan	Jhunjhunu	11,00,000	Yes	-	-
22	Upliftment & Education of tribals	Promoting Education	Yes	Maharashtra	Mumbai	2,00,000	Yes	-	-
23	Arranging programmes for upliftment of women and girls, arrange marriages for free of cost etc.	Women empowerment	Yes	Maharashtra	Mumbai	1,00,000	Yes	-	-



ANNEXURE - 2 (CONTD.)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation	
				State	District			Name	CSR registration number
24	Education & Medical welfare	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	2,50,000	Yes	-	-
25	Collage fees of Student	Promoting Education	Yes	Maharashtra	Mumbai	51,000	Yes	-	-
26	Feeding cows and Maintaining Goushalas	Animal welfare	Yes	Rajasthan	Jhunjhunu	2,51,000	Yes	-	-
27	Food & Clothing distribution to needy people	Eradicating Hunger	Yes	Maharashtra	Raigad	62,000	Yes	-	-
28	Feeding and taking care of cows	Animal welfare	Yes	Rajasthan	Jodhpur	51,000	Yes	-	-
29	Education & Medical welfare to weaker section of society	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	4,51,000	Yes	-	-
30	Payment of medical bills	Promoting Health Care	Yes	Maharashtra	Mumbai	50,000	Yes	-	-
31	Payment of school bills	Promoting Education	Yes	Maharashtra	Mumbai	30,000	Yes	-	-
32	Providing Medical help and scholarship to needy persons	Promoting Health Care and Education	Yes	Maharashtra	Mumbai	2,00,000	Yes	-	-
33	Sponsorship for vocational training and healthcare	Promoting Education and Health Care	Yes	Maharashtra	Lonavala	25,00,000	Yes	-	-
34	Distribution of food	Eradicating Hunger	Yes	Maharashtra	Mumbai	30,000	Yes	-	-
35	To support regular social activities and to set up new social projects	Promoting Education and Health Care	Yes	Maharashtra	Mumbai	2,50,000	Yes	-	-
36	Distribution of food to needy and poor people	Eradicating hunger	Yes	Maharashtra	Mumbai	1,00,000	Yes	-	-
37	Providing education to under privileged children	Promoting Education	Yes	Madhya Pradesh	Satna	71,000	Yes	-	-
38	For a Noble Cause	Women empowerment	Yes	Maharashtra	Thane	1,11,000	Yes	-	-
39	Collage fees of student	Promoting Education	Yes	Rajasthan	Jhunjhunu	11,925	Yes	-	-

## ANNEXURE - 2 (CONTD.)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)		Mode of implementation
				State	District		Name	CSR registration number	
40	Development and rehabilitation and integration of street children	Promoting Education	Yes	Maharashtra	Mumbai	5,00,000	Yes	-	-
41	Educational help	Promoting Education	Yes	Madhya Pradesh	Bhopal	80,000	Yes	-	-
42	Medical Relief	Promoting Health Care	Yes	Maharashtra	Mumbai	1,00,000	Yes	-	-
	<b>Total</b>					<b>86,615,340</b>			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 86,615,340/-.

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	67,660,805/-
ii.	Total amount spent for the Financial Year	86,615,340/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	18,954,535/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	18,954,535/-



ANNEXURE - 2 (CONTD.)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed /Ongoing
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable

- Date of creation or acquisition of the capital asset(s): Not applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**RAMPRAKASH V. BUBNA**  
CHAIRMAN OF CSR COMMITTEE  
(DIN: 00136568)

**ASHOK VASHISHT**  
CHIEF FINANCIAL OFFICER

PLACE : MUMBAI  
DATE : 12 May, 2023

PLACE : MUMBAI  
DATE : 12 May, 2023

# ANNEXURE 3

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023.**  
**[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 Regulation 24A of SEBI  
 (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023, 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 ("**LODR Regulations**");
  - b. 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**;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**");
  - d. The Securities and Exchange Board of India (Buy-back 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 and Sweat Equity) Regulations, 2021 – **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, 2021 – **Not applicable to the Company for the year under review**;
  - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)



## ANNEXURE - 3 (CONTD.)

Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company**

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

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above provided that-

**Pursuant to the Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, The Company has upgraded to web-based System Driven Disclosure system in place of Microsoft excel based system during the year under review. The same has already been disclosed by the Company to the stock exchanges in its periodical filings.**

**Further, we are unable to express our opinion in respect of compliance of Reg. 3(2B) of PIT Regulations the course of audit as we did not find any instance of notice given by the Company to any person to maintain confidentiality with whom any unpublished price sensitive information pursuant to 'legitimate purpose' if any shared by the Company.**

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 Directors.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. 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 except for the above stated points.

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 the basis of the representations made by the respective plant heads, the Company has identified and complied with the following laws applicable to the Company:

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

For **KJB & CO LLP**,  
Practicing Company Secretaries  
Firm Unique Identification No. – L2020MH006601  
Peer Review Certificate No. – 2797/2022

Sd/-  
**Alpeshkumar Panchal**  
Partner  
ACS No.: 49008  
C P No.: 20120  
UDIN: A049008E000310500

Date: 25 Vaishakh, 1945 / 15 May, 2023  
Place: Vadodara

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



## ANNEXURE 1

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

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. – L2020MH006601  
Peer Review Certificate No. – 2797/2022

Sd/-  
**Alpeshkumar Panchal**  
Partner  
ACS No.: 49008  
C P No.: 20120  
UDIN: A049008E000310500

Date: 25 Vaishakh, 1945 / 15 May, 2023  
Place: Vadodara



## ANNEXURE - 4

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

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

Name of the Directors	Ratio to median remuneration
Executive Directors	
Mr Ramprakash V. Bubna	104.77
Mrs Sharda R. Bubna	5.19
Mr Ashish R. Bubna	75.28
Mr Manish R. Bubna	75.28
Non-Executive Directors	
Mr M. S. Sundara Rajan	0.52
Mr Shitin Desai	0.52
Mr Shobhan Thakore	0.29
Ms Sonal Desai	0.91

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	20.33
Mrs. Sharda R. Bubna	-
Mr Ashish R. Bubna	18.70
Mr Manish R. Bubna	18.70
Mr M. S. Sundara Rajan	-
Mr Shitin Desai	(9.09)
Mr Shobhan Thakore	(8.33)
Ms Sonal Desai	34.62
Mr Ashok Vashisht, Chief Financial Officer	27.44
Mr Jetkin Gudhka, Company Secretary	10.20

3. **The percentage increase in the median remuneration of employees during the Financial Year:** 13.12%

4. **The number of permanent employees on rolls of the Company:** 182

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

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 11.23% as against increase of 20.33% 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 - 5

**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	6,05,02,819	Contractual	B-Tech., (Chemical Engineering)	55	12 March, 2004	76	NIL	15.5759
2	Mr Ashish R. Bubna	Executive Director	4,34,76,889	Contractual	B.Com	33	12 March, 2004	50	NIL	16.8254
3	Mr Manish R. Bubna	Executive Director	4,34,76,889	Contractual	B.E (Chemical Engineering)	31	12 March, 2004	48	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 2021-22 is paid in the year 2022-23.



# CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is prepared for the financial year ended 31 March, 2023 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 maximisation 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 organisation 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 to 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 the stakeholders.

## 2. BOARD OF DIRECTORS:

As on 31 March, 2023, the Company has eight Directors comprising of four Non-Executive Directors & four Executive Directors (including two Woman 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 a Director or as an Independent Directors ("ID") in more than seven listed companies; and
- The Executive Directors serve 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. The 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 thereunder. 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 the relevant rules.

### Disclosure on Inter-se Relationship of Directors:

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

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

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

Mr Manish R. Bubna is the son of Mr Ramprakash V. Bubna and Mrs Sharda R. Bubna and the 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 31 March, 2023 are given below. Other Directorships does not include Directorships, Committee Chairmanships / Memberships of Private Limited Companies, Foreign Companies, subsidiaries of Public Companies and Companies under Section 8 of the Companies Act, 2013.

## CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

### Appointment / Re-appointment of Director:

As required under Regulations 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 Manish R. Bubna (DIN: 00137394), at Annual General Meeting dated 2 August, 2022 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 24 January, 2023. 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.

### Resignation of Independent Directors and reasons thereof:

During the financial year 2022-23, none of the Independent Directors resigned from the Company's Board.



## CORPORATE GOVERNANCE REPORT (CONTD.)

**Board skill matrix:**

Board Skills Matrix strengthens an organisation'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 2022-23	Attendance at the AGM held on 2 August, 2022
Mr Ramprakash V. Bubna	4	Yes
Mrs Sharda R. Bubna	4	Yes
Mr Ashish R. Bubna	2	Yes
Mr Manish R. Bubna	3	Yes
Mr M. S. Sundara Rajan	3	Yes
Mr Shitin Desai	3	Yes
Mr Shobhan Thakore	2	Yes
Ms Sonal Desai	4	Yes

The Board of Directors met 4 times during the Financial Year 2022-23 on 13 May, 2022, 25 July, 2022, 21 October, 2022 and 24 January, 2023.

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 22 January, 2020.

**Conflict of Interest:**

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 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 26 May, 2021.

During the time of declaration of Quarterly Financial Results, Dividends and other material events, the trading window is closed as per the Code. There has been no violation on this front.

### 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 the 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 the Statutory Auditor and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- Reviewing with the management the Annual Financial Statements before submission to the Board of Directors for approval, with particular reference to:
  - ◆ Matters required to be included in the Director's Responsibility Statement to be

included in the Board of Director's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- ◆ Changes, if any, in accounting policies and practices and reasons for the same;
- ◆ Major accounting entries involving estimates based on the exercise of judgment by management;
- ◆ Significant adjustments made in the Financial Statements arising out of audit findings;
- ◆ Compliance with listing and other legal requirements relating to Financial Statements;
- ◆ Disclosure of any Related Party Transactions;
- ◆ Modified opinion(s) 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 utilised 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 and monitoring the auditor's independency 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;
- Reviewing with the management the performance of Statutory Auditor and Internal Auditor and the adequacy of internal control systems;



## CORPORATE GOVERNANCE REPORT (CONTD.)

- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- Discussion with Internal Auditor on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussing with Statutory Auditor before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in payments to Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blowing mechanism;
- Approval of appointment of the chief financial officer after assessing, amongst others, the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Reviewing the utilisation of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 Cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on 01 April, 2019;
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its shareholders.

### The Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Statement of Deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
  - Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

### 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	3
Mr M. S. Sundara Rajan	Member	Independent Director	3
Mr Ramprakash V. Bubna	Member	Managing Director	4
Ms Sonal Desai	Member	Independent Director	4

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

The Audit Committee met 4 times during the Financial Year 2022-23 on 13 May, 2022, 25 July, 2022, 21 October, 2022 and 24 January, 2023.

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 19th Annual General Meeting of the Company held on 2 August, 2022.



## CORPORATE GOVERNANCE REPORT (CONTD.)

### 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:

- For every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- To fix and finalise remuneration including salary, perquisites, benefits, bonuses and allowances;
- To frame suitable policies and systems to ensure that:
  - a) There is no violation, by an employee of any applicable laws in India or overseas, including:
    - i. The Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 or;
    - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
  - b) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Comapny 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



## CORPORATE GOVERNANCE REPORT (CONTD.)

- To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- 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	NIL
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 2022-23. The necessary quorum was present for the meeting held on 21 October, 2022.

The Chairman of the Nomination & Remuneration Committee, Mr Shitin Desai was present at the 19th Annual General Meeting of the Company held on 2 August, 2022.

### Performance Evaluation criteria for Independent Directors:

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.

### 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 22 January, 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.

The Company has formulated a Nomination and Remuneration Policy and the same is disclosed on the website of the Company viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 2020.

### 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 authorised 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

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 ₹ 45,000/-\* per meeting to the Non-Executive Directors for attending meetings of the Board and its Committees.

\* The sitting fees payable to the Non-Executive / Independent Directors for each Board / Committee meeting attended by them was ₹ 30,000/- per meeting which was increased to ₹ 45,000/- per meeting w.e.f. 21 October, 2022.

- 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.
- There were no pecuniary relationships or transactions of the Non-executive Directors vis-à-vis the Company during the financial year 2022-23.
- The criteria of making payments to Non-Executive Directors is mentioned in the Nomination and Remuneration Policy, as disclosed on the website of the Company.

The Company does not have any Employee Stock Option Scheme.

### Details of Remuneration paid to Directors for the year ended 31 March, 2023.

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 2021-22, paid in 2022-23 (₹)	4,25,02,819	-	2,84,76,889	2,84,76,889
Date of Agreement	1 January, 2019	1 January, 2019	1 January, 2019	1 January, 2019
No. of Years	5	5	5	5
Period of Agreement	31 December, 2023	31 December, 2023	31 December, 2023	31 December, 2023
Notice Period	3 months	3 months	3 months	3 months
Stock Options	-	-	-	-



CORPORATE GOVERNANCE REPORT (CONTD.)

**Details of Sitting Fees paid to the Independent Directors for the year ended 31 March, 2023:**

Name of the Director	Sitting fees (₹)
Mr M. S. Sundara Rajan	3,00,000
Mr Shitin Desai	3,00,000
Mr Shobhan Thakore	1,65,000
Ms Sonal Desai	5,25,000

**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 2022-23. The necessary

quorum was present for the meeting held on 24 January, 2023.

The Chairman of the Nomination & Remuneration Committee, Mr Shobhan Thakore was present at the 19th Annual General Meeting of the Company held on 2 August, 2022.

**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 2 complaints were received from the Shareholders during the Financial Year 2022-23 and as on 31 March, 2023, no complaints are pending with the Company.

No request for transfer or dematerialisation of shares was received or pending as on 31 March, 2023.

**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

## CORPORATE GOVERNANCE REPORT (CONTD.)

on such projects or programs in accordance with these rules.

The Company has formulated a Policy on Corporate Social Responsibility and the same is disclosed on the website of the Company viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on 26 May, 2021.

### 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 2022-23. The necessary quorum was present for the meeting held on 24 January, 2023.

## 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 formulate a detailed risk management policy which shall include;
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including

systems and processes for internal control of identified risks.

- Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- 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.
- The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

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

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

Name of the Director	Position	Category	No. of Meeting attended
Mr Ramprakash V. Bubna	Chairman	Chairman & Managing Director	3
Ms Sonal Desai	Member	Independent Director	2
Mr Ashok Vashisht	Member	Chief Financial Officer	3



CORPORATE GOVERNANCE REPORT (CONTD.)

The Risk Management Committee met thrice during the Financial Year 2022-23. The necessary quorum was present for the meetings held on 18 July, 2022, 21 October, 2022 and 24 January, 2023.

**8. GENERAL BODY MEETINGS:**

Details of Last Three Annual General Meetings (AGM):

Financial Year	Date	Time	Venue
2019-20	30 September, 2020	12.00 Noon	Through Video Conference/ Audio Visual means
2020-21	29 July, 2021	12.00 Noon	Through Video Conference/ Audio Visual means
2021-22	2 August, 2022	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
2019-20	30 September, 2020	NIL	NA
2020-21	29 July, 2021	NIL	NA
2021-22	2 August, 2022	NIL	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.

**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 22 January, 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 22 January, 2022.
- During the year, no 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 2020-21, 2021-22 and 2022-23 respectively except that the Company had conducted a Board Meeting on 8 October, 2020 for the quarter ended 30 September, 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 duly 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 Chairman of the Audit Committee. The said policy has been

## CORPORATE GOVERNANCE REPORT (CONTD.)

- put up on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 2020. No complaint has been received under the whistle blower policy / vigil mechanism during the financial year ended 31 March, 2023.
- 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 22 January, 2022.
  - 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 ₹ 64,85,129/- was paid by the Company and its subsidiaries, on a consolidated basis, for all the services to B S R & Associates LLP, our Statutory Auditors and all entities in the network firm / network entity of which they are part.
  - The Company has adopted Policy on Prevention of Sexual Harassment at Work Place as required by The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has not received any complaints during the 2022-23 and there are no pending complaints as on 31 March, 2023. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 2020.
  - M/s. KJB & CO LLP, Practising Company Secretaries have conducted Secretarial Audit of the Company for the Financial Year 2022-23. 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.
  - The Company has not given any loans or advances to any of its Subsidiary Companies / Firms in which any of the directors are interested during 2022-23.

### 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



## CORPORATE GOVERNANCE REPORT (CONTD.)

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 Limited through NSE Electronic Application Processing System (NEAPS) and with BSE Limited 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 Limited through NEAPS and with BSE Limited through BSE Online Portal. They are also displayed on the Company's website [www.shardacropchem.com](http://www.shardacropchem.com) 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 2022-23:

Date	: 8 August, 2023
Time	: 2:30 pm
Venue	: Meeting is being conducted through VC / OAVM
Financial Year	: 1 April to 31 March
Interim Dividend	
Payment Date (2022-23)	: 10 February, 2023
Final Dividend	
Payment Date (2021-22)	: 5 August, 2022
Listing on Stock Exchanges	: <b>The National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (East) Mumbai-400 051
	: <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001

### Stock Code

NSE	: SHARDACROP EQ
BSE	: 538666

### Demat International Security

Identification Number (ISIN)	
In NSDL and CDSL for equity shares	: INE221J01015

The Company has paid Annual Listing Fees for the Financial Year 2022-23.



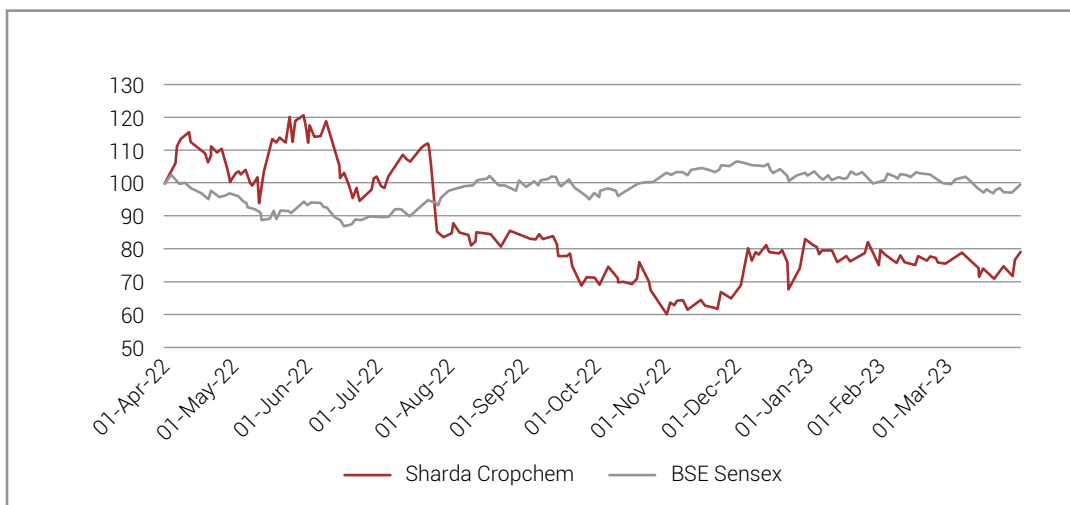
## CORPORATE GOVERNANCE REPORT (CONTD.)

### Market Information:

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

Month	BSE			NSE		
	High Price	Low Price	Total Traded Quantity	High Price	Low Price	Total Traded Quantity
Apr-22	740.40	603.60	7,01,222	744.50	603.05	49,12,445
May-22	767.70	563.50	6,83,996	765.00	563.45	58,51,503
Jun-22	763.45	543.65	5,05,958	764.00	554.00	69,51,964
Jul-22	707.15	513.70	5,52,942	707.00	513.60	65,04,279
Aug-22	561.05	487.05	3,45,583	564.00	490.30	32,19,086
Sep-22	534.95	418.40	3,82,720	534.95	418.00	23,48,266
Oct-22	481.00	372.80	2,77,587	484.40	372.20	19,62,053
Nov-22	427.15	368.80	3,52,560	427.95	368.55	48,75,778
Dec-22	524.65	401.80	8,84,216	524.70	411.05	1,83,01,393
Jan-23	533.20	460.50	4,31,931	533.00	460.55	69,26,082
Feb-23	507.45	456.15	1,52,570	507.40	456.30	19,79,406
Mar-23	495.60	431.05	1,49,491	495.60	431.00	21,45,390

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



### Share Registrar and Transfer Agent:

#### KFin Technologies Limited

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

### Share Transfer System:

Effective from 01 April, 2019, SEBI has mandated that shares can be transferred only in Demat mode and hence, no transfer of shares in physical form can be lodged by the shareholders.



## CORPORATE GOVERNANCE REPORT (CONTD.)

**Distribution of shareholding as on 31 March, 2023:**

Sr. No	Category	No. of Cases	% of cases	Amount	% of Amount
1	1- 5000	53,045	96.51	30,20,042	3.35
2	5001 - 10000	1,057	1.92	7,95,410	0.88
3	10001 - 20000	462	0.84	6,61,113	0.73
4	20001 - 30000	139	0.25	3,46,240	0.38
5	30001 - 40000	54	0.10	1,91,558	0.21
6	40001 - 50000	36	0.07	1,65,637	0.18
7	50001 - 100000	65	0.12	4,54,357	0.50
8	100001 and above	108	0.20	8,45,86,138	93.75
	<b>Total</b>	<b>54,966</b>	<b>100</b>	<b>9,02,20,495</b>	<b>100</b>

**Shareholding pattern as on 31 March, 2023:**

Sr. No	Category of Shareholders	Total Holding	% to Total Holding
1	Alternative Investment Fund	2,11,525	0.24
2	Bodies Corporates	23,03,232	2.55
3	Clearing Members	3,362	0.00
4	Foreign Portfolio - Corp	19,36,312	2.14
5	Foreign Portfolio Investors	130	0.00
6	H U F	2,01,017	0.22
7	Mutual Funds	1,11,71,132	12.38
8	Non Resident Indian Non Repatriable	1,31,340	0.15
9	Non Resident Indians	3,53,401	0.39
10	Promoters Individuals	6,75,03,833	74.82
11	Resident Individuals	61,11,574	6.77
12	Trusts	1,144	0.00
13	Qualified Institutional Buyer	2,92,026	0.32
14	Investor Education and Protection Fund (IEPF)	467	0.00
	<b>Total</b>	<b>9,02,20,495</b>	<b>100</b>

**Top ten equity shareholders of the Company as on 31 March, 2023:**

Sr. No.	Name of the Shareholder	Number of equity shares held	Percentage of holding
1	MANISH RAMPRAKASH BUBNA	1,51,79,990	16.83
2	ASHISH RAMPRAKASH BUBNA	1,51,79,990	16.83
3	SHARDA RAMPRAKASH BUBNA	1,40,52,837	15.58
4	RAMPRAKASH VILASRAI BUBNA	1,40,52,686	15.58
5	HDFC SMALL CAP FUND	55,43,454	6.14
6	ANISHA MANISH BUBNA	45,00,000	4.99
7	SEEMA ASHISH BUBNA	45,00,000	4.99
8	DSP SMALL CAP FUND	27,11,266	3.00
9	HDFC TRUSTEE COMPANY LTD - A/C HDFC HYBRID EQUITYFUND	25,05,380	2.77
10	DOLLY KHANNA	8,17,414	0.90

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Dematerialisation of shares and liquidity:

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

As on 31 March, 2023, no shares were held in physical form. All the shares were held in dematerialised 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 31 March, 2023, 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:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim

their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <http://www.shardacropchem.com/unclaimed-unpaid-dividend.html>

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company. Further, shares of the Company in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during 2022-23 are as follows:

Financial year	Amount of unclaimed dividend transferred (Amt in ₹)	Number of shares transferred
2014-15	24,810	467
2015-16	1,13,391	6
<b>Total</b>	<b>1,38,201</b>	<b>473</b>

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 transfer to unpaid dividend account	Last date for claiming unpaid dividend
2016-17	11 December, 2016	10 December, 2023
	28 April, 2017	27 April, 2024
2017-18	03 December, 2017	02 December, 2024
	07 October, 2018	06 October, 2025
2018-19	03 March, 2019	02 March, 2026
	04 October, 2019	03 October, 2026
2019-20	01 March, 2020	28 February, 2027
	02 April, 2020	01 April, 2027
2020-21	05 December, 2020	04 December, 2027
2021-22	04 September, 2021	03 September, 2028
	01 March, 2022	28 February, 2029
2022-23	09 September, 2022	08 September, 2029
	03 March, 2023	02 March, 2030



## CORPORATE GOVERNANCE REPORT (CONTD.)

### 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 05 July, 2022.

### 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

There are no non-compliances under para C(2) to C(10) of Schedule V of LODR.

### 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 31 March, 2023, 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.

Sd/-

**RAMPRAKASH V. BUBNA**

CHAIRMAN & MANAGING DIRECTOR

(DIN: 00136568)

Date : 12 May 2023

Place : MUMBAI

## CORPORATE GOVERNANCE REPORT (CONTD.)

### **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 31 March, 2023.

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. there are no frauds 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.

Sd/-

**RAMPRAKASH V. BUBNA**

CHAIRMAN & MANAGING DIRECTOR  
DIN:00136568

Sd/-

**ASHOK VASHISHT**

CHIEF FINANCIAL OFFICER

Date : 12 May, 2023

Place : MUMBAI

Date: 12 May, 2023

Place : MUMBAI



Sharda Cropchem Limited

## CORPORATE GOVERNANCE REPORT (CONTD.)

# 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 March, 2023, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the regulations of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied, in all material respects, with the regulations of Corporate Governance as stipulated in the Listing Regulations.

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

**For KJB & CO LLP,**  
Practicing Company Secretaries  
Firm Unique Identification No. - L2020MH006601  
Peer Review Certificate No. - 2797/2022

Sd/-  
**Alpeshkumar Panchal**  
Partner  
ACS Mem No. – 49008  
C. P. No. - 20120  
UDIN: A49008E00310467

Date: 25 Vaishakh, 1945 / 15 May, 2023  
Place: Vadodara.

# Business Responsibility & Sustainability Report



\*Note: Our business entails of Trading of Agriculture and Non-Agro Commodities. Therefore, few sections are not applicable for us.

## Section A: GENERAL DISCLOSURES

### I. Details of the listed entity:

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L51909MH2004PLC145007
2.	Name of the Company	Sharda Cropchem Limited
3.	Year of incorporation	12 March, 2004
4.	Registered office address	Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056
5.	Corporate office address	Same as above
6.	Email address	co.sec@shardaintl.com
7.	Telephone	022-66782800
8.	Website	www.shardacropchem.com
9.	Financial year	2022-23
10.	Stock exchanges	Bombay Stock Exchange & National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 90.22 Cr
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr Jetkin Gudhka Contact Details: 022-66782800 Email ID: co.sec@shardaintl.com
13.	Reporting boundary	Standalone



## II Products/services

### 14. Details of business activities:



	Description of main activity	Description of business activity	% of turnover of the entity
1.	Agrochemicals	Deals/trading in agrochemicals	99.96%

### 15. Products / services sold by the Company:

	Product / service	NIC Code	% of Total Turnover Contributed
1.	Fungicides	201	26.9%
2.	Herbicides	201	55.9%
3.	Insecticides	201	17.2%

## III Operations

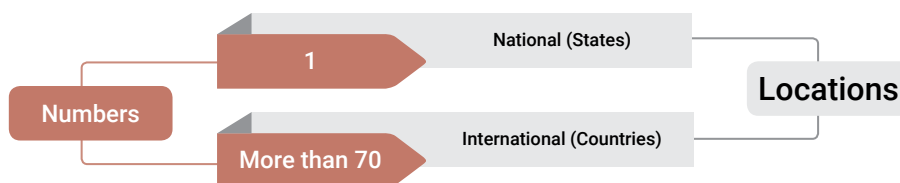
### 16. Number of locations where plants and/or operations/offices of the Company are situated:

	 Plants	 Offices	Total
National	NIL	1	1
International	NIL	NIL	NIL



## 17. Markets served by the Company:

### a. Number of locations



### b. What is the contribution of exports as a percentage of the total turnover of the Company?

100%

### c. A brief on types of customers

Sharda Cropchem has strong relationships with its wide range of customers and business partners spread across 70+ countries. In addition to the existing markets it caters to, the Company has significantly increased its geographical footprint in recent years by focussing on emerging markets. The Company serves various products across the Agrochemical and Non-Agrochemical segments. Sharda Cropchem believes that the long-standing relationships that it enjoys with customers are a catalyst for its continued growth and success.

## IV. Employees – data pending from HR:

### 18. Details as at the end of financial year:



Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>a. Employees and workers (including differently-abled):</b>						
<b>EMPLOYEES</b>						
1.	Permanent (D)	182	81	44.51	101	55.49
2.	Other than permanent (E)			N.A.		
<b>3.</b>	<b>Total employees (D + E)</b>	<b>182</b>	<b>81</b>	<b>44.51</b>	<b>101</b>	<b>55.49</b>
<b>WORKERS</b>						
4.	Permanent (F)					
5.	Other than permanent (G)			N.A.		
<b>6.</b>	<b>Total workers (F + G)</b>					
<b>b. Differently-abled employees and workers:</b>						
<b>DIFFERENTLY-ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100	NIL	NIL
2.	Other than permanent (E)			N.A.		
<b>3.</b>	<b>Total differently-abled employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>
<b>DIFFERENTLY-ABLED WORKERS</b>						
4.	Permanent (F)					
5.	Other than permanent (G)			N.A.		
<b>6.</b>	<b>Total differently-abled workers (F + G)</b>					

19. Participation / inclusion / representation of women:

	Total (A)	No. of percentage of females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel	2	NIL	NIL

20. Turnover rate for permanent employees and workers:

	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	81	101	182	77	98	175	73	102	175
Workers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**V. Holding, Subsidiary and Associate Companies (including Joint Ventures)**

21 (a) Names of holding / subsidiary / associate companies / joint ventures

This information is given in the annexure to the Board's Report on page no. 83 & 84.

**VI. CSR Applicability**

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**








(ii) Turnover (in ₹): **3,312.74 Cr**

(iii) Net worth (in ₹): **2,002.24 Cr**

Note: The numbers provided show Turnover and Networth of 2022-23

## VII. Transparency and Disclosures Compliances

### 23. Complaints / Grievances on any of the nine principles under the National Guidelines on Responsible Business Conduct:



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes / No). If yes, provide web-link of the policy.	2022-23			2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
 Communities	Yes, we have a mechanism to interact with various stakeholders to understand and address their concerns, if any.	NIL	NIL	NIL	NIL	NIL	NIL
 Investors (other than stakeholders)		2	NIL	During the year, all the complaints received have been resolved.	NIL	NIL	NIL
 Shareholders		NIL	NIL	NIL	NIL	NIL	NIL
 Employees and workers		NIL	NIL	NIL	NIL	NIL	NIL
 Customers		NIL	NIL	NIL	NIL	NIL	NIL
 Value chain partners		NIL	NIL	NIL	NIL	NIL	NIL
 Others (please specify)		NIL	NIL	NIL	NIL	NIL	NIL

24. Overview of the Company's material responsible business conduct issues



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	<p>Environmental risk</p>		Climate plays an essential role in driving the Company's business. Foreseeing climatic change and predicting the demand for certain chemicals is complex.	Sharda Cropchem hold decades of experience in Agrochemical industry, and has gained strong insights about the countries, where it operates.	Negative
2	<p>Delay in product registration &amp; extension of patents</p>		The delay in product registration and extension of patent, may cause delays in commencing business activities. Formulations and generic active ingredients, due to the law, differ from country to country, leading to higher risks for the Company.	The Company has taken measures to cover patent extension risk, by seeking multiple registrations from different geographies.	Negative
3	<p>Operational risk</p>		The value chain of the Company's business comprises people, systems, processes, external and internal events, legal and compliance risk. These are integral to the business' operations, and, thereon, pose a risk for the Company.	The Company has taken measures to cover patent extension risk by seeking multiple registrations from different geographies.	Negative
4	<p>Changes in Government policies</p>		The mandatory rules and regulations might affect the Company's decisions. Polices, like contraction of incentives and subsidies, new export policy for crop, impact business activity. The constant change leading to continuous modifications is the challenge.	The Company's global presence empowers it, allowing it to operate without restrictions in any specific country.	Neutral
5	<p>Ethics and governance</p>		Good governance assists in luring and keeping talent and also committed to creating a great working environment. Ethical and strong governance helps to improve the brand value and also helps streamline business operations.	The Company encourages, protects and recognises 'Whistle blowing' to prevent brand and reputational risks and also has zero tolerance policy for statutory non-compliance.	Neutral

 Risk  Opportunity

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
6	 Customer communication		Sharda Cropchem is continuously delivering high-quality products and services to its customers. The Company also relentlessly focusses on improving quality in all domains and has implemented best practices to ensure customer satisfaction.	The Company reviews its business regularly with its key customers and also undertakes satisfaction surveys and feedback from them.	Neutral

## Section B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Yes- ✓ No- ✗

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether the policy / policies cover each principle and its core elements of the NGRBCs	✓	✓	✓	✓	✓	✓	✓	✓	✓
b. Has the policy been approved by the Board?	✓	✓	✓	✓	✓	✓	✓	✓	✓
c. Web-link of the Policies, if available	<a href="http://shardacropchem.com/policy.html">http://shardacropchem.com/policy.html</a>								
2. Whether the entity has translated the policy into procedures.	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Do the enlisted policies extend to your value chain partners?	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Name of the national and international codes / certifications / labels / standards adopted by and mapped to each principle.	Sharda Cropchem has obtained ISO 9001:2015 for 'The Quality Management System'. The Company has also obtained 'Certificate of Recognition' for one Star Export House which is certified by Directorate General of Foreign Trade. Further, Company is also received Registration-Cum-Membership-Certificate' from Federation of Indian Exports Organisations. This certificate showcases quality of the product.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N.A.								



**Governance, leadership and oversight**

**7. Statement by director responsible for the Business Responsibility Report, highlighting ESG-related challenges, targets and achievements.**

Sharda Cropchem is dedicated to incorporating Environmental, Social, and Governance (ESG) principles into its operations. The Company is dedicated to using ethical business practices that are good for the community, the workforce, and human capital. Clean, safe, healthy, and equitable working conditions are offered to employees and business partners. Also, the Company supplies affordable quality products across the globe.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

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

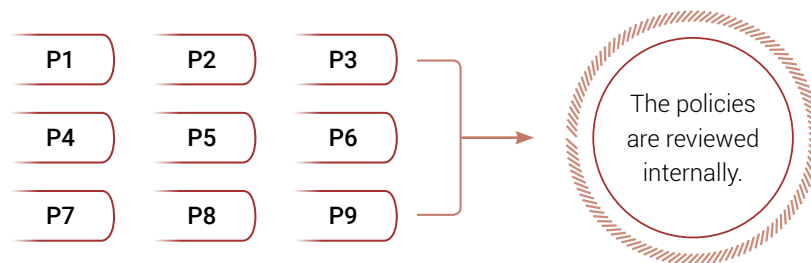
**9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability-related issues? (Yes / No). If yes, provide details.**

Yes. The Directors and Senior Leadership review the BR performance on a regular interval as part of the overall management review. The Board-level CSR committee reviews the CSR performance and initiatives.

**10. Details of Review of NGRBCs by the Company:**

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board / any other Committee								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	These policies are reviewed annually.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Managing Director & Chief Executive Officer / Chief Financial Officer & Company Secretary to the Board of Directors.								

**11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency?**



12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

N.A.

## Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1:

Businesses should conduct and govern itself with ethics, transparency and accountability

### PRINCIPLE 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

### PRINCIPLE 3:

Businesses should promote the well-being of all employees

### PRINCIPLE 4:

Businesses should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

### PRINCIPLE 5:

Businesses should respect and promote human rights

### PRINCIPLE 6:

Businesses should respect, protect and make efforts to restore environment

### PRINCIPLE 7:

Businesses, when engaged in influencing public and regulatory policy/policies, should do so in a responsible manner

### PRINCIPLE 8:

Businesses should support inclusive growth and equitable development

### PRINCIPLE 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

# PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

## Essential Indicators

### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	Code of conduct, POSH, corporate governance & its amendments	100%
Key Managerial Personnel	4		100%
Employees other than BOD & KMPs	1	Code of conduct & POSH	100%
Workers		N.A.	

### 2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year:

#### Monetary

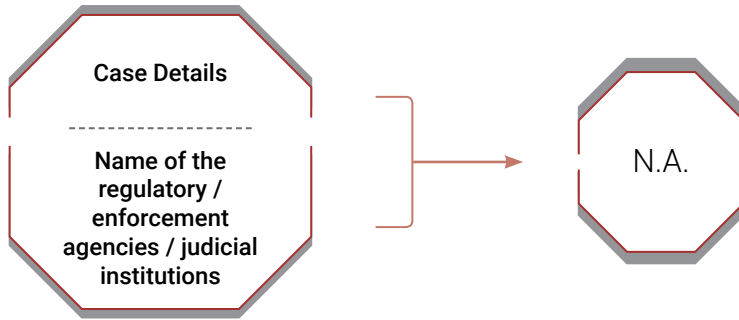
Particulars	NGRBC	Name of the regulatory / enforcement agencies / judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred (Yes/ No)
Penalty / fine	N.A.	N.A.	NIL	N.A.	N.A.
Settlement					
Compounding fine					

#### Non-Monetary

Particulars	NGRBC	Name of the regulatory / enforcement agencies / judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred (Yes/ No)
Imprisonment			N.A.		
Punishment					



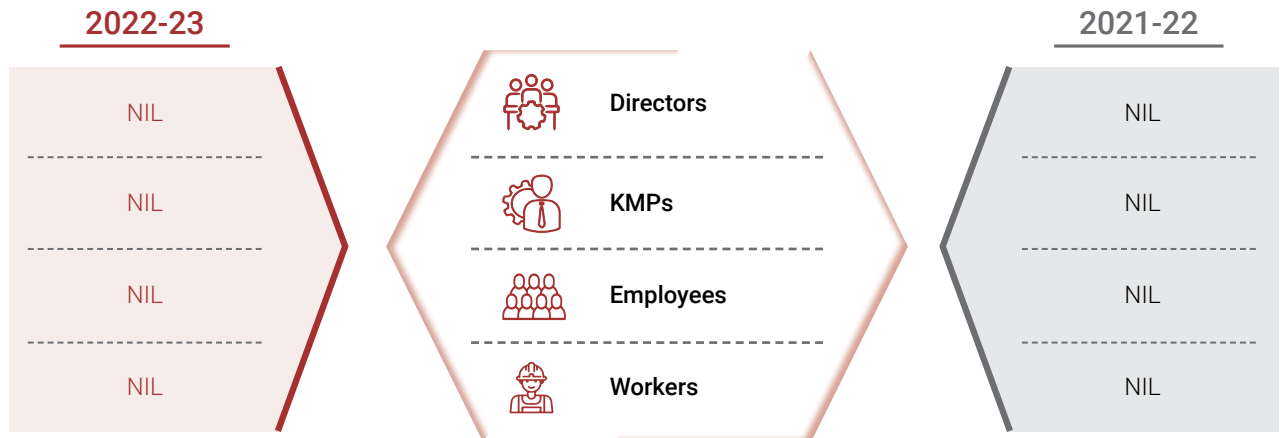
3. Appeal / revision preferred in cases where monetary or non-monetary action has been appealed.



4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an Anti-Bribery & Anti-Corruption ('ABAC') policy in place. Sharda Cropchem has a zero-tolerance approach to bribery and corruption and is committed to acting fairly with integrity in all its business dealings. The Company conducts its business in adherence to all statutory and regulatory requirements. In case of any violation/non-adherence of the Policy, the deviation is reported to the management.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:



6. Details of complaints with regard to conflict of interest:

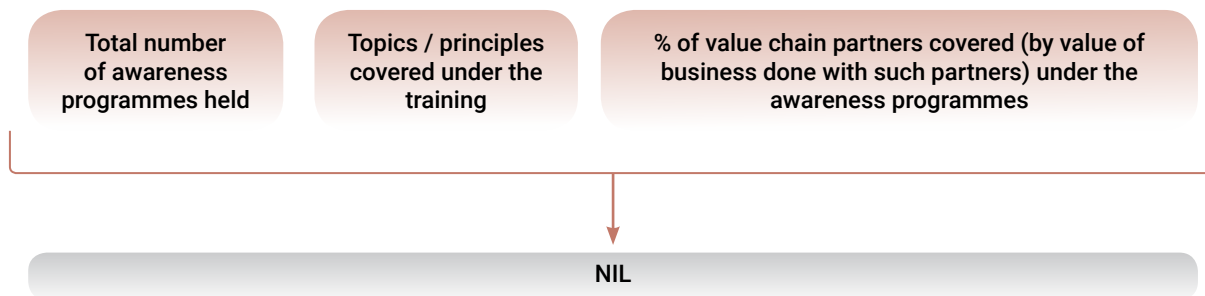
Particulars	2022-23		2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				



7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest – N.A.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year: -



2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same. -



Yes, each director of the Company is required to report their concerns or interests in the Company, in other businesses or bodies corporate, in firms or other associations of individuals, as well as any changes to such interests, including shareholding, on an annual basis or upon any change. The code of conduct is available on the website of the Company i.e. [www.shardacropchem.com](http://www.shardacropchem.com).

# 2 PRINCIPLE

Businesses should provide goods and services in a manner that is sustainable and safe.

## Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2022-23	2021-22	Details of improvements in environmental and social impacts
 R&D	NIL *	NIL *	NIL *
 Capex	NIL *	NIL *	NIL *

\* Note: The business activity of Sharda Cropchem includes product registrations which involve field trials, compiling of data, obtaining lab reports from accredited laboratories, making dossiers, and marketing & distribution of agrochemical products. The Company does not have its own manufacturing facilities and R&D.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No):
  - If yes, what percentage of inputs were sourced sustainably

The business activity of Sharda Cropchem is the trading of various agrochemical and non-agrochemical products. The Company does not manufacture these products on its own. However, Sharda Cropchem endeavours to source its procurements from manufacturers who comply with sustainability guidelines.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Sharda Cropchem's business entails product registration and marketing & distribution of agrochemical products to its customers and does not manufacture any products. Hence, the Company's plastics, e-wastes, hazardous waste and other wastes are very minimal. To dispose or recycle these, Sharda Cropchem sells its waste to local vendors so that it can either be recycled or properly disposed off. Additionally, the Company uses recyclable paper and reduces the use of paper in its operations to the extent possible.

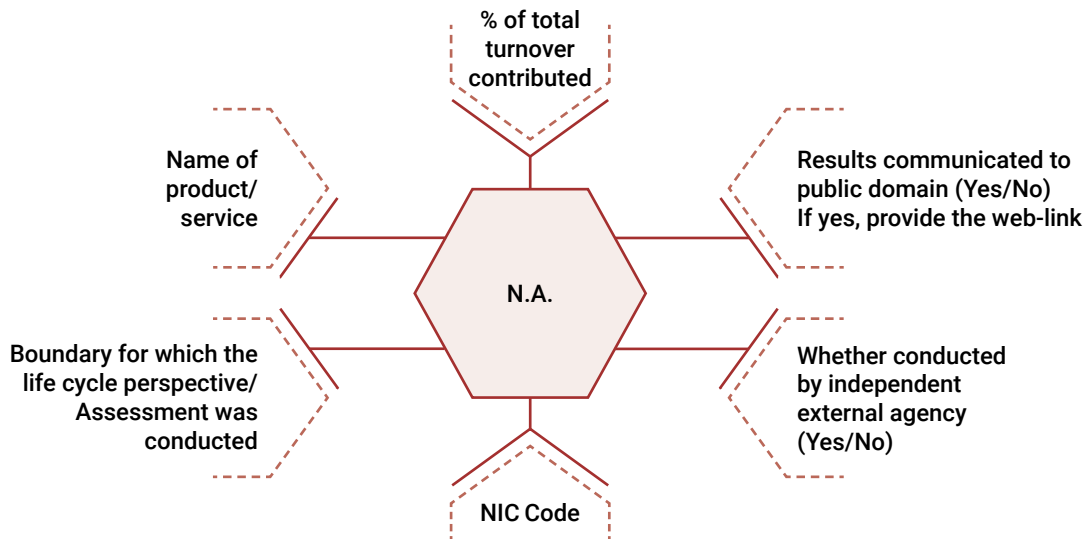
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

- No

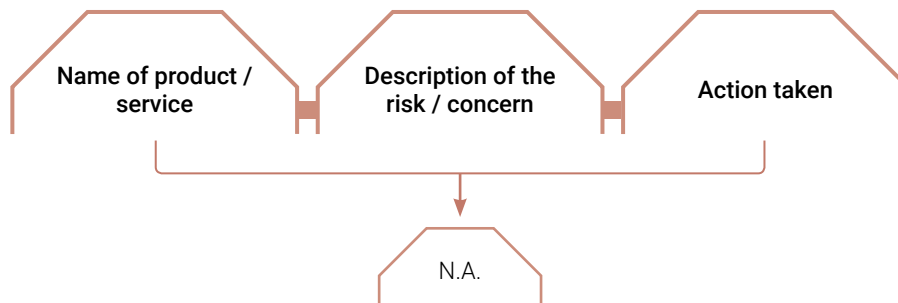
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. – N.A.

## Leadership Indicators

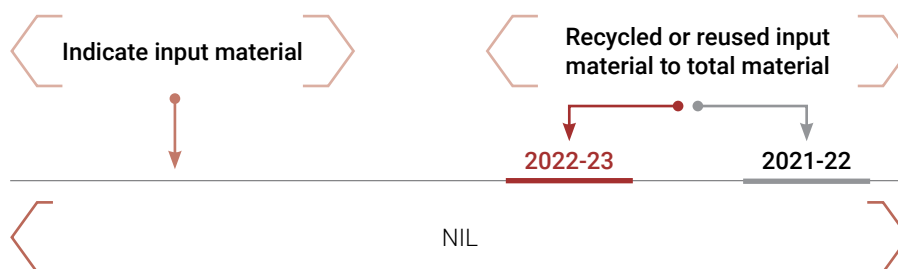
1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.



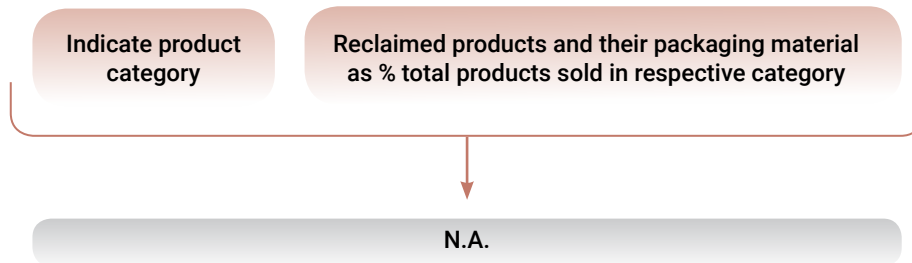
3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).



4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particulars	2022-23			2021-22		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastic (including packaging)	NIL			NIL		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.



# PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains:

## Essential Indicators

### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilitates	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	81	NIL		NIL		NIL		NIL		NIL	
Female	101					101	100				
<b>Total</b>	<b>182</b>					<b>101</b>	<b>100</b>				
<b>Other than permanent employees</b>											
Male		N.A.									
Female											
<b>Total</b>											

### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilitates	
		Number (B)	% B/A	Number (C)	% C/A	Number (D)	% D/A	Number (E)	% E/A	Number (F)	% F/A
<b>Permanent workers</b>											
Male		N.A.									
Female											
<b>Total</b>											
<b>Other than permanent workers</b>											
Male		N.A.									
Female											
<b>Total</b>											

**2. Details of retirement benefits, for current financial year and previous financial year.**

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	10	N.A.	YES	10	N.A.	YES
Gratuity	100	N.A.	YES	100	N.A.	YES
ESI	15	N.A.	YES	15	N.A.	YES
Others- please specify	NIL	NIL	N.A.	NIL	NIL	N.A.

**3. Accessibility of workplaces**




Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

No, however, the Company's leadership and management team are in discussions to improve the workplace environment for differently-abled people by making arrangements for it.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. Sharda Cropchem has a policy of being an equal opportunity employer. To this purpose, the Company will seek out, hire, train, and promote the best qualified candidates for all career levels, regardless of their marital status, race, gender, ethnic or social origin, culture, language, or religion.

**5. Return to work and retention rates of permanent employees and workers that took parental leave.**

		Permanent employees		Permanent workers	
		Return to work rate	Retention rate	Return to work rate	Retention rate
Male 	→	N.A.	N.A.		
Female 	→	100%	100%		N.A.
Total 	→	NIL	NIL		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes / No (If Yes, then give details of the mechanism in brief)
<ul style="list-style-type: none"> <li>Permanent workers</li> <li>Other than permanent workers</li> </ul>	N.A.
	N.A.
<ul style="list-style-type: none"> <li>Permanent employees</li> <li>Other than permanent employees</li> </ul>	Yes
	N.A.

Yes, the Company has always followed an open-door policy, wherein any employee irrespective of hierarchy has unrestricted access to the business heads, HR, Legal & Compliance, senior management or other such members. Sharda Cropchem has also placed a Whistle Blower Policy for its employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics Policy. The Company has zero tolerance for sexual harassment at the workplace and is compliant with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also provides training and awareness programmes which sensitise its employees on such issues. Sharda Cropchem is committed to redressing every grievance of its employees in a fair and just manner. The Company provides various channels of grievance redressal and safeguards employees against any form of victimisation.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2022-23			2021-22		
	Total employee / workers in respective category (A)	No. employee / workers in respective category, who are part of association (s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. employees / workers in respective category, who are part of association (s) or Union (D)	% (D/C)
<b>Total permanent employees</b>	The Company does not have any employee associations. However, the Company respects and recognises employees' rights to freedom to peaceful association and collective bargaining.					
- Male						
- Female						
<b>Total permanent workers</b>						
- Male						
- Female						



**8. Details of training given to employees and workers:**

Category	2022-23				2021-22					
	Total (A)	On health & safety measures		On skill upgradation		Total (D)	On health & safety measures		On skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Permanent workers</b>										
Male	81	NIL		NIL		77	NIL		NIL	
Female	101					98				
<b>Total</b>	182					175				
<b>Other than permanent workers</b>										
Male	N.A.				N.A.					
Female										
<b>Total</b>										

\*Note: Sharda Cropchem is taking various measures to add training for its employee on health and safety measures. Also, the Company is going to add programmes for skill upgradation.

**9. Details of performance and career development reviews of employees and worker:**

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (c)	No. (D)	% (D/C)
<b>Employees</b>						
Male	81	NIL		77	NIL	
Female	101			98		
<b>Total</b>	182			175		
<b>Workers</b>						
Male	N.A.			N.A.		
Female						
<b>Total</b>						

**10. Health and safety management system:**

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**  
 There are no occupational health and safety risks considering the nature of the business. Employee well-being and psychological safety continue to be a priority for the Company.
- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**  
 This is not directly applicable given the nature of business.
- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**  
 N.A.
- d. **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**  
 No

**11. Details of safety related incidents, in the following format:**

Employees Workers

Safety Incident / Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)		NIL	NIL
		N.A.	N.A.
Total recordable work-related injuries		N.A.	N.A.
		N.A.	N.A.
No. of fatalities		N.A.	N.A.
		N.A.	N.A.
High consequence work-related		NIL	NIL
		N.A.	N.A.

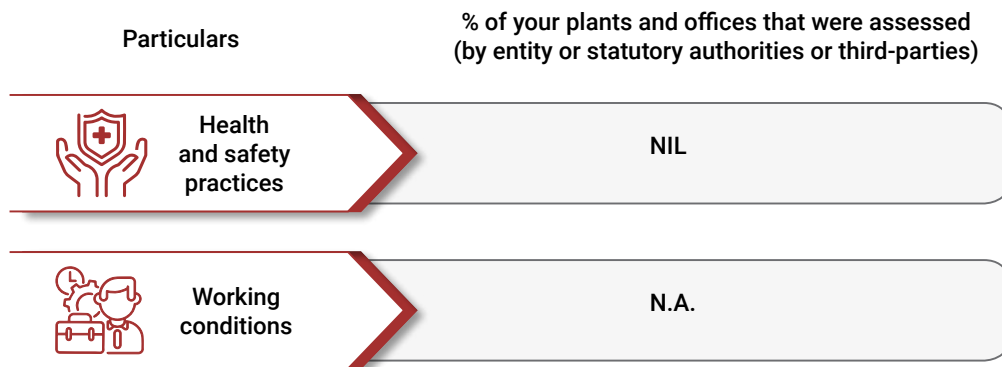
**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

- a. Fire and burglar alarm for fire detection with fire and smoke sensors. Fire extinguishers for fire fighting.
- b. Earthing pits in all branches and lightening conductors.
- c. Display of important contact numbers at branches / offices for contacting fire brigade, police station, ambulance etc.
- d. Public addressal system at premises.
- e. Display of floor plans, exit paths etc.
- f. CCTV for detection / recording of all activities including sabotage etc.
- g. First aid box.
- h. Periodic maintenance of fire safety equipment and measures.
- i. Carrying out mock drills covering training, fire drills and physical verification of fire safety equipment, evacuation plans etc.

**13. Number of Complaints on the following made by employees and workers:**

Particulars	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	NIL	N.A.	N.A.	NIL	N.A.	N.A.
Health & safety						

**14. Assessments for the year:**



**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

NIL

### Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company expects that all members of its value chain will uphold the principles of business responsibility and the values of accountability and transparency. As a result, the Company expects that all statutory dues that apply to transactions falling under its scope will be withheld and deposited in accordance with the law. The organisation has designated an auditor to timely audit statutory dues.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

		Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
		2022-23	2021-22	2022-23	2021-22
Employees		NIL	NIL	NIL	NIL
Workers		NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. NIL

# 4 PRINCIPLE

Businesses should respect the interests of and be responsive to all its stakeholders:

## Essential Indicators

### 1. Describe the processes for identifying key stakeholder groups of the entity.

Any entity, group of individuals or institution that gives value to the Company's business chain or that is impacted by us is recognised as a key stakeholder.

Following are the attributes of key stakeholders:

- i). Stakeholders who are directly dependent on the organisational activities, products, services or on whom the organisation is dependent to operate.
- ii). Stakeholders towards whom the organisation has legal, commercial, operational or moral responsibility..

### 2. Key stakeholder groups and the frequency of engagement with each stakeholder group. group.

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes / No	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually / Half yearly / Quarterly / others)	Purpose and scope of engagement
Shareholders	No	Annual General Meeting, shareholder meets, emails, Stock Exchange (SE) intimations, investor / analysts meet / conference calls, annual report, quarterly results, media releases, Company / SE website	Ongoing	To update on ongoing developments about the Company which includes, performance of the Company and the sector, address concerns/grievances and update about the business risk
Employees	No	Conference calls, video conferencing, group discussions, one to one interactions, review on operations	Ongoing	Performance appraisal & rewards. Also improving operational efficiencies through training and awareness about health, safety and engagement initiatives
Vendors and suppliers	No	Emails, letters, personal meetings, telephone, and conferences, among others.	Ongoing	Communication on materials, services, and feedback, among others.
Government	No	Emails, letters, representations, and meetings, among others.	Ongoing	To provide timely recommendations/ feedback on draft policies and various statutory approvals.
Community	Yes	Letters, and newspaper advertisement, among others.	Ongoing	To promote social welfare activities for inclusive growth, fair and equitable development and well-being of society through the Company's business functioning



## Leadership Indicators

**1. Process for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated:**

The business head interacts with the aforesaid stakeholders and provides key updates to the Board.

For CSR activities, the inputs received from the NGO and various initiatives as per the CSR Policy, are informed to the Board.

**2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The environmental & social topics are discussed and reviewed in line with the standard operating procedures.

**3. Details of instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.**

Through Sharda Cropchem's CSR policy, it has undertaken various initiatives for the benefit of different segments of society, with a focus on the marginalised, poor, needy, deprived, underprivileged and differently-abled persons.

# 5 PRINCIPLE

Businesses should respect and promote human rights:

## Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Sharda Cropchem's business supports the inclusion of fairness and transparency at the workplace. The Company's policy provides equal opportunity to each employee and doesn't discriminate. Its policies and managerial framework ensure that all fundamental and human rights of employees are fully protected.

Category	2022-23			2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (c)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	182	182	100	175	175	100
Other than permanent	NIL	NIL	N.A.	NIL	NIL	N.A.
<b>Total employees</b>	<b>182</b>	<b>182</b>	<b>100</b>	<b>175</b>	<b>175</b>	<b>100</b>
<b>Workers</b>						
Permanent	N.A.			N.A.		
Other than permanent	N.A.			N.A.		
<b>Total workers</b>	N.A.			N.A.		

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2022-23				2021-22					
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	182	NIL		182	100	175	NIL		175	100
Male	81			81	100	77			77	100
Female	101			101	100	98			98	100
<b>Other than permanent</b>	N.A.				N.A.					
Male	N.A.				N.A.					
Female	N.A.				N.A.					

Category	2022-23				2021-22					
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Workers</b>										
<b>Permanent</b>	N.A.				N.A.					
Male										
Female										
<b>Other than permanent</b>	N.A.				N.A.					
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

Male		Particulars	Female	
Number	Median remuneration / salary / wages of respective category		Number	Median remuneration / salary / wages of respective category
6	1,50,00,000	* Board of Directors (BOD)	2	30,00,000
2	54,14,556	Key Managerial Personal	-	-
81	5,02,800	Employees other than BOD and KMP	101	6,07,500
-		Workers	-	

\* Remuneration includes remuneration paid to Whole-Time Directors. It does not include sitting fees paid.

- Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - No
- Describe the internal mechanisms in place to redress grievances related to human rights issues.

The mechanism to redress grievances under human rights is same as for other grievances. On receipt of any concern through email, letter, web helpline, and verbal, among others. Any concern, particularly one involving improper behaviour or treatment, senior-level harassment, sexual harassment, unethical dealings and transactions, among others., can be written about directly by employees to their higher authorities up to the CEO. When a problem is really important, the CEO and the department in question will both look into it.



6. Number of complaints on the following made by employees and workers:

Particulars	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	NIL	NIL		NIL	NIL	
Discrimination at workplace						
Child labour						
Forced labour/ involuntary labour						
Wages						
Other human rights-related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. – N.A.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) – No

9. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third-parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others- please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. – N.A.



## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints. – NIL
2. Details of the scope and coverage of any Human rights due-diligence conducted. – NIL
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016 ? : Yes
4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	NIL
Discrimination at workplace	NIL
Child labour	NIL
Forced/involuntary labour	NIL
Wages	NIL
Others- please specify	NIL

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. - N.A.









# PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment: Data required from Accounts / Admin / Sustainability:

## Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2022-23	2021-22
 Total electricity consumption (A)	736.75 GJ	696.36 GJ
 Total fuel consumption (B)	N.A.	N.A.
 Energy consumption through other sources (C)	N.A.	N.A.
 Total energy consumption (A+B+C)	736.75 GJ	696.36 GJ
 Energy intensity per rupee of turnover (total energy consumption/ turnover in rupees)	0.22 GJ/Cr	0.24 GJ/Cr
 Energy intensity (optional)- the relevant metric may be selected by the entity	NIL	NIL

(\* Note: The business activity of Sharda Cropchem includes product registrations which involve field trials, compiling of data, obtaining lab reports from accredited laboratories & making dossiers and marketing & distribution of agrochemical products. The Company does not have its own manufacturing facilities and R&D.)

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency: No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. – N.A.



3. Provide details of the following disclosures related to water, in the following format:

Parameter	2022-23	2021-22
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	NIL	NIL
(ii) Ground water	NIL	NIL
(iii) Third party water	2,548.73 KL	2,389.82 KL
(iv) Sea water/desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilometres) (i+ii+iii+iv+v)	NIL	NIL
Total volume of water consumption (in kilometres)	NIL	NIL
Water intensity per rupee of turnover (water consumed /turnover)	0.77 KL/Cr	0.81 KL/Cr
Water intensity (optional)- the relevant metric may be selected by the entity	NIL	NIL

(\* Note: The business activity of Sharda Cropchem includes product registrations which involve field trials, compiling of data, obtaining lab reports from the accredited laboratories & making dossiers and marketing & distribution of agrochemical products. The Company does not have its own manufacturing facilities and R&D.)

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. – N.A.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2022-23	2021-22
NOx	N.A.	N.A.	N.A.
SOx			
Particulate matter			
Persistent Organic Pollutants (POP)			
Volatile Organic Compounds (VOC)			
Hazardous Air Pollutants (HAP)			
Others-please specify			

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2022-23	2021-22
<b>Total scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NIL	NIL
<b>Total scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	165.77	156.68
<b>Total scope 1 and scope 2 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> /Cr	0.05	0.05

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. –N.A.

8. Provide details related to waste management by the entity, in the following format:

Parameter	2022-23	2021-22
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	N.A.	N.A.
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other hazardous waste. Please specify, if any. (G)		
Other non-hazardous waste generated (H). Please specify, if any. (break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B + C + D + E + F + G + H)</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	N.A.	N.A.
(ii) Reused		
(iii) Other recovery operations		
<b>Total</b>		



Parameter	2022-23	2021-22
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>	N.A.	N.A.
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

As the Company is into the trading of agriculture and non-agro commodities, it does not require any hazardous and toxic chemicals. Sharda Cropchem's process of managing e-waste is validated by an external agency. The Company also follows applicable processes laid down by the respective regulatory authorities.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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The Company does not have any offices in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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N.A.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
N.A.				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2022-23	2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	N.A.	N.A.
Total fuel consumption (B)		
Energy consumption through other sources (C)		
<b>Total energy consumed from renewable sources (A+B+C)</b>		
<b>From non-renewable sources</b>		
Total electricity consumption (D)	736.75 GJ	696.36 GJ
Total fuel consumption (E)	N.A.	N.A.
Energy consumption through other sources (F)	N.A.	N.A.
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>736.75 GJ</b>	<b>696.36 GJ</b>

Note: The Company is not using any renewable sources of energy.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No



2. Provide the following details related to water discharged:

Parameter	2022-23	2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To surface water	N.A.	N.A.
- No treatment		
- With treatment – please specify level of treatment		
(ii) To groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2022-23	2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	N.A.	N.A.
(ii) Groundwater		
(iii) Third-party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		



Parameter	2022-23	2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into surface water	N.A.	N.A.
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2022-23	2021-22
<b>Total scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	N.A.	N.A.	N.A.
<b>Total scope 3 emissions per rupee of turnover</b>			
<b>Total scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. – N.A.



6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
N.A.			

- 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. – N.A.
- 8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. – N.A.
- 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. – N.A.

# 7 PRINCIPLE

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

## Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.: 4
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Federation of Indian Export Organisation	International
2	Basic Chemicals, Cosmetics & Dyes Export Promotion Council	International
3	Certificate of ISO registration	International
4	One Star Export House	International

- 2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

There is no action taken or underway against Sharda Cropchem Limited, as there are no issues related to anti-competitive conduct.



# 8 PRINCIPLE

:Businesses should promote inclusive growth and equitable development:

## Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web-link
Not Applicable					

As per the governing provisions of CSR activities, none of Sharda Cropchem’s projects were SIA candidates in 2022-23.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable.

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in 2022-23 (in ₹)
NONE						

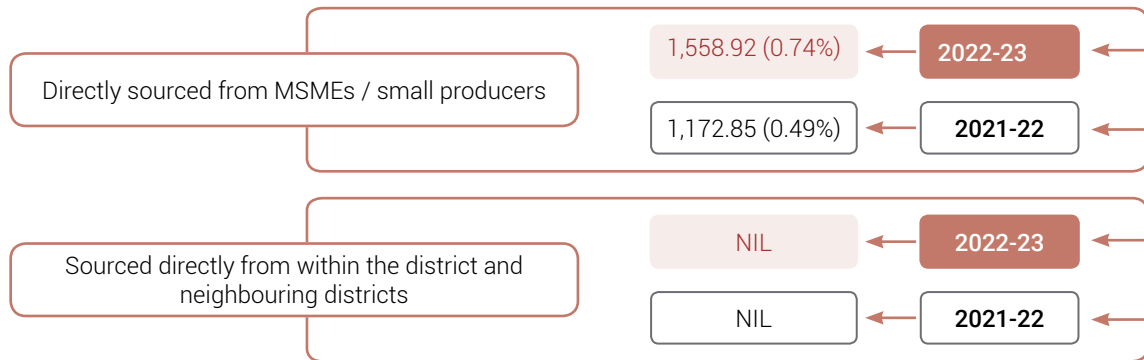
3. Describe the mechanisms to receive and redress grievances of the community.

The Company does not have manufacturing facilities and has only a corporate office. Sharda Cropchem is in regular engagement with communities and various stakeholders.



4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

(Amt in Lakhs)



The Company's resource planning structure does not differentiate sourcing from within or outside a particular area/district/locality. Sharda Cropchem stands by its responsibility towards upliftment of the society/communities in and around its operating environment including MSMEs

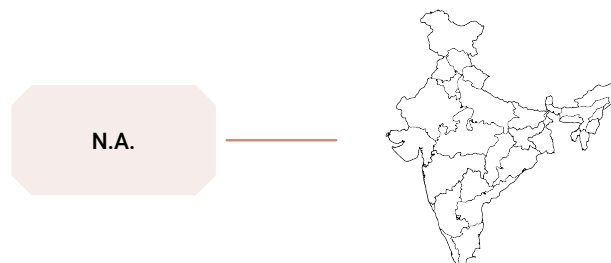
Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments:



2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State | Aspirational district | Amount spent (in ₹)



3.

(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

The Company does not have any preferential procurement policy. However, the Company supports and orders to encourage and provide growth opportunities to entrepreneurs among marginalised / vulnerable groups or communities, wherever possible.

(b) From which marginalized /vulnerable groups do you procure?

N.A.

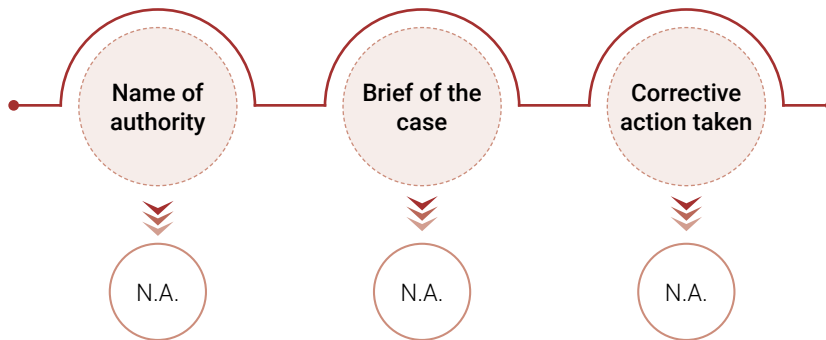
(c) What percentage of total procurement (by value) does it constitute?

N.A.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefits shared (Yes/No)	Basis of calculating benefit share
N.A.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.



6. Details of beneficiaries of CSR Projects:

CSR project	No. of persons / lives benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Animal welfare	Over 500 animals	N.A.
Promoting education	Over 17,000 students	100%
Eradicating hunger & poverty	Over 1,000 people	100%
Medical welfare	Over 200 people	100%
Rural development	Over 500 People	100%
Women empowerment	Over 1,800 women	100%

The details of projects undertaken are given in the annexure to the Board's Report.

# 9 PRINCIPLE

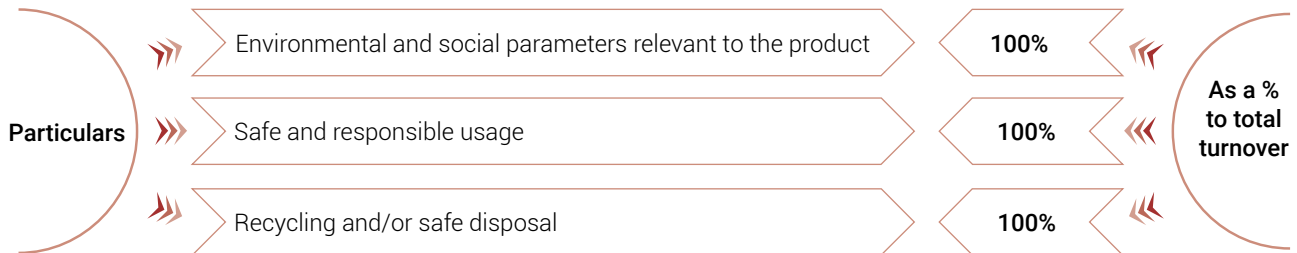
Businesses should engage with and provide value to their consumers in a responsible manner:

## Essential Indicators

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

Based on the nature of complaints, emails are triggered for action. The root cause and corrective and preventive actions are conveyed to customers. The complaint is closed after feedback via telephone or email from the customer & discussed with the management.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**



**3. Number of consumer complaints in respect of the following:**

Particulars	2022-23		Remarks	2021-22		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	NIL	NIL	In the regular course of business, the Company receives and resolves all queries in a timely manner.	NIL	NIL	N.A.
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive trade practices						
Unfair trade practices						
Other						



4. Details of instances of product recalls on account of safety issues:

Number	Particulars	Reasons for recall
NIL	Voluntary recalls	N.A
NIL	Forced recalls	N.A

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

No, the Company does not have any framework on cyber security and risk related to data privacy. However, the Company has Preservation of Documents Archival Policy in place to ensure data privacy and prevention at the workplace. This also ensures data security and secure archival norms. The Company also has tie-ups with third-parties for backup. Hence, despite any case of any cyber-attacks, the Company's data remains secured.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.:

No cyber attacks have been reported during the year and therefore, no corrective measures have been undertaken by the Company.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web-link, if available):

Product-related information can be accessed through <http://www.shardacropchem.com>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

The Company educates customers through conferences & meetings about the usefulness of the products. All the safety precautions for the products are mentioned on the labels.

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.:

Consumers are informed about the risk through emails & virtual meetings in case of any foreseeable disruption for various reasons.

4. Does the entity display product information on the product over and above what is mandated as per local laws?

The Company displays all the information on packaging which are mandated by laws across all geographies. Sharda Cropchem displays product information like product name, gross weight, instruction to use the product, and a statutory warning as required by law, among other aspects.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: NIL
- b. Percentage of data breaches involving personally identifiable information of customers: N.A



# INDEPENDENT AUDITOR'S REPORT

To the Members of

## Sharda Cropchem Limited

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### OPINION

We have audited the standalone financial statements of Sharda Cropchem Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### REVENUE RECOGNITION

See Note 2.7 and 33 to standalone financial statements

#### 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### KEY AUDIT MATTER(S)

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

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p>The Company's revenue is derived primarily from sale of products. The principal products of the Company comprise agro-chemicals. 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. 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> </ul>



INDEPENDENT AUDITOR'S REPORT (CONTD.)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <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 and transporter documents.</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>

**Impairment testing of intangible assets and intangible assets under development**

See Note 2.11 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p><b>Assessment of impairment of intangible assets and intangible assets under development</b></p> <p>As disclosed in Note 2.11, 4 and 4A, 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 22% of the Company's total assets. The Company applies for product registrations in different countries to sell its products. As disclosed in Note 2.11, 4 and 4A to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations.</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>- Evaluated the design and implementation and tested the operating effectiveness of key internal controls in relation to the impairment of intangible assets and intangible assets under development.</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 rate, expected growth rates and terminal growth rates used.</li> <li>- We compared the cash flow to management forecasts and other relevant market and economic information, as well as testing the underlying workings.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

The key audit matter	How the matter was addressed in our audit
<p>The impairment assessment is performed, based on value in use of product registrations for the specific regions. 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>	<ul style="list-style-type: none"> <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 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 financial statements and auditor's 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 DIRECTOR'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and

for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 in preparation of standalone 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 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the 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 Auditor's 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:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
  - b. 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.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- e. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's 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

Place: Mumbai

Membership No. 100060

Date: 12th May, 2023

ICAI UDIN: 23100060BGWOAD1032

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPICHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee).. Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. The Company has during the year made investments in other parties in respect of which the requisite information is as below. The Company has not made any investments in companies, firms and limited liability partnerships.
- (a) During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) According to the information and explanations given to us and based on the audit procedures



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPICHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

conducted by us, in our opinion the investments made during the year are prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantee, given security, loans and advances in the nature of loans to any entity.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company,
- the loan of INR 50 lakhs given to Mr. Amit Jhaveri during the earlier year, was repayable on demand. As informed to us, the Company has demanded repayment of the principal amount as also payment of interest on the aforesaid loan during the year. There has been no default in repayment of principal and payment of interest on the part of the party to whom the money has been lent.
  - the loan given to wholly owned subsidiary (Axis Crop Science Private Limited) in earlier years, in respect of which the outstanding balance as at 31 March 2023 is INR 220 lakhs, is repayable on demand. As informed to us, there has been no default by the wholly owned subsidiary in repayment of principal amount demanded during the year by the Company. As informed to us, the Company has demanded interest on the loan which has been duly paid by the wholly owned subsidiary during the year.
  - Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loan granted as referred to in paragraph (c) above is repayable on demand and there is no overdue amount.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling

due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted during the year any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. Further, the Company has not given any guarantee or provided any security under Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPICHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

dues including Goods and Services Tax ('GST'), Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities except in case of Provident Fund where there are slight delays in few cases.

According to the information and explanations given to us and on the basis of our examination

of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded (INR in lakhs)	Amount not deposited under dispute (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	785.14	785.14	2007-08 to 2012-13	CESTAT, Mumbai
Income Tax Act, 1961	Income-tax	90.61	90.61	AY 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income-tax	2,497.31	1,998.63	AY 2016-17	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income-tax	4,115.80	3,315.80	AY 2017-18	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income-tax	5,586.96	5,586.96	AY 2020-21	Assessing Officer of Income Tax

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has

not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188

of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPICHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance

that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Place: Mumbai

Membership No. 100060

Date: 12th May, 2023

ICAI UDIN: 23100060BGWOAD1032



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

### 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 Act

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

#### OPINION

We have audited the internal financial controls with reference to financial statements of Sharda Cropchem Limited ("the Company") as of 31 March 2023 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPICHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the

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

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Place: Mumbai

Membership No. 100060

Date: 12th May, 2023

ICAI UDIN: 23100060BGWOAD1032



Sharda Cropchem Limited

# STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2023

	Note	As at 31 March, 2023	(₹ Lakhs) As at 31 March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A&3B	486.70	1,429.50
Intangible assets	4	66,299.75	57,740.00
Intangible assets under development	4A	20,386.94	21,217.59
Financial assets			
Investments	5	111.68	114.50
Loans	6	220.00	272.00
Other financial assets	7	13,530.68	687.65
Income tax assets (net)	8A	7,084.51	7,160.13
Other non-current assets	12	-	-
<b>Total non-current assets</b>		<b>1,08,120.26</b>	<b>88,621.37</b>
<b>Current assets</b>			
Inventories	9	1,06,002.14	82,991.80
Financial assets			
Investments	5	3,190.29	13,439.50
Trade receivables	10	1,67,455.98	1,31,860.64
Cash and cash equivalents	11	8,393.03	4,292.03
Bank balance other than cash and cash equivalents	11	31.35	10,456.80
Loans	6	-	50.04
Other financial assets	7	2,672.30	4,904.87
Other current assets	12	4,921.64	6,450.92
<b>Total current assets</b>		<b>2,92,666.73</b>	<b>2,54,446.6</b>
<b>Total Assets</b>		<b>4,00,786.99</b>	<b>3,43,067.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	9,022.05	9,022.05
Other equity	14	1,91,201.97	1,64,136.89
<b>Total equity</b>		<b>2,00,224.02</b>	<b>173,158.94</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	-	-
Lease liabilities		-	347.17
Trade payables	15		
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		-	235.58
Other financial liabilities	16	172.56	159.14
Provisions	17	252.93	209.26
Deferred tax liabilities (net)	8C	14,342.98	12,886.42
<b>Total non-current liabilities</b>		<b>14,768.47</b>	<b>13,837.57</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	-	3,803.96
Lease liabilities		-	513.69
Trade payables	15		
total outstanding dues of micro enterprises and small enterprises		101.10	296.29
total outstanding dues of creditors other than micro enterprises and small enterprises		1,30,112.07	1,06,803.19
Other financial liabilities	16	43,063.12	32,403.14
Other current liabilities	19	5,115.09	3,920.66
Provisions	17	5,846.08	8,330.53
Current tax liabilities (net)	7	1,557.04	-
<b>Total current liabilities</b>		<b>1,85,794.5</b>	<b>1,56,071.46</b>
<b>Total Equity and Liabilities</b>		<b>4,00,786.99</b>	<b>3,43,067.97</b>
Summary of significant accounting policies	2		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

**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

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023

Place: Mumbai

Date : 12 May, 2023

Place: Mumbai

Date : 12 May, 2023

# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31 MARCH, 2023

(₹ Lakhs)

	Note	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>INCOME</b>			
Revenue from operations	20	3,31,273.3	2,94,643.58
Other income	21	17,356.76	4,840.88
<b>Total Income</b>		<b>3,48,630.06</b>	<b>2,99,484.46</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	1,55,169.35	1,33,109.02
Purchase of stock in trade		1,08,913.01	84,808.98
Changes in Inventories of finished goods and stock in trade	23	(30,332.68)	(16,686.45)
Employee benefits expenses	24	3,713.00	3,493.01
Finance costs	25	386.91	162.69
Foreign exchange (gain) / loss (net)		5,187.01	1,603.31
Depreciation and amortisation expense	26	24,806.46	24,529.26
Other expenses	27	39,656.82	29,221.07
<b>Total expenses</b>		<b>3,07,499.88</b>	<b>2,60,240.89</b>
<b>Profit before tax</b>		<b>41,130.18</b>	<b>39,243.57</b>
Tax expense			
Current tax	8B	6,972.90	7,567.69
Adjustment of tax relating to earlier years	8B	227.83	(204.66)
Deferred tax charge	8B & 8C	1,455.20	3,591.46
<b>Total tax expense</b>		<b>8,655.93</b>	<b>10,954.49</b>
<b>Profit for the year</b>		<b>32,474.25</b>	<b>28,289.08</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to the statement of profit or loss</b>			
Re-measurement gains on defined benefit plans	29	5.42	23.33
Income tax relating to items that will not be reclassified to profit or loss	8B & 8C	(1.36)	(8.15)
<b>Total other comprehensive income</b>		<b>4.06</b>	<b>15.18</b>
<b>Total comprehensive income for the year</b>		<b>32,478.31</b>	<b>28,304.26</b>
<b>Earnings per share (₹ per share)</b>			
Basic and diluted (Face value per share of ₹ 10 each)	28	<b>35.99</b>	<b>31.36</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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023



# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

	Year ended 31 March, 2023	Year ended 31 March, 2022
		(₹ Lakhs)
Cash flows from operating activities		
Profit before tax	41,130.18	39,243.57
<b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>		
Depreciation and amortisation expense	24,806.46	24,529.26
Provision for diminution in shares	2.82	-
(Profit) / loss on disposal of property, plant and equipment	(5.45)	0.30
Unrealised exchange loss (net)	338.82	560.84
Discard / Write-off of intangible assets and intangible assets under development	1,194.12	2,923.10
Profit on sale of mutual funds	(1,582.11)	(149.83)
Fair valuation loss / (gain) on current investments	1,368.55	(483.07)
Allowances for doubtful debts (net)	1,784.96	198.05
Reversal of doubtful debts	-	-
Bad debts	663.19	27.83
Liabilities / provisions no longer required written back	(1,185.29)	(1,209.16)
Liabilities of capital creditors no longer required written back	(203.70)	(100.84)
Finance costs	386.91	162.69
Interest income	(494.93)	(663.84)
Dividend income	(13,885.28)	(2,227.78)
Loss on sale of Bond	7.50	5.73
Miscellaneous Income	-	(14.63)
<b>Operating profit before working capital changes</b>	<b>54,326.75</b>	<b>62,802.22</b>
Movements in working capital:		
(Increase) in trade receivables	(35,664.06)	(21,765.52)
(Increase) in inventories	(23,010.34)	(35,287.96)
Decrease / (increase) in loan	51.47	(50.00)
Decrease / (increase) in other assets	1,529.28	(2,847.42)
Decrease / (increase) in other financial assets	856.62	(1,969.60)
Increase in trade payables	23,056.43	31,293.23
(Decrease) / increase in provisions	(2,435.36)	3,447.78
Increase / (decrease) in other financial liabilities and other liabilities	1,100.83	(723.70)
<b>Cash generated from operations</b>	<b>19,811.62</b>	<b>34,899.03</b>
Income taxes paid (net of refunds)	(5,793.57)	(7,160.38)
<b>Net cash flows from operating activities (A)</b>	<b>14,018.05</b>	<b>27,738.65</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(60.78)	(35.88)
Purchase of intangible assets (including intangible assets under development and capital advances)	(23,994.59)	(23,397.84)
Proceeds from sale of property, plant and equipment	12.28	6.48
Purchase of current investments	(10,499.48)	(9,950.00)
Proceeds from sale of current investments	19,643.53	6,763.42
Purchase of current investments (Bonds)	-	(1,394.45)
Proceeds from sale of current investments (Bonds)	1,311.22	70.00
Interest received on bond	37.92	28.14
Bank deposits placed	(8,381.49)	(1,865.34)
Redemption of bank deposits / other bank balances	7,373.55	8,703.22
Interest from fixed deposit	435.04	501.32
Loans to subsidiaries - given	-	(1,584.70)
Loans to subsidiaries - principal received	52.00	1,618.47
Loans to subsidiaries - interest received	10.77	19.35
Dividends received from subsidiary	13,885.28	2,227.78



# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Net cash flows (used in) investing activities (B)</b>	<b>(174.75)</b>	<b>(18,290.03)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	8,650.43	11,975.51
Repayment of borrowings	(12,425.08)	(14,997.88)
Repayment of principal towards lease liability	(513.69)	(474.33)
Interest paid on lease liability	(50.31)	(89.67)
Finance costs paid	(75.95)	(38.18)
Dividend paid on equity shares	(5,395.70)	(5,412.66)
<b>Net cash flows (used in) financing activities (C)</b>	<b>(9,810.30)</b>	<b>(9,037.21)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>4,033.00</b>	<b>411.41</b>
Cash and cash equivalents at the beginning of the year	4,292.03	3,876.70
Exchange differences on translation of foreign currency cash and cash equivalents	68.00	3.92
<b>Cash and cash equivalents at the end of the period</b>	<b>8,393.03</b>	<b>4,292.03</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.72	0.17
Balance with banks	8,392.31	4,291.86
<b>Total cash and cash equivalents as per the cash flows statement (refer note 11)</b>	<b>8,393.03</b>	<b>4,292.03</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.
- Reconciliation of net debts

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening balance	3,803.96	6,784.73
Loan taken during the period	8,650.43	11,975.51
Repayment made during the period	(12,425.08)	(14,997.88)
Foreign exchange (gain) / loss	(29.31)	41.60
<b>Closing balance</b>	<b>(0.00)</b>	<b>3,803.96</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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023

**STANDALONE STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH, 2023

**A. EQUITY SHARE CAPITAL (NOTE 13)**

	(₹ Lakhs)
<b>As at 01 April, 2021</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2022</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2023</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 reserve (Note 14)	General reserve (Note 14)	Re-measurement of the net defined benefit plan	
<b>As on 01 April, 2021</b>	<b>2,148.55</b>	<b>1,36,956.03</b>	<b>1,491.29</b>	<b>664.93</b>	<b>(14.94)</b>	<b>1,41,245.86</b>
Profit for the year	-	28,289.08	-	-	-	28,289.08
Other comprehensive Income	-	-	-	-	15.18	15.18
<b>Total comprehensive Income</b>	<b>-</b>	<b>28,289.08</b>	<b>-</b>	<b>-</b>	<b>15.18</b>	<b>28,304.26</b>
Payments of dividends	-	(5,413.23)	-	-	-	(5,413.23)
<b>As on 31 March, 2022</b>	<b>2,148.55</b>	<b>1,59,831.88</b>	<b>1,491.29</b>	<b>664.93</b>	<b>0.24</b>	<b>1,64,136.89</b>

	Reserves and surplus				Other comprehensive income	Total
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserve (Note 14)	General reserve (Note 14)	Re-measurement of the net defined benefit plan	
<b>As on 01 April, 2022</b>	<b>2,148.55</b>	<b>1,59,831.88</b>	<b>1,491.29</b>	<b>664.93</b>	<b>0.24</b>	<b>1,64,136.89</b>
Profit for the year	-	32,474.25	-	-	-	32,474.25
Other comprehensive Income	-	-	-	-	4.06	4.06
<b>Total comprehensive Income</b>	<b>-</b>	<b>32,474.25</b>	<b>-</b>	<b>-</b>	<b>4.06</b>	<b>32,478.31</b>
Payments of dividends	-	(5,413.23)	-	-	-	(5,413.23)
<b>As on 31 March, 2023</b>	<b>2,148.55</b>	<b>1,86,892.9</b>	<b>1,491.29</b>	<b>664.93</b>	<b>4.30</b>	<b>1,91,201.97</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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2023

### 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 & dye intermediates and general chemicals to various countries across the world.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

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

The standalone financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on 12 May, 2023.

#### 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 ₹ 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;



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

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

All other assets are classified as non-current.

### Liabilities

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

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

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

All other liabilities are classified as non-current.

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

### Operating cycle

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

## 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 recognised as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or expenses in the year in which they arise.

## 2.6 Derivative financial instruments

### Initial recognition and subsequent measurement

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 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 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 recognised 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. The Company has adopted the new Income-tax Regime with effect from 01 April, 2022.

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 recognised 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 recognised 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 utilised.

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 utilised.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 realised 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.

### 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 amortisation

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 estimated useful life 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 amortisation and accumulated impairment losses, if any.

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 the statement of profit and 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 recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets are tested for impairment annually as at the balance sheet date 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 recognises 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 recognised as an expense on a straight-line basis over the lease term. Such operating lease payments are recognised 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 realisable 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 realisable 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 2.14 Provisions

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

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

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

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognised 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 recognised 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 recognise 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

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Provision for compensation absence is determined on the basis of leave credit balance of individual employee as at year end and last drawn salary and is charged to statement of profit and loss for the year.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 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 transaction cost, in the case of a financial asset not at fair value through profit or loss.

##### 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and 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 recognised in the other comprehensive income (OCI). However, the Company recognises 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 categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised 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 recognised 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised 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 recognised 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

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

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

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

#### **Loans and borrowings**

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

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

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 and loss.

### **Offsetting of financial instruments**

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

### **2.18 Cash and cash equivalents**

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

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

### **2.19 Dividend to Equity shareholders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised 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 recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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,

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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.

### **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.

### **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.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**3A. PROPERTY, PLANT AND EQUIPMENT**

(₹ Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold improvements	Electrical installation	Total
<b>Cost</b>							
At 01 April, 2021	220.53	597.71	57.92	15.35	497.16	199.27	1,587.94
Additions	0.41	-	19.53	15.94	-	-	35.88
Disposals	-	-	(12.69)	-	-	-	(12.69)
<b>At 31 March, 2022</b>	<b>220.94</b>	<b>597.71</b>	<b>64.76</b>	<b>31.29</b>	<b>497.16</b>	<b>199.27</b>	<b>1,611.13</b>
<b>Accumulated depreciation</b>							
At 01 April, 2021	140.94	160.89	15.29	4.03	276.66	109.56	707.37
Depreciation charge during the year	47.98	65.15	9.22	11.04	82.91	33.23	249.53
Disposals	-	-	(5.91)	-	-	-	(5.91)
<b>At 31 March, 2022</b>	<b>188.92</b>	<b>226.04</b>	<b>18.60</b>	<b>15.07</b>	<b>359.57</b>	<b>142.79</b>	<b>950.99</b>
<b>Net carrying value</b>							
At 01 April, 2021	79.59	436.82	42.63	11.32	220.50	89.71	880.57
<b>At 31 March, 2022</b>	<b>32.02</b>	<b>371.67</b>	<b>46.16</b>	<b>16.22</b>	<b>137.59</b>	<b>56.48</b>	<b>660.14</b>

(₹ Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold improvements	Electrical installation	Total
<b>Cost</b>							
At 01 April, 2022	220.94	597.71	64.76	31.29	497.16	199.27	1,611.13
Additions	0.66	-	40.41	19.71	-	-	60.78
Disposals	(1.22)	-	(29.68)	(17.13)	-	-	(48.03)
<b>At 31 March, 2023</b>	<b>220.38</b>	<b>597.71</b>	<b>75.49</b>	<b>33.87</b>	<b>497.16</b>	<b>199.27</b>	<b>1,623.88</b>
<b>Accumulated depreciation</b>							
At 01 April, 2022	188.92	226.04	18.60	15.07	359.57	142.79	950.99
Depreciation charge during the year	25.73	65.15	10.03	10.34	82.91	33.23	227.39
Disposals	(1.22)	-	(22.85)	(17.13)	-	-	(41.20)
<b>At 31 March, 2023</b>	<b>213.43</b>	<b>291.19</b>	<b>5.78</b>	<b>8.28</b>	<b>442.48</b>	<b>176.02</b>	<b>1,137.18</b>
<b>Net carrying value</b>							
At 01 April, 2022	32.02	371.67	46.16	16.22	137.59	56.48	660.14
<b>At 31 March, 2023</b>	<b>6.95</b>	<b>306.52</b>	<b>69.71</b>	<b>25.59</b>	<b>54.68</b>	<b>23.25</b>	<b>486.70</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**3B. RIGHT OF USE ASSET**

(₹ Lakhs)

	Leasehold premises
<b>Cost</b>	
At 01 April, 2021	2,095.65
Additions	44.22
Disposals	-
Adjustments	-
<b>At 31 March, 2022</b>	<b>2,139.87</b>
<b>Accumulated depreciation</b>	
At 01 April, 2021	898.93
Depreciation charge during the year	471.58
Disposals	-
Adjustments	-
<b>At 31 March, 2022</b>	<b>1,370.51</b>
<b>Net carrying value</b>	
At 01 April, 2021	1,196.72
<b>At 31 March, 2022</b>	<b>769.36</b>

(₹ Lakhs)

	Leasehold premises
<b>Cost</b>	
At 01 April, 2022	2,139.87
Additions	-
Disposals	-
Adjustments	-
<b>At 31 March, 2023</b>	<b>2,139.87</b>
<b>Accumulated depreciation</b>	
At 01 April, 2022	1,370.51
Depreciation charge during the year	769.36
Disposals	-
Adjustments	-
<b>At 31 March, 2023</b>	<b>2,139.87</b>
<b>Net carrying value</b>	
At 01 April, 2022	769.36
<b>At 31 March, 2023</b>	<b>-</b>

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



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**4. INTANGIBLE ASSETS**

	(₹ Lakhs)		
	Computer software	Product registration and licences	Total
<b>Cost</b>			
At 01 April, 2021	110.75	1,04,279.82	1,04,390.57
Additions *	-	30,307.50	30,307.50
Disposals #	-	(3,207.48)	(3,207.48)
<b>At 31 March, 2022</b>	<b>110.75</b>	<b>1,31,379.84</b>	<b>1,31,490.59</b>
<b>Accumulated amortisation</b>			
At 01 April, 2021	72.15	52,008.35	52,080.50
Amortisation during the year	12.95	23,795.20	23,808.15
Disposals #	-	(2,138.06)	(2,138.06)
<b>At 31 March, 2022</b>	<b>85.10</b>	<b>73,665.49</b>	<b>73,750.59</b>
<b>Net carrying value</b>			
At 01 April, 2021	38.60	52,271.47	52,310.07
<b>At 31 March, 2022</b>	<b>25.65</b>	<b>57,714.35</b>	<b>57,740.00</b>

	(₹ Lakhs)		
	Computer software	Product registration and licences	Total
<b>Cost</b>			
At 01 April, 2022	110.75	1,31,379.84	1,31,490.59
Additions*	8.02	35,151.53	35,159.55
Disposals #	(6.29)	(3,052.99)	(3,059.28)
<b>At 31 March, 2023</b>	<b>112.48</b>	<b>1,63,478.38</b>	<b>1,63,590.86</b>
<b>Accumulated amortisation</b>			
At 01 April, 2022	85.10	73,665.49	73,750.59
Amortisation during the year	14.26	23,795.45	23,809.71
Disposals #	(5.89)	(263.30)	(269.19)
<b>At 31 March, 2023</b>	<b>93.47</b>	<b>97,197.64</b>	<b>97,291.11</b>
<b>Net carrying value</b>			
At 01 April, 2022	25.65	57,714.35	57,740.00
<b>At 31 March, 2023</b>	<b>19.01</b>	<b>66,280.74</b>	<b>66,299.75</b>

\* The data compensation elements of product registration was initially capitalised based on management assessment of the amounts payable. The gross block of product registration and licenses have been reduced consequent to negotiations / arbitration between contracting parties by ₹ 2,695.29 Lakhs (31 March, 2022: ₹ 386.25 Lakhs)

# The Company has written off certain assets during the current year having net written down value of ₹ 94.39 Lakhs (31 March, 2022: ₹ 683.17 Lakhs) based on internal assessment.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**4A. Intangible assets under development**

(₹ Lakhs)

	<b>Intangible assets under development</b>
At 01 April, 2021	13,103.82
Additions	40,730.78
Disposals	(2,309.51)
Capitalised	(30,307.50)
<b>At 31 March, 2022</b>	<b>21,217.59</b>

(₹ Lakhs)

	<b>Intangible assets under development</b>
At 01 April, 2022	21,217.59
Additions	35,536.77
Disposals	(1,209.78)
Capitalised	(35,157.64)
<b>At 31 March, 2023</b>	<b>20,386.94</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.

**4B. Intangible assets under development**

(i) **Intangible assets under development ageing schedule as on 31 March, 2022**

(₹ Lakhs)

Projects	Amount in Intangible assets under development for a period of				
	Upto 1 year	1-2 years	2-3 years	More than 3 years	Total
Product Registration	8,442.24	3,176.40	2,364.18	7,228.67	21,211.49
Computer Software	-	-	-	6.10	6.10
	<b>8,442.24</b>	<b>3,176.40</b>	<b>2,364.18</b>	<b>7,234.77</b>	<b>21,217.59</b>

(ii) **Intangible assets under development ageing schedule as on 31 March, 2023**

(₹ Lakhs)

Projects	Amount in Intangible assets under development for a period of				
	Upto 1 year	1-2 years	2-3 years	More than 3 years	Total
Product Registration	6,172.95	5,259.58	2,537.03	6,417.38	20,386.94
Computer Software	-	-	-	-	-
	<b>6,172.95</b>	<b>5,259.58</b>	<b>2,537.03</b>	<b>6,417.38</b>	<b>20,386.94</b>

- b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :

The major business of the Company (80% approximately) is sale of Agrochemical products in more than 70 countries around the world. These products are not freely tradable or saleable. These products need to be approved by the competent authorities and ministries independently in every country where the product is intended to be marketed.



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The process of approval is known as 'Registration' of the product and its form as an intangible asset of the Company. The process of registration involves identification of the product, basic and applied research, field trials, data generation, evaluation and approval by the authorities at each step. The nature of these processes makes it highly unpredictable in terms of cost as well as timeline. The timeline can vary for 6 months to 8 years approx. The varying demand from the authorities during the process of registration also adds to the uncertainty of cost and timeline. As of 31 March, 2023, there are 1,143 (31 March, 2022: 1130) product registrations (numbers) in pipeline across geographies.

**5. INVESTMENTS**

**Non-current investments**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Investment in equity instruments</b>		
<b>Investment in subsidiaries (Unquoted), carried at cost</b>		
-Axis Crop Science Private Limited 50,00,000 (31 March, 2022: 50,00,000) equity shares of ₹ 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 (31 March, 2022: 10) equity shares of JPY 10,000 each fully paid	0.59	0.59
-Sharda Polska SP. ZO.O. (Refer note 'b' below) Nil (31 March, 2022: Nil) equity shares of PLN 1,000 each fully paid-up	-	-
-Sharda Ukraine LLC 62,500 (31 March, 2022: 62,500) equity shares of UAH 1 each fully paid-up	4.25	4.25
-Sharda Del Ecuador CIA. LTDA. 398 (31 March, 2022: 398) equity shares of US\$ 1 each fully paid-up	0.20	0.20
-Sharda Peru SAC 1,999 (31 March, 2022: 1,999) equity share of PEN 1 each fully paid-up	0.33	0.33
-Sharda Swiss SARL 20 (31 March, 2022: 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 (31 March, 2022: 30,690) equity shares of BRL 1 each fully paid-up	8.20	8.20
-Sharda Hellas Agrochemicals Limited (refer note 'c' below) Nil (31 March, 2022: 150) equity shares of EURO 30 each fully paid-up	-	2.82
-Sharda Balkan Agrochemicals Limited 150 (31 March, 2022: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Shardaserb DO.O. 1 (31 March, 2022: 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 (31 March, 2022: 1) equity share of Euro 5,000 each fully paid-up	3.67	3.67
-Sharda Spain, S.L. 3,050 (31 March, 2022: 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 (31 March, 2022: 99) equity shares of COLON 20 each fully paid-up	0.00	0.00
-Sharda De Guatemala S.A. 49 (31 March, 2022: 49) equity shares of GTQ 100 each fully paid-up	0.34	0.34

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
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(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
-Sharda International DMCC 2 (31 March, 2022: 2) equity shares of AED 1,00,000 each fully paid-up	27.68	27.68
-Sharda Italia SRL 9,900 (31 March, 2022: 9,900) equity shares of EURO 1 each fully paid-up	7.74	7.74
-Sharda Hungary Kft 1 (31 March, 2022: 1) equity share of HUF 30,00,000 each fully paid-up	7.23	7.23
-Sharda Cropchem Espana, S.L. 61 (31 March, 2022: 61) equity shares of EURO 50 each fully paid	2.59	2.59
-Sharda Poland SP. Z.O.O. 588 (31 March, 2022: 588) equity shares of PLN 50 each fully paid	3.97	3.97
-Sharda Taiwan Limited 10,000 (31 March, 2022: 10,000) equity shares of Taiwan \$ 10 each fully paid	2.04	2.04
Sharda Private (Thailand) Limited 8,300 (31 March, 2022: 8,300) equity shares of THB 100 each fully paid	17.29	17.29
Sharda Private (Thailand) Limited 1,500 (31 March, 2022: 1,500) Preferential shares of THB 100 each fully paid	3.13	3.13
-Sharda Cropchem Tunisia SARL 99 (31 March, 2022: 99) equity shares of EURO 10 each fully paid	0.75	0.75
-Sharda Maroc SARL 998 (31 March, 2022: 998) equity shares of EURO 10 each fully paid	8.11	8.11
<b>Total</b>	<b>111.68</b>	<b>114.50</b>

**Notes:**

- Amount rounded off in Lakhs hence not appearing. The actual amount of investment is ₹ 206 (31 March, 2022: ₹ 206).
- Pursuant to order of Court, Sharda Polska SP. Z.O.O was merged with Sharda Poland SP. Z.O.O. w.e.f. 01 March, 2022.
- Sharda Hellas Agrochemicals Limited was dissolved on 11 April, 2022.

**Current investments**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
<b>Investments carried at fair value through statement of profit or loss (FVTPL)</b>		
<b>Investments in mutual funds (Unquoted)</b>		
-Axis Banking & PSU Debt Fund Nil (31 March, 2022: 50,067) units of ₹ 1,000 each	-	1,071.79
-Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan 4,45,280 (31 March, 2022: 3,48,569) units of ₹ 10 each	1,393.85	1,032.73
DSP Corporate Bond Fund Growth Nil (31 March, 2022: 70,48,697) units of ₹ 10 each	-	929.88
DSP Banking and PSU Debt Fund- Reg-Growth Nil (31 March, 2022: 41,95,404) units of ₹ 10 each	-	816.12
-HDFC Ultra Short Term Fund-Regular Growth Nil (31 March, 2022: 11,44,194) units of ₹ 10 each	-	140.48
-HDFC Corporate Bond Fund - Regular Growth Nil (31 March, 2022: 57,40,234) units of ₹ 10 each	-	1,500.10



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) Nil (31 March, 2022: 35,39,859) units of ₹ 10 each	-	837.38
-ICICI Prudential Equity Arbitrage Fund - Growth Nil (31 March, 2022: 18,49,841) units of ₹ 10 each	-	514.86
-IDFC Corporate Bond Fund Regular Plan - Growth Nil (31 March, 2022: 1,34,72,307) units of ₹ 10 each	-	2,119.81
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) Nil (31 March, 2022: 17,07,827) units of ₹ 10 each	-	515.93
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) Nil (31 March, 2022: 12,00,788) units of ₹ 10 each	-	633.95
Kotak Floating Rate Fund Growth (Regular Plan) Nil (31 March, 2022: 42,613) units of ₹ 1000 each	-	517.67
Kotak Money Market Fund -Growth (Regular Plan) 14,729 (31 March, 2022: Nil) units of ₹ 1,000 each	560.18	-
Nippon India Money Market Fund (Growth Plan) 16,433 (31 March, 2021: Nil) units of ₹ 1000 each	577.23	-
-Union Corporate Bond Fund Regular Plan - Growth * 24,72,526 (31 March, 2022: 43,11,268) units of ₹ 10 each	318.53	539.26
-Union Medium Duration Fund - Regular Plan - Growth * 19,99,900 (31 March, 2022: 19,99,900) units of ₹ 10 each	218.31	213.31
-Union Hybrid Equity Fund - Regular Plan - Growth 9,99,940 (31 March, 2022: 9,99,940) units of ₹ 10 each	122.19	123.89
-Union Corporate Bond Fund - Direct Plan - Growth * Nil (31 March, 2022: 48,43,808) units of ₹ 10 each	-	613.62
<b>(A)</b>	<b>3,190.29</b>	<b>12,120.78</b>
<b>Investment In Bonds carried at fair value (Quoted)</b>		
HDFC Bank-8.85% Prepetual-Private-INE040A Nil (31 March, 2022: 28) units of ₹ 10,00,000 each	-	299.40
The Bombay Burmah Trading Corporation Nil (31 March, 2022:100) units of ₹ 10,00,000 each	-	1,019.32
<b>(B)</b>	<b>-</b>	<b>1,318.72</b>
<b>Total</b>	<b>3,190.29</b>	<b>13,439.50</b>

\* Lien marked on the units of:

- Union Corporate Bond Fund Regular Plan - Growth for ₹ Nil (31 March, 2022: ₹ 229.99 Lakhs),
- Union Medium Duration Fund - Regular Plan - Growth for ₹ 218.31 Lakhs (31 March, 2022: ₹ 213.31) and
- Union Corporate Bond Fund - Direct Plan - Growth for ₹ Nil (31 March, 2022: ₹ 613.62) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Aggregate amount of unquoted investments	3,301.97	12,235.28
Aggregate amount of quoted investments	-	1,318.72
Investments carried at cost	111.68	114.50
Investments carried at fair value through statement of profit or loss (FVTPL)	3,190.29	13,439.50
Investments impaired	544.00	544.00

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**6. LOANS**

**Non-current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Loans to related party (Refer note 34 & 39)	220.00	272.00
<b>Total</b>	<b>220.00</b>	<b>272.00</b>

**Current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Others loans		
Others	-	50.04
<b>Total</b>	<b>-</b>	<b>50.04</b>

**7. OTHER FINANCIAL ASSETS**

**Non-current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Goods and service tax receivable	838.75	12.54
Statutory dues receivable from government authorities	314.71	325.48
Export incentive receivable	324.03	335.66
Security deposit	507.70	13.97
Balance in fixed deposit accounts with original maturity of more than twelve months *	11,433.39	-
Interest accrued on fixed deposits with bank *	112.10	-
<b>Total</b>	<b>13,530.68</b>	<b>687.65</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 11,344.50 Lakhs (31 March, 2022: ₹ Nil) against credit facilities availed by the Company.

**Current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Derivative instrument - foreign currency forward contracts (refer note 35)	23.54	31.64
Goods and service tax receivable	2,084.60	4,251.40
Statutory dues receivable from government authorities	564.12	519.50
Interest accrued on fixed deposits with bank *	0.04	102.33
<b>Total</b>	<b>2,672.30</b>	<b>4,904.87</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 0.04 Lakh (31 March, 2022: ₹ 102.33 Lakhs) against credit facilities availed by the Company.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**8A. INCOME TAX ASSETS (NET)**

	As at 31 March, 2023	As at 31 March, 2022
Advance tax [Net of provision for income tax of ₹ 47,630.80 Lakhs (31 March, 2022: ₹ 47,630.80 Lakhs)]	7,084.51	7,160.13
	<b>7,084.51</b>	<b>7,160.13</b>

(₹ Lakhs)

**8B. TAX EXPENSE**

The major components of income tax expense for the years ended 31 March, 2023 and 31 March, 2022 are:

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

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Current income tax:</b>		
Current income tax charge	6,972.90	7,567.69
Adjustments in respect of current income tax of previous year	227.83	(204.66)
<b>Deferred taxes:</b>		
Relating to origination and reversal of temporary differences	1,455.20	3,591.46
<b>Income tax expense reported in the statement of Profit &amp; Loss</b>	<b>8,655.93</b>	<b>10,954.49</b>

(₹ Lakhs)

**Income tax (expense) / benefit recognised in OCI**

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

	Year ended 31 March, 2023	Year ended 31 March, 2022
Net (gain) / loss on remeasurement of defined employee benefit plans	(1.36)	(8.15)
<b>Total</b>	<b>(1.36)</b>	<b>(8.15)</b>

(₹ Lakhs)

**Reconciliation of effective tax rate (ETR)**

	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit from operations before income taxes	41,130.18	39,243.57
Tax @ 25.168% (31 March, 2022: 34.944%) (Indian statutory income tax rate)	10,351.64	13,713.27
Tax effect on income not taxable/taxable at different rates for tax purposes:		
Adjustment of tax of earlier years	(227.83)	204.66
Dividend received in investment in subsidiary	1,362.40	1,167.71
On account of new tax rate	-	520.75
Others	884.89	970.92
	<b>2,019.46</b>	<b>2,864.04</b>
Tax effect on non-deductible expenses for tax purposes:		
Corporate social responsibility (CSR) expenditure	218.17	105.26
Others	105.58	-
	<b>323.75</b>	<b>105.26</b>
<b>Income tax expense</b>	<b>8,655.93</b>	<b>10,954.49</b>

(₹ Lakhs)

The Company elected to opt lower corporate tax as permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, in the previous year the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**Current tax liabilities (net)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Other provisions</b>		
Provision for income tax [Net of advance tax ₹ 5,590.99 Lakhs (31 March, 2022: ₹ Nil)]	1,557.04	-
<b>Total</b>	<b>1,557.04</b>	<b>-</b>

**8C. DEFERRED TAX LIABILITIES (NET)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Deferred tax assets</b>		
Provision for gratuity	72.07	61.06
Provision for investment in subsidiary	124.47	124.47
Lease liability	-	216.66
Provision for doubtful debts	885.81	436.57
Provision for inventories	403.82	223.38
Sales Return & Purchase Return Ind AS Impact (Net)	459.54	678.11
Deferred Sales Ind AS	222.91	306.35
Others	38.44	17.42
<b>Gross deferred tax assets</b>	<b>2,207.06</b>	<b>2,064.02</b>
<b>Deferred tax liabilities</b>		
Tangible and intangible assets	16,510.82	14,371.12
Lease assets	-	193.63
Unrealised gain / loss on investment carried at fair value through statement of profit and loss	33.29	377.73
Unrealised gain / loss on derivative contract at fair value through statement of profit and loss	5.93	7.96
<b>Gross deferred tax liabilities</b>	<b>16,550.04</b>	<b>14,950.44</b>
<b>Net deferred tax (liabilities)</b>	<b>(14,342.98)</b>	<b>(12,886.42)</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.

**The net movement in the deferred tax for the year ended 31 March, 2023 and 31 March, 2022**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Net deferred tax (liabilities) at the beginning of the year</b>	(12,886.42)	(9,286.81)
(Charge) relating to temporary differences	(1,455.20)	(3,591.46)
Temporary differences on other comprehensive Income	(1.36)	(8.15)
<b>Net deferred tax (liabilities) at the end of the year</b>	<b>(14,342.98)</b>	<b>(12,886.42)</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**9. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)**

	(₹ Lakhs)	
	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Raw materials including packing materials [Stock in transit ₹ 4,919.58 Lakhs (31 March, 2022: ₹ 17,299.72 Lakhs)]	37,120.27	44,442.60
Finished Goods [Stock in transit ₹ 4,946.21 Lakhs (31 March, 2022: ₹ 8,560.81 Lakhs)]	65,255.02	34,109.06
Traded goods [Stock in transit ₹ 285.15 Lakhs (31 March, 2022: ₹ 3,518.06 Lakhs)]	3,626.85	4,440.14
<b>Total</b>	<b>1,06,002.14</b>	<b>82,991.80</b>

Notes:

- 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 ₹ 642.24 Lakhs (31 March, 2022: ₹ 1,187.98 Lakhs)
- ii) The carrying amount of inventories are pledged as security against credit facilities availed by the Company from bank of ₹ Nil (31 March, 2022: ₹ 3,803.96 Lakhs) 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**

	(₹ Lakhs)	
	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
<b>Unsecured, considered good</b>		
Related parties (refer note 34)	46,572.30	33,043.05
Others	1,20,883.68	98,817.59
<b>Significant increase in credit risk</b>		
Others	3,643.31	1,725.33
	1,71,099.29	1,33,585.97
Less: Allowances for credit losses	(3,643.31)	(1,725.33)
<b>Total</b>	<b>1,67,455.98</b>	<b>1,31,860.64</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 ₹ Nil Lakhs (31 March, 2022: ₹ 3,803.96 Lakhs) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 18).

**11A. CASH AND CASH EQUIVALENTS**

	(₹ Lakhs)	
	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Balances with banks		
in current accounts	8,392.31	4,291.86
Cash on hand	0.72	0.17
<b>Total</b>	<b>8,393.03</b>	<b>4,292.03</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**11B. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
In fixed deposit accounts		
with original maturity of more than three months but less than twelve months*	7.48	10,450.46
In earmarked accounts		
Unpaid dividend accounts	23.87	6.34
<b>Total</b>	<b>31.35</b>	<b>10,456.80</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 7.48 Lakhs (31 March, 2022: ₹ 10,450.46 Lakhs) against credit facilities availed by the Company.

**12. OTHER ASSETS**

**Current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Advance to vendors for supply of goods and services	204.32	106.28
Advance to subsidiary companies	458.62	515.54
Right of recoveries against expected sales return	3,933.15	5,554.41
Prepaid expenses	325.55	274.69
<b>Total</b>	<b>4,921.64</b>	<b>6,450.92</b>

**13. EQUITY SHARE CAPITAL**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Authorised share capital</b>		
10,50,00,000 (31 March, 2022: 10,50,00,000) equity shares of ₹ 10/- each	10,500.00	10,500.00
<b>Issued, subscribed and fully paid-up</b>		
9,02,20,495 (31 March, 2022: 9,02,20,495) equity shares of ₹ 10/- each	9,022.05	9,022.05

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

**Equity shares**

	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
Outstanding at the end of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05

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

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

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

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



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%
Mrs Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%
Mr Ashish R. Bubna*	1,51,80,000	16.83%	1,51,80,000	16.83%
Mr Manish R. Bubna**	1,51,80,000	16.83%	1,51,80,000	16.83%
HDFC Small Cap Fund	80,48,935	8.92%	81,13,060	8.99%
<b>Total</b>	<b>6,65,52,768</b>	<b>73.78%</b>	<b>6,66,16,893</b>	<b>73.85%</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) Shareholding of Promoters:

Shares held by promoters at the end of the year Promoter's Name	As at 31 March, 2023		As at 31 March, 2022		% Change
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	
Mr Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%	-
Mrs Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%	-
Mr Ashish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
Mr Manish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
Mrs Seema A Bubna	45,00,000	4.99%	45,00,000	4.99%	-
Mrs Anisha A Bubna	45,00,000	4.99%	45,00,000	4.99%	-

(e) In the period of five years, immediately preceding March, 2023

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.

(f) Distribution made and proposed

	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Cash dividend on equity shares declared:</b>		
Interim dividend on equity shares for the year ended 31 March, 2023: ₹ 3.00 (31 March, 2022: ₹ 3.00) per share	2,706.61	2,706.61
<b>Proposed dividend on equity shares:</b>		
Final cash dividend for the year ended 31 March, 2023: ₹ 3.00 (31 March, 2022: ₹ 3.00) per share	2,706.61	2,706.61
<b>Cash dividends on equity shares distributed and paid:</b>		
Interim dividend on equity shares for the year ended 31 March, 2023: ₹ 3.00 (31 March, 2022: ₹ 3.00) per share	2,706.61	2,706.61
Final dividend on equity shares for the year ended 31 March, 2022: ₹ 3.00 (31 March, 2021: ₹ 3.00) per share	2,706.61	2,706.61

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**14. OTHER EQUITY**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<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	1,59,832.12	1,36,941.09
Add: Profit for the year	32,474.25	28,289.08
Add: Other comprehensive income / (loss)	4.06	15.18
Less: Payment of dividends	5,413.23	5,413.23
<b>Balance at the end of the year</b>	<b>1,86,897.2</b>	<b>1,59,832.12</b>
<b>Total</b>	<b>1,91,201.97</b>	<b>1,64,136.89</b>

**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**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Others	-	235.58
<b>Total</b>	<b>-</b>	<b>235.58</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**Current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Total outstanding dues of micro enterprises and small enterprises (refer note 41)*	101.10	296.29
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 34)	15.71	-
Others	1,30,096.36	1,06,803.19
<b>Total</b>	<b>1,30,213.17</b>	<b>1,07,099.48</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.

**Trade payable ageing schedule as per amendment in schedule III for 31 March, 2022**

(₹ Lakhs)

	Not Yet Due	Upto 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME	60.00	201.11	-	-	-	261.11
Other	81,286.71	12,670.87	9.22	0.41	-	93,967.21
Disputed dues - MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total of Trade Payables</b>						<b>94,228.32</b>
Accruals						13,106.74
<b>Total</b>						<b>1,07,335.06</b>

**Trade payable ageing schedule as per amendment in revised schedule III for 31 March, 2023**

(₹ Lakhs)

	Not Yet Due	Upto 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME	-	77.93	-	-	-	77.93
Other	85,233.42	37,911.12	85.98	13.97	304.56	1,23,549.05
Disputed dues - MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total of Trade Payables</b>						<b>1,23,626.98</b>
Accruals						6,586.19
<b>Total</b>						<b>1,30,213.17</b>

**16. OTHER FINANCIAL LIABILITIES**

**Non-current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Creditors for capital purchases	172.56	159.14
<b>Total</b>	<b>172.56</b>	<b>159.14</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**Current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Unclaimed dividend*	23.87	6.34
Interest accrued on borrowings	-	15.21
Creditors for capital purchases #	42,035.63	31,457.13
Directors commission	602.23	569.45
Salaries and bonus	401.39	355.01
<b>Total</b>	<b>43,063.12</b>	<b>32,403.14</b>

\*An amount of ₹ 0.25 Lakhs (31 March, 2022: Nil) has been transferred on 29 September, 2022 to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013.

# Includes principal amount ₹ 993.42 Lakhs (31 March, 2022: ₹ 576.23 Lakhs) and interest due thereon ₹ 52.13 Lakhs (31 March, 2022: ₹ 22.72 Lakhs) remaining unpaid to micro enterprises and small enterprises.

**17. PROVISIONS**

**Non-current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Employee benefits obligation		
Provision for gratuity (refer note 29)	252.93	209.26
<b>Total</b>	<b>252.93</b>	<b>209.26</b>

**Current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Provision for gratuity (refer note 29)	33.43	33.35
Provision for leave encashment	52.62	48.43
Expected return from customers	5,760.03	8,248.75
<b>Total</b>	<b>5,846.08</b>	<b>8,330.53</b>

**18. BORROWINGS**

**Current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Buyer's credit from bank (Secured) *	-	3,803.96
<b>Total</b>	<b>-</b>	<b>3,803.96</b>

Note:

Quarterly statements of current assets are filed with Banks, are in agreement with books and no discrepancies found.

\*Buyer's credit facility utilised within overall credit facility availed by the Company against hypothecation of stocks meant for exports and book debts. Buyer's credit carries interest @ 3M SOFR plus 90 basis points p.a.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**19. OTHER CURRENT LIABILITIES**

	As at 31 March, 2023	As at 31 March, 2022
Advance from customers (refer note 33)	283.90	392.15
Reward scheme liability	1,635.47	1,793.17
Book overdraft	766.61	114.56
Statutory liabilities (including provident fund, tax deducted at source and others)	2,429.11	1,620.78
<b>Total</b>	<b>5,115.09</b>	<b>3,920.66</b>

(₹ Lakhs)

**20. REVENUE FROM OPERATIONS**

	Year ended 31 March, 2023	Year ended 31 March, 2022
Sale of goods (refer note 33)	3,30,783.33	2,94,173.55
Other operating revenue		
Export incentives	273.96	315.23
Miscellaneous receipts	216.01	154.80
<b>Total</b>	<b>3,31,273.3</b>	<b>2,94,643.58</b>

(₹ Lakhs)

**21. OTHER INCOME**

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest income on		
Bank deposits carried at amortised cost	444.81	439.76
Income tax refund received	-	175.34
Foreign VAT refund	-	1.29
Loan to subsidiary	10.77	19.31
Loan to party	1.43	0.05
Bonds	37.92	28.14
Dividend received on investments		
On investment in subsidiary	13,885.28	2,227.78
Profit on disposal of property, plant and equipment	5.45	-
Liabilities / provisions no longer required written back	1,185.29	1,209.16
Liabilities no longer required written back on creditors for capital purchases	203.70	100.84
Profit on sale of mutual funds	1,582.11	149.83
Gain on financial instruments at fair value (Mutual fund)	-	483.07
Miscellaneous income	-	6.31
<b>Total</b>	<b>17,356.76</b>	<b>4,840.88</b>

(₹ Lakhs)

**22. COST OF MATERIALS CONSUMED**

	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventory at the beginning of the year	44,442.60	25,841.10
Add: Purchases	1,47,847.02	1,51,710.52
	1,92,289.62	1,77,551.62
Less: Inventory at the end of the year	(37,120.27)	(44,442.60)
<b>Total</b>	<b>1,55,169.35</b>	<b>1,33,109.02</b>

(₹ Lakhs)



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the end of the year		
Stock in trade	3,626.85	4,440.13
Finished goods	65,255.02	34,109.06
<b>Total</b>	<b>68,881.87</b>	<b>38,549.19</b>
Inventories at the beginning of the year		
Stock in trade	4,440.13	1,281.81
Finished goods	34,109.06	20,580.93
<b>Total</b>	<b>38,549.19</b>	<b>21,862.74</b>
Changes in inventories of finished goods and stock in trade	(30,332.68)	(16,686.45)

**24. EMPLOYEE BENEFIT EXPENSES**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries, wages and bonus	3,651.09	3,431.44
Contribution to provident and other funds (refer note 29)	4.89	5.26
Gratuity expenses (refer note 29)	49.16	50.19
Staff welfare expenses	7.86	6.12
<b>Total</b>	<b>3,713.00</b>	<b>3,493.01</b>

**25. FINANCE COSTS**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expenses on		
Borrowing from bank	60.43	32.18
Income tax	<b>225.50</b>	-
Lease liabilities	<b>50.31</b>	<b>89.67</b>
Delayed payment of statutory dues	0.46	0.22
Others	50.21	40.62
<b>Total</b>	<b>386.91</b>	<b>162.69</b>

**26. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation of property, plant and equipment (refer note 3A)	227.39	249.53
Depreciation of right-of-use asset (refer note 3B)	769.36	471.58
Amortisation of intangible assets (refer note 4)	23,809.71	23,808.15
<b>Total</b>	<b>24,806.46</b>	<b>24,529.26</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**27. OTHER EXPENSES**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Freight and forwarding expenses	7,441.97	4,629.61
Rates and taxes	339.26	585.17
Insurance charges	946.17	485.11
Repairs and maintenance		
Buildings	0.48	9.89
Others	29.87	32.61
Advertising and sales promotion	534.09	138.56
Sales commission	830.62	808.54
Travelling and conveyance	570.99	929.63
Communication expenses	58.69	135.31
Office expenses	994.32	773.79
Legal and professional fees	20,471.17	15,655.90
Directors sitting fees	12.90	12.00
Corporate social responsibility expense (refer note 42)	866.15	596.39
Donation	0.70	-
Payment to auditor (refer note 'a' below)	64.85	59.66
Bad debts	663.19	27.83
Provision for diminution in shares	2.82	-
Allowance for doubtful debts	1,784.96	198.05
Bank charges	1,436.92	1,154.91
Discard / write-off of intangible assets and intangible assets under development	1,194.12	2,923.10
Miscellaneous expenses	36.53	59.28
Loss on sale of bond	7.50	5.73
Loss on financial instruments at fair value (Mutual fund)	1,368.55	-
<b>Total</b>	<b>39,656.82</b>	<b>29,221.07</b>

**Note a:****Details of payment to auditor :**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
As auditors		
Audit fees	49.00	53.00
Reimbursement of expense	5.17	2.76
In other capacities		
Other services - certification	10.68	3.90
<b>Total</b>	<b>64.85</b>	<b>59.66</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**28. EARNINGS PER SHARE (EPS)**

(₹ Lakhs)

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Profit after tax attributable to equity shareholders (₹ Lakhs)	32,474.25	28,289.08
Weighted average number of equity shares outstanding during the year	9,02,20,495	9,02,20,495
<b>Earnings per Share</b>		
Face value per equity share (₹)	10.00	10.00
Basic and diluted earnings per share (₹)	35.99	31.36

**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":

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Contribution to employees provident fund	3.58	3.97
Contribution to ESI	1.31	1.29
	<b>4.89</b>	<b>5.26</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.

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
<b>Changes in benefit obligations</b>		
Benefit obligations at the beginning of the year	349.38	318.23
Current service cost	33.35	31.78
Interest cost	22.05	18.41
Actuarial (gains) / losses	(6.91)	(17.59)
Benefits paid	(27.60)	(1.45)
<b>Benefit obligations at the end of the year</b>	<b>370.27</b>	<b>349.38</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	106.77	2.48
Return on plan assets excluding amounts included in interest income	4.74	5.74
Contributions	-	100.00
Benefits paid	(27.60)	(1.45)
<b>Fair value of plan assets at the end of the year</b>	<b>83.91</b>	<b>106.77</b>
<b>Net benefit obligation at the end of the year</b>	<b>286.36</b>	<b>242.61</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

(₹ Lakhs)

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Current service cost	33.35	31.78
Net interest cost	15.81	18.41
<b>Net gratuity cost charged to statement of profit and loss</b>	<b>49.16</b>	<b>50.19</b>

**Amounts recognised in Statement of Other Comprehensive Income**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	(6.91)	(17.59)
(Return) / loss on plan assets excluding amounts included in the net interest	1.49	(5.74)
	<b>(5.42)</b>	<b>(23.33)</b>

**Plan assets comprise of the following**

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Policy of Insurance	100%	100%

**Actuarial assumptions as at the Balance Sheet date:**

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Discount rate	7.40%	7.00%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Attrition rate		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Ultimate	Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**Expected Benefit Payments in Future Years**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Year 1	78.74	68.90
Year 2	26.75	26.08
Year 3	20.22	24.36
Year 4	22.29	18.56
Year 5	39.28	19.40
Year 6 to 10	150.69	141.92

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**
**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

(₹ Lakhs)

	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	356.55	385.05	335.78	364.08
Future salary growth rate varied by 0.5%	376.44	363.99	354.90	342.42
Withdrawal rate varied by 10%	374.47	365.80	353.11	345.41

**30. CAPITAL AND OTHER COMMITMENTS**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Estimated amount of contracts remaining to be executed on capital account not provided for	30,388.25	21,893.56

**31. CONTINGENT LIABILITIES**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Income tax matters (refer note (i) below)	6,703.71	6,703.71
Service tax matter (refer note (ii) below)	785.14	785.14
<b>Total</b>	<b>7,488.85</b>	<b>7,488.85</b>

Note:

- i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim made 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 years. 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 2014-15 (AY 2015-16), the Company has considered ₹ 90.61 Lakhs as contingent liability as in view of the management, the Company has a refund of ₹ 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 ₹ 1,340.48 Lakhs along with the applicable interest.
- ii) Future cash flows, if any, in respect of Service tax matter is determinable only on receipt of the judgement / decision pending with relevant authorities. The Company does not expect the outcome of the matter stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.
- iv) During March 2022, the Company had voluntarily paid / reversed GST ITC Credit 'Under Protest' aggregating to ₹ 3,678.73 Lakhs and disclosed the same as recoverable. The Company has received refund of ₹ 2,823.38 Lakhs in September, 2022 and believes that the amount of ₹ 855.35 Lakhs is refundable based of legal advise obtained from an eminent expert.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**32. SEGMENT INFORMATION**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses or income which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Business segment of the Company primarily identified and reported taking into account, the different risks and returns, the organisation 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**

(₹ Lakhs)

Particulars	Agrochemicals		Non-agrochemicals		Total	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Revenue</b>						
External sales	3,31,152.34	2,94,373.63	120.96	269.95	3,31,273.3	2,94,643.58
Other income	1,394.41	1,310.92	0.04	-	1,394.45	1,310.92
<b>Revenue from operations</b>	<b>3,32,546.75</b>	<b>2,95,684.55</b>	<b>121.00</b>	<b>269.95</b>	<b>3,32,667.75</b>	<b>2,95,954.5</b>
<b>Results</b>						
Segment results	28,830.17	37,271.99	25.89	0.17	28,856.06	37,272.16
Other income (Unallocated)					15,962.31	3,529.96
Unallocated expenses					(3,361.71)	(1,428.04)
<b>Operating profit</b>					<b>41,456.66</b>	<b>39,374.08</b>
Finance costs					(326.48)	(130.51)
<b>Profit before tax</b>					<b>41,130.18</b>	<b>39,243.57</b>
Income taxes					(8,655.93)	(10,954.49)
<b>Profit after tax</b>					<b>32,474.25</b>	<b>28,289.08</b>
<b>Other segment information</b>						
Segment assets	3,69,184.34	3,05,676.97	4.21	14.51	3,69,188.55	3,05,691.48
Unallocated assets					31,598.44	37,376.49
<b>Total assets</b>	<b>3,69,184.34</b>	<b>3,05,676.97</b>	<b>4.21</b>	<b>14.51</b>	<b>4,00,786.99</b>	<b>3,43,067.97</b>
Segment liabilities	1,83,812.04	1,56,805.17	0.72	9.72	1,83,812.76	1,56,814.89
Unallocated liabilities					16,750.21	13,094.14
<b>Total liabilities</b>	<b>1,83,812.04</b>	<b>1,56,805.17</b>	<b>0.72</b>	<b>9.72</b>	<b>2,00,562.97</b>	<b>1,69,909.03</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

Particulars	Agrochemicals		Non-agrochemicals		Total	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Capital expenditure:</b>						
Tangible assets (Unallocated)					60.78	80.09
Intangible assets (Including IAUD*) (Allocated)	35,536.77	40,730.78	-	-	35,536.77	40,730.78
Intangible assets (Unallocated)					8.02	-
Depreciation (Tangible) (Unallocated)					996.75	721.11
Amortisation (Allocated)	23,809.70	23,808.14	0.01	0.01	23,809.71	23,808.15
Capital employed	1,85,372.3	1,48,871.8	3.49	4.79	1,85,375.79	1,48,876.59
Capital employed (Unallocated)	-	-	-	-	14,848.23	24,282.35

\* 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.
- (vi) The Company does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Group's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

**Geographical information**

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue are based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

between within India and outside India. Outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).

	31 March, 2023		31 March, 2022	
	Revenue by Geographical Market	Carrying amount of Non Current Assets*	Revenue by Geographical Market	Carrying amount of Non Current Assets*
India	-	20,300.01	-	8,971.09
Europe	1,78,667.33	39,210.28	1,32,705.35	37,877.81
LATAM	23,920.32	1,781.05	31,466.42	2,073.69
NAFTA	1,08,516.31	41,965.52	1,16,377.06	35,157.11
ROW	20,169.34	4,531.72	14,094.75	4,155.17
<b>Total</b>	<b>3,31,273.3</b>	<b>1,07,788.58</b>	<b>2,94,643.58</b>	<b>88,234.87</b>

\* Non-current assets exclude financial instruments.

No customer individually accounted for more than 10% of the revenues in the years ended 31 March, 2023 and 31 March, 2022

**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 product shelf life being short, revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The Company, however, has a policy for replacement of the damaged goods.

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

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Opening contract liability	392.15	797.91
Add: Addition to contract liability during the year	7,081.17	15,658.88
Less: Recognised as revenue during the year	(6,668.06)	(15,802.97)
Less: Other adjustments	(521.36)	(261.67)
<b>Closing contract liability</b>	<b>283.90</b>	<b>392.15</b>

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

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contract with customer as per contract price	3,57,327.02	3,09,021.76
Less: Discounts and incentives	(2,760.47)	(2,574.27)
Less: Sales returns / credits / reversals	(23,707.13)	(12,243.63)
Less: Other adjustments	(76.09)	(30.31)
<b>Total</b>	<b>3,30,783.33</b>	<b>2,94,173.55</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**C) Disaggregation of revenue from contract with customers**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Agrochemicals</b>		
Europe	1,78,403.56	1,32,492.33
Latin America	23,885.01	31,372.38
North America	1,08,316.43	1,16,151.62
Rest of the world	20,057.37	13,887.28
<b>Total (A)</b>	<b>3,30,662.37</b>	<b>2,93,903.61</b>
<b>Non-agrochemicals</b>		
Europe	-	(0.11)
Latin America	-	44.03
North America	39.37	39.03
Rest of the world	81.59	186.99
<b>Total (B)</b>	<b>120.96</b>	<b>269.94</b>
<b>Total (A)+(B)</b>	<b>3,30,783.33</b>	<b>2,94,173.55</b>

**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 31 March, 2023	Year ended 31 March, 2022
		%	%
Axis Crop Science Private Limited	India	100.00	100.00
Sharda Peru SAC	Peru	99.95	99.95
Sharda Del Ecuador CIA. Limiteda.	Ecuador	99.50	99.50
Sharda Polska SP. Z.O.O. (refer note 'c' below)	Poland	-	-
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 (refer note 'd' below)	Greece	-	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. (refer note 'c' below)	Poland	100.00	100.00
Sharda Taiwan Limited	Taiwan	100.00	100.00
Sharda Cropchem Tunisia SARL	Tunisia	99.00	99.00

NOTES TO STANDALONE FINANCIAL STATEMENTS  
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	Place of business/ country of incorporation	Ownership interest held by the Company	
		Year ended 31 March, 2023	Year ended 31 March, 2022
		%	%
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	United Kingdom	100.00	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
Sharda Impex Trading LLC (refer note 'b' below)	UAE	49.00	49.00
Siddhivinayak International Limited	UAE	100.00	100.00
Sharda International Africa (Pty) Limited	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

**Note:**

- During the year ended 31 March, 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 10 November, 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. 10 November, 2017 in the consolidated financial results of the Company for and from the year ended 31 March, 2019 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.
- During the year ended 31 March, 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 17 March, 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. 17 March, 2021 in the consolidated financial results of the Company for the year ended 31 March, 2021 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.
- Pursuant to order of Court, Sharda Polska SP. Z.O.O was merged with Sharda Poland SP. Z.O.O. w.e.f. 01 March, 2022.
- Sharda Hellas Agrochemicals Limited was dissolved on 11 April, 2022.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(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 Purav M. Bubna	Son of Whole-time Director
Mr M.S. Sundara Rajan	Independent Director
Mr Shitin Desai	Independent Director
Mr Shobhan M. Thakore	Independent Director
Ms Sonal Desai	Independent Director
Mr Ashok Vashisht	Chief Financial Officer
Mr Jetkin N. Gudhka	Company Secretary

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

Jankidevi Bilasrai Bubna Trust  
Gujarat Cropchem Private Limited  
Sharda Export Private Limited  
Sharphil, Inc.

(d) **Name of associate**

Sharda Private (Thailand) Limited (upto 09 November, 2017)

(B) **Transactions during the year**

(a) **Key managerial personnel compensation:**

	(₹ Lakhs)	
	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Short- term employee benefits	1,722.41	1,625.75
Post-employment benefits	2.33	1.45

(b) **With subsidiaries:**

	(₹ Lakhs)	
	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
<b>Loans given to:</b>		
Sharda International DMCC #	-	1,584.70
<b>Repayment of principal</b>		
Axis Crop Science Private Limited *	52.00	19.00
Sharda International DMCC #	-	1,599.47
<b>Interest received</b>		
Axis Crop Science Private Limited *	10.77	15.07
Sharda International DMCC #	-	4.28
<b>Interest income / accrual</b>		
Axis Crop Science Private Limited	10.77	15.07
Sharda International DMCC #	-	4.25



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Sale of finished goods</b>		
Sharda Cropchem Espana, S.L.	27,036.62	17,939.35
Sharda Hungary Kft	12,961.08	14,820.09
Sharda De Mexico S. De RL DE CV	5,071.50	10,048.54
Sharda Poland SP.ZO.O	27,090.53	7,245.19
Sharda International Africa (PTY) Limited	3,295.19	1,793.93
Sharda Colombia S.A.S	327.48	143.56
Sharda Italia SRL	11,575.61	7,007.47
Sharda Private (Thailand) Limited	527.56	627.77
Sharda Maroc Sarl	1,145.46	1,177.13
<b>Dividend received</b>		
Sharda International DMCC	13,135.35	2,227.78
Sharda Cropchem Espana, S.L.	749.93	
<b>Purchase of finished goods</b>		
Sharda International DMCC	-	827.27
Sharda Cropchem Espana, S.L.	235.14	-
Sharda International Africa (PTY) Limited	-	15.92
Sharda De Mexico S. De RL DE CV	261.87	-
<b>Reimbursement of (income) / expenses (net)</b>		
Sharda International DMCC	(7.58)	(33.48)
<b>Custodian charges</b>		
Shardaserb D.O.O.	14.97	-
Sharda Peru SAC	30.19	-
Sharda Del Ecuador CIA. Limited	46.77	-
Sharda Ukraine LLC	7.09	-
Euroazijski Pesticidi D.O.O.	88.90	-
Sharda Bolivia SRL	19.94	-
<b>Consultancy for registration</b>		
Shardaserb D.O.O.	12.18	-
Sharda Peru SAC	4.61	-
Sharda Del Ecuador CIA. Limited	0.95	-
Euroazijski Pesticidi D.O.O.	32.60	-
<b>Office Expenses-Representative</b>		
Sharda Peru SAC	2.42	-
Sharda Del Ecuador CIA. Limited	6.62	-
Sharda Ukraine LLC	2.22	-
<b>Service Charges</b>		
Euroazijski Pesticidi D.O.O.	1.47	-
<b>Professional Charges</b>		
Euroazijski Pesticidi D.O.O.	1.04	-
<b>Sample Charges</b>		
Sharda Del Ecuador CIA. Limiteda.	1.51	-
<b>Bank Charges</b>		
Sharda Peru SAC	0.06	-

# Loans (unsecured) were given in accordance with the terms and conditions of the loan agreement and carry an interest rate of Libor +100 bps and is repayable on demand. Difference in repayment is on account of exchange rates.

\* Loans (unsecured) were given in accordance with the terms and conditions of the loan agreement and carry an interest rate of 8% p.a. to Axis Crop Science Private Limited and is repayable on demand. W.e.f. 01 July, 2021 the rate of interest has changed to 4.5% p.a.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(c) With Key managerial personnel and their Relatives

	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Rent paid to:		
Mr Ramprakash V. Bubna	270.00	270.00
Mrs Sharda R. Bubna	24.00	24.00
Mr Ashish R. Bubna	86.40	86.40
Mr Manish R. Bubna	94.50	94.50
Mrs Seema A. Bubna	44.55	44.55
Mrs Anisha M. Bubna	44.55	44.55
<b>Remuneration to Key Managerial Personnel</b>		
Mr Ramprakash V. Bubna	185.04	183.09
Mrs Sharda R. Bubna	30.00	30.00
Mr Ashish R. Bubna	155.10	153.78
Mr Manish R. Bubna	154.80	153.43
Ms Kevika A. Bubna	25.05	23.29
Mr Purav M. Bubna	12.31	-
Mr Ashok Vashisht	87.00	68.27
Mr Jetkin N. Gudhka	21.29	19.32
<b>Director's Sitting Fees</b>		
Mr M.S. Sundara Rajan	3.00	3.00
Mr Shitin Desai	3.00	3.30
Mr Shobhan M. Thakore	1.65	1.80
Ms Sonal Desai	5.25	3.90
<b>Directors' commission</b>		
Mr Ramprakash V. Bubna	449.50	425.03
Mr Ashish R. Bubna	301.16	284.77
Mr Manish R. Bubna	301.16	284.77
<b>Dividend paid</b>		
Mr Ramprakash V. Bubna	843.16	843.16
Mrs Sharda R. Bubna	845.47	845.47
Mr Ashish R. Bubna	910.80	910.80
Mr Manish R. Bubna	910.80	910.80
Mrs Seema A. Bubna	270.00	270.00
Mrs Anisha M. Bubna	270.00	270.00
Mr Jetkin N. Gudhka	0.01	0.01
<b>Post-employment benefits:</b>		
Mr Ashish R. Bubna	0.14	(0.07)
Mr Manish R. Bubna	0.05	(0.15)
Ms Kevika A. Bubna	0.46	0.33
Mr Purav M. Bubna	0.15	-
Mr Ashok Vashisht	1.53	1.34
Mr Jetkin N. Gudhka	0.29	0.34

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

	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Donations Paid to:</b>		
Jankidevi Bilasrai Bubna Trust	19.00	37.50



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(C) Outstanding balance as at Balance Sheet date

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Loan given to subsidiaries</b>		
Axis Crop Science Private Limited	220.00	272.00
<b>Trade receivables</b>		
Sharda De Mexico S. De RL DE CV	4,999.63	8,446.49
Sharda Cropchem Espana, S. L.	8,827.60	6,471.31
Sharda Colombia S.A.S	182.22	63.71
Sharda Poland SP.ZO.O	17,455.59	5,399.94
Sharda Hungary KFT	5,587.04	6,155.96
Sharda International Africa (PTY) Limited	1,770.62	851.16
Sharda Italia SRL	7,158.79	5,082.85
Sharda Private (Thailand) Limited	-	114.58
Sharda Maroc Sarl	590.82	457.05
<b>Trade payables</b>		
Euroazijski Pesticidi D.O.O.	9.16	-
Sharda Del Ecuador CIA. Limiteda.	5.41	-
Sharda Peru SAC	1.14	-
<b>Advance to vendors for supply of goods and services</b>		
Sharda De Mexico S. De RL DE CV	458.62	515.54
<b>Directors commission payable</b>		
Mr Ramprakash V. Bubna	257.37	243.35
Mr Ashish R. Bubna	172.43	163.05
Mr Manish R. Bubna	172.43	163.05
<b>Salary Payable</b>		
Ms Kevika A. Bubna	1.45	1.24
Mr Purav M. Bubna	1.12	-
Mr Ashok Vashisht	3.48	3.86
Mr Jetkin N. Gudhka	1.39	1.33
<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	11.19	11.05
Mr Manish R. Bubna	10.47	10.42
Ms Kevika A. Bubna	1.04	0.58
Mr Purav M. Bubna	0.15	-
Mr Ashok Vashisht	3.09	1.56
Mr Jetkin N. Gudhka	3.68	3.39

**Terms and conditions of transactions with related parties**

The sales to and purchases of goods and services from related parties are made on terms equivalent to those that prevail in arm's length transactions and are in compliance with the provisions of Companies Act and SEBI Regulations. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**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	31 March, 2023		31 March, 2022	
		Amount (FC Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
Forward contract- Sell	US\$ to ₹	4.50	3,830.16	3.75	2,901.11
	EUR to US\$	3.80	3,383.35	0.75	643.70
	EUR to ₹	1.50	1,329.26	0.50	439.43
	CAD to US\$	0.20	121.39	1.25	761.36

**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 31 March, 2023

(₹ 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>Non current</b>								
Investments	31 March, 2023	-	-	111.68	-	-	-	-
Loans	31 March, 2023	-	-	220.00	-	-	-	-
Other financial assets	31 March, 2023	-	-	13,530.68	-	-	-	-
<b>Current</b>	31 March, 2023							
Investment in mutual funds	31 March, 2023	3,190.29	-	-	-	3,190.29	-	3,190.29
Trade receivables	31 March, 2023	-	-	1,67,455.98	-	-	-	-
Cash and cash equivalents	31 March, 2023	-	-	8,393.03	-	-	-	-
Bank balance other than cash and cash equivalents	31 March, 2023	-	-	31.35	-	-	-	-
Derivative financial assets	31 March, 2023	23.54	-	-	-	23.54	-	23.54
Other financial assets other than derivative financial assets	31 March, 2023	-	-	2,648.76				
<b>Total Financial Assets</b>		<b>3,213.83</b>	<b>-</b>	<b>1,92,391.48</b>	<b>-</b>	<b>3,213.83</b>	<b>-</b>	<b>3,213.83</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ 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>Non current</b>								
Trade payables	31 March, 2023	-	-	-	-	-	-	-
Lease liabilities	31 March, 2023	-	-	-	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2023	-	-	172.56	-	-	-	-
<b>Current</b>	31 March, 2023							
Borrowings	31 March, 2023	-	-	-	-	-	-	-
Trade payables	31 March, 2023	-	-	1,30,213.17	-	-	-	-
Lease liabilities	31 March, 2023	-	-	-	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2023	-	-	43,063.12	-	-	-	-
<b>Total Financial liabilities</b>		-	-	<b>1,73,448.85</b>	-	-	-	-

As at 31 March, 2022

(₹ 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>Non current</b>								
Investments	31 March, 2022	-	-	114.50	-	-	-	-
Loans	31 March, 2022	-	-	272.00	-	-	-	-
Other financial assets	31 March, 2022	-	-	687.65	-	-	-	-
<b>Current</b>	31 March, 2022							
Investment in mutual funds	31 March, 2022	13,439.50	-	-	-	13,439.50	-	13,439.50
Trade receivables	31 March, 2022	-	-	1,31,860.64	-	-	-	-
Cash and cash equivalents	31 March, 2022	-	-	4,292.03	-	-	-	-
Bank balance other than cash and cash equivalents	31 March, 2022	-	-	10,456.80	-	-	-	-
Derivative financial assets	31 March, 2022	31.64	-	-	-	31.64	-	31.64
Other financial assets other than derivative financial assets	31 March, 2022	-	-	4,770.90	-	-	-	-
<b>Total Financial Assets</b>		<b>13,471.14</b>	-	<b>1,52,454.52</b>	-	<b>13,471.14</b>	-	<b>13,471.14</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ 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>Non current</b>								
Trade payables	31 March, 2022	-	-	235.58	-	-	-	-
Lease liabilities	31 March, 2022	-	-	347.17	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	159.14	-	-	-	-
<b>Current</b>	31 March, 2022							
Borrowings	31 March, 2022	-	-	3,803.96	-	-	-	-
Trade payables	31 March, 2022	-	-	1,07,122.2	-	-	-	-
Lease liabilities	31 March, 2022	-	-	513.69	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	32,380.42	-	-	-	-
<b>Total Financial liabilities</b>		-	-	<b>1,44,562.16</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.

**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. The mutual funds are valued using the closing NAV.

**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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 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 minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

#### Market risk

The Company operates internationally and a major portion of its business is transacted in United States Dollars and Euros and purchases from overseas suppliers mainly in US Dollars. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (refer note 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	31 March, 2023		31 March, 2022	
		Amount (FCY Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
<b>Unhedged currency exposure on:-</b>					
a) Receivables	US\$	56.80	46,672.95	48.05	36,412.30
	EUR	94.69	84,279.53	73.11	61,299.93
	HUF	2,217.07	5,205.01	2,523.10	5,771.09
	CZK	76.27	2,894.41	22.43	770.87
	PLN	24.90	4,750.60	24.14	4,361.42
	MXN	50.04	2,284.22	44.38	1,694.17
	GBP	2.92	2,962.26	1.55	1,540.62
	CAD	28.32	17,222.32	32.86	19,926.83
	COP	1,030.05	182.22	317.10	63.71
	ZAR	29.48	1,363.37	9.59	497.86
	HRK	0.29	34.91	1.22	135.21

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

<b>b) Payables</b>	<b>US\$</b>	147.60	1,21,286.94	149.12	1,12,999.75
	<b>EUR</b>	42.11	37,482.17	28.60	23,978.57
	<b>HUF</b>	641.34	1,505.68	746.61	1,707.72
	<b>CZK</b>	0.93	35.42	6.79	233.53
	<b>PLN</b>	3.84	732.15	2.28	412.78
	<b>CHF</b>	0.09	78.32	0.03	28.45
	<b>GBP</b>	0.56	563.03	0.24	240.47
	<b>PHP</b>	0.11	1.64	0.22	3.16
	<b>CAD</b>	1.40	848.68	0.34	203.38
	<b>ZAR</b>	0.22	10.18	0.99	51.51
	<b>JPY</b>	4.11	25.47	4.86	30.27
	<b>AUD</b>	-	-	-	-
	<b>MXN</b>	0.05	2.27	0.48	18.39
	<b>HRK</b>	0.00	0.01	0.17	19.21
<b>b) Balance in EEFC Accounts</b>	<b>US\$</b>	3.13	2,570.36	1.63	1,237.88
	<b>EUR</b>	5.38	4,785.95	3.38	2,830.74
	<b>CAD</b>	1.60	972.68	0.02	10.79
	<b>CZK</b>	-	-	-	-
	<b>PLN</b>	0.19	35.34	1.08	195.13
	<b>GBP</b>	0.00	0.32	0.01	5.38

Further, the Company has not hedged its investments in subsidiaries outside India (For list of subsidiaries refer note 5).

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in US\$ 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.

(₹ Lakhs)

	<b>Change in US\$ Rate</b>	<b>Effect on profit and loss</b>	<b>Effect on equity</b>
31 March, 2023	1%	(746.14)	(589.11)
	(1%)	746.14	589.11
31 March, 2022	1%	(765.87)	(552.08)
	(1%)	765.87	552.08

(₹ Lakhs)

	<b>Change in EUR Rate</b>	<b>Effect on profit and loss</b>	<b>Effect on equity</b>
31 March, 2023	1%	467.97	369.48
	(1%)	(467.97)	(369.48)
31 March, 2022	1%	373.21	269.03
	(1%)	(373.21)	(269.03)



**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**

**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 ₹ 1,67,455.98 Lakhs and ₹ 1,31,860.64 Lakhs as of 31 March, 2023 and 31 March, 2022 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

**Trade Receivables**

The Company has established credit policy under which each new customer is analysed individually for credit worthiness before Company's standard payment terms (credit period ranges from 30 to 180 days) and delivery terms and conditions are offered. The Company reviews external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

**The following table represents ageing of trade receivables as at 31 March, 2023:**

(₹ Lakhs)

Particulars	Not Yet Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivable - considered good	1,54,506.17	12,949.81	2,744.72	14.85	62.04	821.70	1,71,099.29
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	2,744.72	14.85	62.04	821.70	3,643.31
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

**The following table represents ageing of trade receivables as at 31 March, 2022:**

(₹ Lakhs)

Particulars	Not Yet Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivable - considered good	1,19,432.42	12,389.04	363.63	286.18	89.90	1,024.80	1,33,585.97
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	138.03	186.42	286.18	89.90	1,024.80	1,725.33
iii) Undisputed Trade Receivables - credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**Movement in allowances for credit losses**

(₹ Lakhs)				
	Opening	Addition	Reversal	Closing
31 March, 2023	1,725.33	3,116.34	1,198.36	3,643.31
31 March, 2022	1,536.58	452.37	263.62	1,725.33

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. Loans represent loan given to related parties for which the Company does not foresee any impairment loss.

**Liquidity Risk**

The liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach of managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation. The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables & other financial liabilities.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flows that are generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March, 2023, the Company had a working capital of ₹ 1,06,872.23 Lakhs including cash and cash equivalents of ₹ 8,393.03 Lakhs and current investments of ₹ 3,190.29 Lakhs. As of 31 March, 2022, the Company had a working capital of ₹ 98,375.14 Lakhs including cash and cash equivalents of ₹ 4,292.03 Lakhs and current investments of ₹ 13,439.50 Lakhs.

**The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2023:**

(₹ Lakhs)					
	Carrying value	Upto 1 year	1-2 years	2-3 years	Total
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	1,30,213.17	1,30,213.17	-	-	1,30,213.17
Other financial liabilities	43,235.68	43,063.12	172.56	-	43,235.68
<b>Total financial liabilities</b>	<b>1,73,448.85</b>	<b>1,73,276.29</b>	<b>172.56</b>	<b>-</b>	<b>1,73,448.85</b>

**The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2022:**

(₹ Lakhs)					
	Carrying value	Upto 1 year	1-2 years	2-3 years	Total
Borrowings	3,803.96	3,803.96	-	-	3,803.96
Lease liabilities	860.86	513.69	347.17	-	860.86
Trade payables	1,07,335.06	1,07,099.48	235.58	-	1,07,335.06
Other financial liabilities	32,562.28	32,403.14	159.14	-	32,562.28
<b>Total financial liabilities</b>	<b>1,44,562.16</b>	<b>1,43,820.27</b>	<b>741.89</b>	<b>-</b>	<b>1,44,562.16</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**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 asset 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 divided by total equity.

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Total debt (bank and other borrowings)	-	3,803.96
Lease Liabilities (non current and current)	-	860.86
	-	4,664.82
Equity	2,00,224.02	1,73,158.94
<b>Debt to equity (net)</b>	<b>-</b>	<b>0.03</b>

**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:**

(₹ Lakhs)

	2022-23		2021-22	
	Outstanding amount	Maximum amount outstanding during the year	Outstanding amount	Maximum amount outstanding during the year
Axis Crop Science Private Limited (Interest @ 4.5% p.a. w.e.f. 01 July, 2021 (Previous year 4.5% p.a.))	220.00	272.00	272.00	291.00
<b>Total</b>	<b>220.00</b>		<b>272.00</b>	

Note:

- i) Loans given are unsecured and repayable on demand. Loans have been given to meet their working capital requirements.
- ii) During the previous year, the Company advanced a loan of ₹ 1,584.70 Lakhs (US\$ 21.00 Lakhs) to Sharda International DMCC, a subsidiary company for business purpose in an arms' length transaction which was repaid by the subsidiary during the previous year itself. The maximum amount outstanding during the previous year in respect of this loan was ₹ 1,586.62 Lakhs (US\$ 21.03 Lakhs).

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**40. DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:**

**(a) Details of investment made:**

(₹ Lakhs)

Name of subsidiary	Opening	Purchase	Provision	Closing
Axis Crop Science Private Limited				
31 March, 2023	544.00	-	544.00	-
31 March, 2022	544.00	-	544.00	-

**(b) Details of Loan given:**

(₹ Lakhs)

Name of subsidiary	Opening	Purchase	Provision	Closing
Axis Crop Science Private Limited				
31 March, 2023	272.00	10.77	62.77	<b>220.00</b>
31 March, 2022	291.00	15.07	34.07	<b>272.00</b>

Note:

During the previous year, the Company advanced a loan of ₹ 1,584.70 Lakhs (US\$ 21.00 Lakhs) to Sharda International DMCC, a subsidiary company for business purpose in an arms' length transaction which was repaid by the subsidiary during the previous year itself. (refer note 34)

**(c) Loans or advances in the nature of loans granted to promoters, directors, KMP and other related parties either severally or jointly:**

(₹ Lakhs)

Type of Borrower	Outstanding Amount as on 31 March, 2023	% to Total Loans and advances	Outstanding Amount as on 31 March, 2022	% to Total Loans and advances
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	220.00	100%	272.00	84%

**41. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Total outstanding dues of Micro and Small 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	1,089.90	872.46
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	56.74	22.78
<b>Total</b>	<b>1,146.64</b>	<b>895.24</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
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(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
i) the amount of interest paid by the buyer under MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the 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 MSMED Act, 2006	-	-
iii) the amount of interest accrued and remaining unpaid at the end of accounting year	56.74	22.78
iv) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-
<b>Total</b>	<b>56.74</b>	<b>22.78</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.

# Includes principal amount ₹ 993.42 Lakhs (31 March, 2022: ₹ 576.23 Lakhs) and interest due thereon ₹ 52.13 Lakhs (31 March, 2022: ₹ 22.72 Lakhs) remaining unpaid to micro and small enterprises for capital purchases.

**42. DETAILS OF CSR EXPENDITURE (AS PER THE PROVISIONS OF SECTION 135 OF THE COMPANIES ACT, 2013):**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
1) Gross amount required to be spent by the Company	676.61	567.43
2) Shortfall from previous year	-	-
<b>Total</b>	<b>676.61</b>	<b>567.43</b>
3) Amount spent		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 27)	866.15	596.39
<b>Total</b>	<b>866.15</b>	<b>596.39</b>
4) Amount (spent in excess) / unspent	(189.54)	(28.96)

Note:

- CSR activities were mainly undertaken towards promoting education, healthcare assistance, eradicating hunger and malnutrition, promoting sports and animal welfare.
- Gross amount required to be spent by the Company is ₹ 676.61 Lakhs (31 March, 2022: ₹ 567.43 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent ₹ 866.15 Lakhs during the current year. Excess amount spent of ₹ 189.54 Lakhs (31 March, 2022: ₹ 28.96 Lakhs)
- For contribution made to related party refer note 34.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**43. DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES:**

There is one shareholder holding 164 shares in the Company as at 31 March, 2023 whose name is struck off from the register under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ Lakhs)

Name of the struck off company	Nature of transaction	Balance outstanding	Relationship with the struck off company
RI Infotech Private Limited	Shares held by struck off company	164	Shareholder

**44. ACCOUNTING RATIOS:**

Name of the ratio	Numerator	Denominator	Year ended 31 March, 2023	Year ended 31 March, 2022	% Variance	Reason for variance
a) Current Ratio	Current assets	Current liabilities	1.58	1.63	(3.07%)	
b) Debt Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	0.00	0.03	(100%)	The debt equity ratio has declined as there was repayment of borrowings and lease liabilities were written back.
c) Debt Service Coverage Ratio	Profit before interest and tax	Debt consists of borrowings and lease liabilities	-	9.13	(100%)	Decrease due to repayment of borrowings and write-off of lease liabilities and EBIT has also increased.
d) Net Profit Ratio	Profit after tax	Revenue from operations	9.80%	9.60%	2.10%	
e) Return on Equity	Profit after tax	Average total equity = (Opening total equity + Closing total equity)/2	17.39%	17.49%	(0.56%)	
f) Return on Capital Employed	Profit before interest and tax	Average capital employed* = (Opening capital employed + Closing capital employed)/2	20.66%	22.63%	(8.73%)	
g) Return on Investment	Income generated from invested funds in market	Average invested funds in market = (Opening funds invested in market + Closing funds invested in market)/2	3.56%	4.40%	(19.22%)	
h) Net Capital Turnover Ratio	Revenue from operations	Average working capital = (Opening current assets + Closing current assets)/2	3.23	3.21	0.62%	



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

Name of the ratio	Numerator	Denominator	Year ended 31 March, 2023	Year ended 31 March, 2022	% Variance	Reason for variance
i) Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables = (Opening trade receivable + Closing trade receivable)/2	2.21	2.44	-9.38%	
j) Trade Payable Turnover Ratio	Total purchases	Average trade payable = (Opening trade payable + Closing trade payable)/2	2.16	2.58	(16.11%)	
k) Inventory Turnover Ratio	Cost of goods sold	Average inventory = (Opening inventory + Closing inventory)/2	2.47	3.08	(19.67%)	

Note:

Basis of computation changed during the current year.

\* Capital employed = Total assets - Current liabilities

#### 45. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April, 2023, as below:

##### a) IND AS 1 - Presentation of financial statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

##### b) Ind AS 8 - Accounting policies, changes in accounting estimates and errors:

This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

##### b) Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

None of these amendments are expected to have material impact on the financial statements of the Company.

#### 46. DISCLOSURE FOR ULTIMATE BENEFICIARIES

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**

**47. OTHER MATTERS**

- i) The Company does not have any Benami property, where any proceeding has been initiated or is pending against the Company, for holding any Benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Company is in compliance with the number of layers prescribed under clause (87) of Section 2 of The Companies Act read with the Companies ( Restriction on number of layers) Rules, 2017.
- v) The Company does not have any such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as Search or Survey or any other relevant provisions of the Income Tax Act, 1961
- vi) As on 31 March, 2023 there is no unutilised amounts of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

**48. PREVIOUS YEAR COMPARATIVE**

The figures for the previous year have been regrouped / reclassified to correspond with the current year's classification / disclosures.

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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023



# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Sharda Cropchem Limited**

## REPORT ON THE AUDIT OF THE 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 2023, 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 as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, 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 reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### KEY AUDIT MATTER(S)

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.

### DESCRIPTION OF KEY AUDIT MATTERS

See Note 2.9 and 34 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<b>Revenue recognition</b>  The Group's revenue is derived primarily from sale of products. The principal products of the Group comprises of agro-chemicals and belts. Revenue from sale of goods is recognized 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.	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: <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.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT (CONTD.)**

<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>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. There is a risk that revenue could be recognized 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>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.</p> <ul style="list-style-type: none"> <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 and transporter documents.</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>

**Impairment testing of intangible assets and intangible assets under development**

See Note 2.12, 4 and 4A to the consolidated financial statements

<b>The 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 2.12, 4 and 4A, the Group's intangible assets comprised product registrations and licenses. The carrying amount of the intangible assets and intangible assets under development represents 20% 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 2.12, 4 and 4A to the consolidated financial statements, the Group capitalizes costs incurred to apply for product registrations.</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>- Evaluated the design and implementation and tested the operating effectiveness of key internal controls in relation to the impairment of intangible assets and intangible assets under development.</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 rate, expected growth rates and terminal growth rates used.</li> <li>- We compared the cash flow to management forecasts and other relevant market and economic information, as well as testing the underlying workings.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

The key audit matter	How the matter was addressed in our audit
<p>The impairment assessment is performed, based on value in use of product registrations for the specific regions. 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>	<ul style="list-style-type: none"> <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 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 financial statements and auditor's 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 reports 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 DIRECTOR'S 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 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 companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group 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 auditor's report that includes our

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 statements/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 the financial statements/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 paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 eight subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.84,283.08 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs.162,894.52 lakhs and net cash flows (before consolidation adjustments) amounting to Rs. 7,872.70 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 reports of the other auditors.

One of these subsidiaries (including 10 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 auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such 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 reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

b. The financial information of twenty two subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs.29.60 Lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Nil and net cash flows (before consolidation adjustments) amounting to Rs.(6.58) 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 information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information 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 this matter with respect to the financial information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, 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



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) 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:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 36 to the consolidated financial statements in respect of such items as it relates to the Group.
  - c. There are no amounts which are 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 2023.
  - d. (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, other than as disclosed in the Note 45 to the consolidated financial statements, no funds have been received by the Holding Company and its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary company incorporated in India whose financial statements have been audited under the Act nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 14 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid during the current year by the Holding Company, to its directors, 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

Place: Mumbai

Date: 12th May, 2023

ICAI UDIN: 23100060BGW0AE4146

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Membership No. 100060

ICAI UDIN: 23100060BGWOAE4146

Place: Mumbai

Date: 12th May, 2023



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

### 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 Act

(Referred to in paragraph 2(A)(e) 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 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the 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.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OTHER MATTER**

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 subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of above matters.

### **For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Place: Mumbai

Membership No. 100060

Date: 12th May, 2023

ICAI UDIN: 23100060BGW0AE4146



Sharda Cropchem Limited

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2023

	Note	As at 31 March, 2023	As at 31 March, 2022
(₹ Lakhs)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A & 3B	497.74	1,439.86
Goodwill	5	0.84	0.79
Other intangible assets	4	66,299.75	57,740.52
Intangible assets under development	4A	20,386.94	21,217.59
Financial assets			
Other financial assets	8	14,060.72	1,120.44
Deferred tax assets (net)	9D	794.59	487.26
Income tax assets (net)	9A	7,225.43	7,161.39
<b>Total non-current assets</b>		<b>1,09,266.01</b>	<b>89,167.85</b>
<b>Current assets</b>			
Inventories	10	1,13,433.86	89,278.07
Financial assets			
Investments	6	3,190.29	13,439.50
Trade receivables	11	1,83,330.50	1,53,995.57
Cash and cash equivalents	12 A	17,636.49	5,669.39
Bank balances other than cash and cash equivalents	12 B	550.11	10,933.65
Loans	7	-	50.04
Other financial assets	8	2,866.79	4,991.93
Other current assets	13	4,808.74	6,787.22
<b>Total current assets</b>		<b>3,25,816.78</b>	<b>2,85,145.37</b>
<b>Total Assets</b>		<b>4,35,082.79</b>	<b>3,74,313.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	9,022.05	9,022.05
Other equity	15	2,14,180.13	1,82,224.14
<b>Equity attributable to owners of the Company</b>		<b>2,23,202.18</b>	<b>1,91,246.19</b>
Non-controlling interests		35.19	33.14
<b>Total equity</b>		<b>2,23,237.37</b>	<b>1,91,279.33</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities		-	347.17
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		-	235.58
Other financial liabilities	18	172.56	159.14
Provisions	19	273.92	228.71
Deferred tax liabilities (net)	9E	14,342.98	12,886.42
<b>Total non-current liabilities</b>		<b>14,789.46</b>	<b>13,857.02</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16	296.47	3,803.96
Lease liabilities		-	513.69
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		185.87	880.74
total outstanding dues of creditors other than micro enterprises and small enterprises		1,37,571.12	1,16,875.36
Other financial liabilities	18	43,137.17	32,476.45
Other current liabilities	20	7,811.34	5,540.59
Provisions	19	6,140.20	8,665.51
Income tax liabilities (net)	9B	1,913.79	420.57
<b>Total current liabilities</b>		<b>1,97,055.96</b>	<b>1,69,176.87</b>
<b>Total Equity And Liabilities</b>		<b>4,35,082.79</b>	<b>3,74,313.22</b>
Summary of significant accounting policies	2		

The notes referred to above and other notes form an integral part of the consolidated 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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director  
DIN 00945147

**Jetkin Gudhka**

Company Secretary  
Membership No.: A26487

Place: Mumbai  
Date : 12 May, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ Lakhs)

	Note	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>INCOME</b>			
Revenue from operations	21	4,04,515.66	3,57,976.68
Other income	22	4,028.05	2,887.77
<b>Total income</b>		<b>4,08,543.71</b>	<b>3,60,864.45</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	1,55,169.35	1,33,109.02
Purchase of stock in trade		1,61,600.22	1,34,660.43
Changes in inventories of finished goods and stock in trade	24	(30,691.28)	(17,788.54)
Employee benefits expenses	25	4,479.68	4,417.19
Finance costs	26	451.00	221.29
Foreign exchange loss		5,760.93	1,645.71
Depreciation and amortisation expense	27	24,811.74	24,533.49
Other expenses	28	43,887.59	33,641.99
<b>Total expenses</b>		<b>3,65,469.23</b>	<b>3,14,440.58</b>
<b>Profit before tax</b>		<b>43,074.48</b>	<b>46,423.87</b>
<b>Tax expense</b>			
Current tax	9C	7,443.59	8,016.70
Adjustment of tax relating to earlier years	9C	286.27	(229.24)
Deferred tax charge	9C	1,146.35	3,708.67
<b>Total tax expense</b>		<b>8,876.21</b>	<b>11,496.13</b>
<b>Profit for the year</b>		<b>34,198.27</b>	<b>34,927.74</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to the statement of profit or loss</b>			
Re-measurement gains on defined benefit plans		7.38	26.99
Income tax relating to items that will not be reclassified to the statement of profit or loss		(1.36)	(8.15)
<b>Items that will be reclassified to the statement of profit or loss</b>			
Exchange differences on translation of financial statement of foreign operations		3,296.29	286.28
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>3,302.31</b>	<b>305.12</b>
<b>Total Comprehensive Income for the year</b>		<b>37,500.58</b>	<b>35,232.86</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent		34,195.94	34,925.35
Non-controlling interests		2.33	2.39
<b>Other Comprehensive Income attributable to:</b>		<b>3,302.31</b>	<b>305.12</b>
Owners of the parent		3,302.59	305.13
Non-controlling interests		(0.28)	(0.01)
<b>Total Comprehensive Income for the year attributable to:</b>		<b>37,500.58</b>	<b>35,232.86</b>
Owners of the parent		37,498.53	35,230.48
Non-controlling interests		2.05	2.38
<b>Earnings per share (₹ per share)</b>			
Basic and diluted (Face value per share of ₹ 10 each)	29	37.90	38.71
Summary of significant accounting policies	2		

The notes referred to above and other notes form an integral part of the consolidated 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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Cash flows from operating activities</b>		
Profit before tax	43,074.48	46,423.87
<b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>		
Depreciation and amortisation expense	24,811.74	24,533.49
Unrealised exchange loss / (gain) (net)	232.39	503.77
Provision for diminution in shares	2.82	-
Miscellaneous Income	-	(14.63)
Discard / Write-off of intangible assets and intangible assets under development	1,194.12	2,923.10
(Profit)/ Loss on disposal of property, plant and equipment	(5.45)	0.30
Gain on redemption of current investments	(1,582.11)	(149.83)
Fair valuation gain on current investments	1,368.55	(483.07)
Bad debts	677.91	79.57
Allowances for doubtful debts	1,789.93	198.79
Loss on Sale of bond	7.50	5.74
Liabilities/ provisions no longer required written back	(1,604.14)	(1,382.63)
Liabilities of capital creditors no longer required written back	(203.70)	(100.84)
Finance costs	451.00	221.29
Interest income	(490.27)	(645.35)
<b>Operating profit before working capital changes</b>	<b>69,724.77</b>	<b>72,113.57</b>
Movements in working capital:		
(Increase) in trade receivables	(29,307.95)	(37,228.08)
(Increase) in inventories	(24,155.79)	(36,723.21)
Decrease / (Increase) in loans	51.47	(49.99)
Decrease / (Increase) in other current assets	1,982.15	(2,990.06)
Decrease / (Increase) in other financial assets	652.51	(2,146.51)
Increase in trade payables	20,703.56	37,632.24
(Decrease) / Increase in provisions	(2,472.72)	3,619.39
Increase/ (Decrease) in other financial liabilities and other liabilities	2,175.86	(34.92)
<b>Cash generated from operations</b>	<b>39,353.86</b>	<b>34,192.43</b>
Income taxes paid (net of refunds)	(6,525.65)	(7,481.97)
<b>Net cash flows from operating activities (A)</b>	<b>32,828.21</b>	<b>26,710.46</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(66.14)	(28.63)
Purchase of intangible assets (including intangible assets under development and capital advances)	(24,341.79)	(23,350.61)
Proceeds from sale of plant, property and equipment	12.28	6.48
Proceeds from sale of current investments (Bonds)	1,311.22	-
Purchase of current Investments	(10,499.48)	(11,344.45)
Proceeds from sale of current investments	19,643.53	6,833.42
Interest received on Bond	37.92	28.14
Bank deposits placed	(8,423.40)	(2,138.74)
Redemption of bank deposits / other bank balances	7,373.55	8,703.22
Interest from fixed deposits	436.56	502.03
<b>Net cash flows (used in) investing activities (B)</b>	<b>(14,515.75)</b>	<b>(20,789.14)</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Cash flows from financing activities</b>		
Repayment of principal towards lease liability	(513.69)	(474.33)
Proceeds from borrowings	8,946.90	11,975.51
Repayment of borrowings	(12,425.08)	(14,997.88)
Interest paid on lease liability	(50.31)	(89.67)
Finance costs paid	(140.19)	(96.59)
Dividend paid on equity shares	(5,527.78)	(5,412.67)
<b>Net cash flows (used in) /from financing activities (C)</b>	<b>(9,710.15)</b>	<b>(9,095.63)</b>
<b>Exchange difference arising on conversion debited/ (credited) to foreign currency translation reserve (D)</b>	<b>3,297.53</b>	<b>283.93</b>
<b>Net increase in cash and cash equivalents (A + B + C + D)</b>	<b>11,899.84</b>	<b>(2,890.38)</b>
Cash and cash equivalents at the beginning of the year	5,669.39	8,555.12
Exchange differences on translation of foreign currency cash and cash equivalent	67.26	4.65
<b>Cash and cash equivalents at the end of the year</b>	<b>17,636.49</b>	<b>5,669.39</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	4.22	1.22
Balances with Banks	17,632.27	5,668.17
<b>Total cash and cash equivalents as per the cash flow statement (Note 12)</b>	<b>17,636.49</b>	<b>5,669.39</b>

## Notes:

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

## 2. Reconciliation of net debts

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening balance	3,803.96	6,784.72
Add: Loan taken during the year	8,946.90	11,975.51
Less: Repayment made during the year	(12,425.08)	(14,997.88)
Less: Forex adjustments	(29.31)	41.61
<b>Closing balance</b>	<b>296.47</b>	<b>3,803.96</b>

The notes referred to above and other notes form an integral part of the consolidated 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 : 12 May, 2023

### 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 : 12 May, 2023

#### Ashish R. Bubna

Whole-time Director

DIN 00945147

#### Jetkin Gudhka

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023



Sharda Cropchem Limited

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023

## A. EQUITY SHARE CAPITAL (NOTE 14)

	(₹ Lakhs)
<b>As at 01 April, 2021</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2022</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2023</b>	<b>9,022.05</b>

## B. OTHER EQUITY

	Attributable to owners of the Company						Total other equity	Non-controlling interests	Total
	Reserves & Surplus				Other comprehensive income				
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserve (Note 15)	General reserve (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
<b>As on 01 April, 2021</b>	<b>2,168.55</b>	<b>1,44,739.38</b>	<b>1,581.11</b>	<b>664.94</b>	<b>3,245.84</b>	<b>8.08</b>	<b>1,52,407.90</b>	<b>30.75</b>	<b>1,52,438.65</b>
Profit for the year		34,925.35					34,925.35	2.39	34,927.74
Profit on account of scheme of merger		(1.00)					(1.00)		(1.00)
Other comprehensive income					286.28	18.84	305.12	0.00	305.12
<b>Total Comprehensive Income</b>	<b>-</b>	<b>34,924.35</b>	<b>-</b>	<b>-</b>	<b>286.28</b>	<b>18.84</b>	<b>35,229.47</b>	<b>2.39</b>	<b>35,231.86</b>
Payments of dividends		(5,413.23)					(5,413.23)		(5,413.23)
Non-controlling interests									-
<b>As on 31 March, 2022</b>	<b>2,168.55</b>	<b>1,74,250.50</b>	<b>1,581.11</b>	<b>664.94</b>	<b>3,532.12</b>	<b>26.92</b>	<b>1,82,224.14</b>	<b>33.14</b>	<b>1,82,257.28</b>

	Attributable to owners of the Company						Total other equity	Non-controlling interests	Total
	Reserves & Surplus				Other comprehensive income				
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserve (Note 15)	General reserve (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
<b>As on 01 April, 2022</b>	<b>2,168.55</b>	<b>1,74,250.50</b>	<b>1,581.11</b>	<b>664.94</b>	<b>3,532.12</b>	<b>26.92</b>	<b>1,82,224.14</b>	<b>33.14</b>	<b>1,82,257.28</b>
Profit for the year		34,195.94					34,195.94	2.33	34,198.27
Profit on account of closure of subsidiary		3.05					3.05		3.05
Other comprehensive income					3,296.29	6.02	3,302.31	(0.28)	3,302.03
<b>Total Comprehensive Income</b>	<b>-</b>	<b>34,198.99</b>	<b>-</b>	<b>-</b>	<b>3,296.29</b>	<b>6.02</b>	<b>37,501.30</b>	<b>2.05</b>	<b>37,503.35</b>
Payments of dividends		(5,545.31)					(5,545.31)		(5,545.31)
Non-controlling interests									-
<b>As on 31 March, 2023</b>	<b>2,168.55</b>	<b>2,02,904.18</b>	<b>1,581.11</b>	<b>664.94</b>	<b>6,828.41</b>	<b>32.94</b>	<b>2,14,180.13</b>	<b>35.19</b>	<b>2,14,215.32</b>

The notes referred to above and other notes form an integral part of the consolidated 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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**  
 Whole-time Director  
 DIN 00945147

**Jetkin Gudhka**  
 Company Secretary  
 Membership No.: A26487

Place: Mumbai  
 Date : 12 May, 2023

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2023

### 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 31 March, 2023. 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 & dye intermediates and general chemicals to various countries across the world.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

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

The consolidated financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on 12 May, 2023.

#### 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 ₹ in Lakhs, unless otherwise indicated.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries as at 31 March, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the 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 recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### Non-controlling Interest (NCI)

Non-controlling interest are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the group's equity interest in a subsidiary that does not result in a loss of control are accounted for as equity transaction.

The list of companies, 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	31 March, 2023	31 March, 2022
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%



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

Sr. No.	Name	Country of incorporation	31 March, 2023	31 March, 2022
21	Sharda Spain, S.L. *	Spain	100.00%	100.00%
22	Sharda Swiss SARL*	Switzerland	100.00%	100.00%
23	Sharda Taiwan Limited*	Taiwan	100.00%	100.00%
24	Sharda Ukraine LLC*	Ukraine	100.00%	100.00%
25	Sharda USA LLC *	USA	100.00%	100.00%
26	Shardacan Limited*	Canada	100.00%	100.00%
27	Sharda Morocco SARL*	Morocco	99.80%	99.80%
28	Shardaserb D.O.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%
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%	49.00%
42	Sharda Agrochem Limited (from 11.02.2021)	United Kingdom	100.00%	100.00%

\* The financial statements of these companies are drawn for and audited for the calendar year ended 31 December, 2022 in compliance with respective local laws. All material adjustments for the effect of significant transactions or events occurred up to 31 March, 2023, 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 31 March, 2023.

\*\* In terms of the MOU dated 10 November, 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.

\*\*\* In terms of the MOU dated 17 March, 2021 entered with other shareholders of Sharda Impex LLC, the Company has gained 100% control over Sharda Impex 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 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110 i.e., Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 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:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

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

All other assets are classified as non-current.

#### Liabilities

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

- (a) it is expected to be settled in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the balance sheet date; or

- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

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

All other liabilities are classified as non-current.

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

#### Operating cycle

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

### 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 recognised 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Fair value changes are recognised 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 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 recognised 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 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 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 2.10 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. The Company has adopted the new Income-tax Regime with effect from 1 April, 2022.

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 recognised 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 recognised 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 utilised.

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 utilised.

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 realised 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.

### 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**

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 amortisation**

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 estimated useful life to provide depreciation on its property, plant and equipment.

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

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

**2.12 Intangible assets and amortisation**

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

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

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

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 the statement of profit and 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 projected 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 recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets are tested for impairment annually as at the balance sheet date 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 recognises 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 recognised as an expense on a straight-line basis over the lease term. Such operating lease payments are recognised 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 realisable 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 realisable 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 recognised 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 recognised 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 recognised 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 recognise 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### **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**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Provision for compensation absence is determined on the basis of leave credit balance of individual employee as at year end and last drawn salary and is charged to statement of profit and loss for the year.

### **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 transaction costs, in the case of a financial asset not at fair value through profit or loss.

##### **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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and 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 recognised in the other comprehensive income (OCI). However, the Group recognises 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 categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised 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 recognised 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 recognised 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 recognised 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-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

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

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

### **Impairment of financial assets**

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

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

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

- Trade receivables and
- Other receivables

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 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 recognised in the statement of profit and loss.

#### Loans and borrowings

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

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

#### Derecognition

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



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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 recognised 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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.

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**3A. PROPERTY, PLANT AND EQUIPMENT**

(₹ Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	Total
<b>Cost</b>								
At 01 April, 2021	243.81	630.32	57.92	22.41	5.72	497.15	199.27	1,656.60
Additions	0.41	-	19.53	15.94	-	-	-	35.88
Disposals	-	-	(12.69)	-	-	-	-	(12.69)
Translation exchange difference	0.87	(0.32)	-	2.09	-	-	-	2.64
<b>At 31 March, 2022</b>	<b>245.09</b>	<b>630.00</b>	<b>64.76</b>	<b>40.44</b>	<b>5.72</b>	<b>497.15</b>	<b>199.27</b>	<b>1,682.43</b>
<b>Accumulated depreciation</b>								
At 01 April, 2021	160.73	188.36	15.29	8.87	5.72	276.65	109.56	765.18
Depreciation charge during the year	49.37	66.32	9.22	12.13	-	82.91	33.23	253.18
Disposals	-	-	(5.91)	-	-	-	-	(5.91)
Translation exchange difference	(0.10)	(0.37)	-	(0.05)	-	-	-	(0.52)
<b>At 31 March, 2022</b>	<b>210.00</b>	<b>254.31</b>	<b>18.60</b>	<b>20.95</b>	<b>5.72</b>	<b>359.56</b>	<b>142.79</b>	<b>1,011.93</b>
<b>Net carrying value</b>								
At 01 April, 2021	83.08	441.96	42.63	13.54	-	220.50	89.71	891.42
<b>At 31 March, 2022</b>	<b>35.09</b>	<b>375.69</b>	<b>46.16</b>	<b>19.49</b>	<b>-</b>	<b>137.59</b>	<b>56.48</b>	<b>670.50</b>

(₹ Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold Improvements	Electrical Installation	Total
<b>Cost</b>								
At 01 April, 2023	245.09	630.00	64.76	40.44	5.72	497.15	199.27	1,682.43
Additions	3.74	-	40.41	21.57	-	-	-	65.72
Disposals	(1.22)	-	(29.68)	(17.13)	-	-	-	(48.03)
Translation exchange difference	0.88	0.55	-	0.91	-	-	-	2.34
<b>At 31 March, 2023</b>	<b>248.49</b>	<b>630.55</b>	<b>75.49</b>	<b>45.79</b>	<b>5.72</b>	<b>497.15</b>	<b>199.27</b>	<b>1,702.46</b>
<b>Accumulated depreciation</b>								
At 01 April, 2023	210.00	254.31	18.60	20.95	5.72	359.56	142.79	1,011.93
Depreciation charge during the year	27.48	66.30	10.03	11.75	-	82.91	33.23	231.70
Disposals	(1.22)	-	(22.85)	(17.13)	-	-	-	(41.20)
Translation exchange difference	0.57	0.48	-	1.24	-	-	-	2.29
<b>At 31 March, 2023</b>	<b>236.83</b>	<b>321.09</b>	<b>5.78</b>	<b>16.81</b>	<b>5.72</b>	<b>442.47</b>	<b>176.02</b>	<b>1,204.72</b>
<b>Net carrying value</b>								
At 01 April, 2023	35.09	375.69	46.16	19.49	-	137.59	56.48	670.50
<b>At 31 March, 2023</b>	<b>11.66</b>	<b>309.46</b>	<b>69.71</b>	<b>28.98</b>	<b>-</b>	<b>54.68</b>	<b>23.25</b>	<b>497.74</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**3B. RIGHT OF USE ASSET**

	(₹ Lakhs)
	<b>Leasehold premises</b>
<b>Cost</b>	
At 01 April, 2021	2,095.65
Additions	44.22
<b>At 31 March, 2022</b>	<b>2,139.87</b>
<b>Accumulated depreciation</b>	
At 01 April, 2021	898.93
Depreciation charge during the year	471.58
<b>At 31 March, 2022</b>	<b>1,370.51</b>
<b>Net carrying value</b>	
At 01 April, 2021	1,196.72
<b>At 31 March, 2022</b>	<b>769.36</b>

	(₹ Lakhs)
	<b>Leasehold premises</b>
<b>Cost</b>	
At 01 April, 2022	2,139.87
<b>At 31 March, 2023</b>	<b>2,139.87</b>
<b>Accumulated depreciation</b>	
At 01 April, 2022	1,370.51
Depreciation charge during the year	769.36
<b>At 31 March, 2023</b>	<b>2,139.87</b>
<b>Net carrying value</b>	
At 01 April, 2022	769.36
<b>At 31 March, 2023</b>	<b>-</b>

**4. INTANGIBLE ASSETS**

	(₹ Lakhs)		
	Computer Software	Product Registration and Licences	Total
<b>Cost</b>			
At 01 April, 2021	114.53	1,04,280.26	1,04,394.79
Additions*	-	30,307.50	30,307.50
Disposals#	-	(3,207.48)	(3,207.48)
Translation exchange difference	(1.12)	-	(1.12)
<b>At 31 March, 2022</b>	<b>113.41</b>	<b>1,31,380.28</b>	<b>1,31,493.69</b>
<b>Accumulated amortisation</b>			
At 01 April, 2021	74.89	52,008.78	52,083.67
Amortisation during the year	13.54	23,795.20	23,808.74
Disposals#	-	(2,138.06)	(2,138.06)
Translation exchange difference	(1.18)	-	(1.18)
<b>At 31 March, 2022</b>	<b>87.25</b>	<b>73,665.92</b>	<b>73,753.17</b>
<b>Net carrying value</b>			
At 01 April, 2021	39.64	52,271.48	52,311.12
<b>At 31 March, 2022</b>	<b>26.16</b>	<b>57,714.36</b>	<b>57,740.52</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(₹ Lakhs)

	Computer Software	Product Registration and Licences	Total
<b>Cost</b>			
At 01 April, 2022	113.41	1,31,380.28	1,31,493.69
Additions*	8.02	35,151.53	35,159.55
Disposals#	(6.29)	(3,052.99)	(3,059.28)
Translation exchange difference	0.53	-	0.53
<b>At 31 March, 2023</b>	<b>115.67</b>	<b>1,63,478.82</b>	<b>1,63,594.49</b>
<b>Accumulated amortisation</b>			
At 01 April, 2022	87.25	73,665.92	73,753.17
Amortisation during the year	14.81	23,795.45	23,810.26
Disposals#	(5.89)	(263.30)	(269.19)
Translation exchange difference	0.50	-	0.50
<b>At 31 March, 2023</b>	<b>96.67</b>	<b>97,198.07</b>	<b>97,294.74</b>
<b>Net carrying value</b>			
At 01 April, 2022	26.16	57,714.36	57,740.52
<b>At 31 March, 2023</b>	<b>19.00</b>	<b>66,280.75</b>	<b>66,299.75</b>

\* The data compensation elements of product registration was initially capitalised based on management assessment of the amounts payable. The gross block of product registration and licenses have been reduced consequent to negotiations / arbitration between contracting parties by ₹ 2,695.29 Lakhs (31 March, 2022: ₹ 386.25 Lakhs)

# The Company has written off certain assets during the current year having net written down value of ₹ 94.39 Lakhs (31 March, 2022: ₹ 683.17 Lakhs) based on internal assessment.

**4A. Intangible assets under development**

(₹ Lakhs)

	Intangible assets under development
<b>Cost</b>	
At 01 April, 2021	13,103.82
Additions	40,730.78
Disposals	(2,309.51)
Capitalised	(30,307.50)
<b>At 31 March, 2022</b>	<b>21,217.59</b>

(₹ Lakhs)

	Intangible assets under development
<b>Cost</b>	
At 01 April, 2022	21,217.59
Additions	35,536.77
Disposals	(1,209.78)
Capitalised	(35,157.64)
<b>At 31 March, 2023</b>	<b>20,386.94</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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**4B. Intangible assets under development**

(i) Intangible assets under development ageing schedule as on 31 March, 2022

(₹ Lakhs)

Projects	Amount in Intangible assets under development for a period of				
	Upto 1 year	1-2 years	2-3 years	more than 3 years	Total
Product Registration	8,442.24	3,176.40	2,364.18	7,228.67	21,211.49
Computer Software	-	-	-	6.10	6.10
	<b>8,442.24</b>	<b>3,176.40</b>	<b>2,364.18</b>	<b>7,234.77</b>	<b>21,217.59</b>

(ii) Intangible assets under development ageing schedule as on 31 March, 2023

(₹ Lakhs)

Projects	Amount in Intangible assets under development for a period of				
	Upto 1 year	1-2 years	2-3 years	more than 3 years	Total
Product Registration	6,172.95	5,259.58	2,537.03	6,417.38	20,386.94
Computer Software	-	-	-	-	-
	<b>6,172.95</b>	<b>5,259.58</b>	<b>2,537.03</b>	<b>6,417.38</b>	<b>20,386.94</b>

- b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :

The major business of the Company (80% approximately) is sale of Agrochemical products in more than 70 countries around the world. These products are not freely tradable or saleable. These products need to be approved by the competent authorities and ministries independently in every country where the product is intended to be marketed.

The process of approval is known as 'Registration' of the product and its form as an intangible asset of the Company. The process of registration involves identification of the product, basic and applied research, field trials, data generation, evaluation and approval by the authorities at each step. The nature of these processes makes it highly unpredictable in terms of cost as well as timeline. The timeline can vary for 6 months to 8 years approx. The varying demand from the authorities during the process of registration also adds to the uncertainty of cost and timeline. As of 31 March, 2023, there are 1,143 (31 March, 2022: 1130) product registrations (numbers) in pipeline across geographies.

**5. GOODWILL**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Carrying value at the beginning of the year	0.79	42.54
Impairment of Goodwill *	-	(42.54)
Goodwill arising on account of scheme of merger **	-	0.79
Foreign currency exchange gain / (loss)	0.05	-
<b>Carrying value at the end of the year</b>	<b>0.84</b>	<b>0.79</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.

Goodwill is fully impaired in the financial year ending 31 March, 2022 amounting to ₹ 42.54 ₹ Lakhs.

\*\* Goodwill is arising on account of merger of Sharda Polska with Sharda Poland, amounting to ₹ 0.79 Lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**6. CURRENT INVESTMENTS**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Investment carried at fair value through statement of profit or loss (FVTPL)</b>		
<b>Investments in mutual funds units (Unquoted)</b>		
-Axis Banking & PSU Debt Fund Nil (31 March, 2022: 50,067) units of ₹ 1,000 each	-	1,071.79
-Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan 4,45,280 (31 March, 2022: 3,48,569 ) units of ₹ 10 each	1,393.85	1,032.73
DSP Corporate Bond Fund Growth Nil (31 March, 2022: 70,48,697) units of ₹ 10 each	-	929.88
DSP Banking and PSU Debt Fund- Reg-Growth Nil (31 March, 2022: 41,95,404) units of ₹ 10 each	-	816.12
-HDFC Ultra Short Term Fund-Regular Growth Nil (31 March, 2022: 11,44,194) units of ₹ 10 each	-	140.48
-HDFC Corporate Bond Fund - Regular Growth Nil (31 March, 2022: 57,40,234) units of ₹ 10 each	-	1,500.10
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) Nil (31 March, 2022: 35,39,859) units of ₹ 10 each	-	837.38
-ICICI Prudential Equity Arbitrage Fund - Dividend Nil (31 March, 2022: 18,49,841) units of ₹ 10 each	-	514.86
-IDFC Corporate Bond Fund Regular Plan - Growth Nil (31 March, 2022: 1,34,72,307) units of ₹ 10 each	-	2,119.81
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) Nil (31 March, 2022: 17,07,827 ) units of ₹ 10 each	-	515.93
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) Nil (31 March, 2022: 12,00,788) units of ₹ 10 each	-	633.95
Kotak Floating Rate Fund Growth (Regular Plan) Nil (31 March, 2022: 42,613) units of ₹ 1000 each	-	517.67
Kotak Money Market Fund -Growth (Regular Plan) 14,729 (31 March, 2022: Nil) units of ₹ 1,000 each	560.18	-
-Union Corporate Bond Fund - Regular Plan Growth * 43,11,268 (31 March, 2022: 43,11,268) units of ₹ 10 each	318.53	539.26
Nippon India Money Market Fund (Growth Plan) 16,433 (31 March, 2021: Nil) units of ₹ 1000 each	577.23	-
-Union Medium Duration Fund Regular Plan - Growth * 19,99,900 (31 March, 2022: 19,99,900) units of ₹ 10 each	218.31	213.31
-Union Hybrid Equity Fund - Regular Plan Growth 9,99,940 (31 March, 2022: 9,99,940) units of ₹ 10 each	122.19	123.89
-Union Corporate Bond Fund - Direct Plan Growth * Nil (31 March, 2022: 48,43,808) units of ₹ 10 each	-	613.62
<b>(A)</b>	<b>3,190.29</b>	<b>12,120.78</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
HDFC Bank-8.85% Prepetual-Pvt-INE040A Nil (31 March, 2022: 28) units of ₹ 10,00,000 each	-	299.40
The Bombay Burmah Trading Corporation Nil (31 March, 2022:100) units of ₹ 10,00,000 each	-	1,019.32
<b>(B)</b>	-	<b>1,318.72</b>
<b>Total</b>	<b>3,190.29</b>	<b>13,439.50</b>

\* Lien marked on the units of:

- Union Corporate Bond Fund Regular Plan - Growth for ₹ Nil (31 March, 2022: ₹ 229.99 Lakhs),
- Union Medium Duration Fund - Regular Plan - Growth for ₹ 218.31 Lakhs (31 March, 2022: ₹ 213.31) and
- Union Corporate Bond Fund - Direct Plan - Growth for ₹ Nil (31 March, 2022: ₹ 613.62) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Aggregate amount of unquoted investments	3,190.29	13,439.50
Aggregate amount of quoted investments	-	1,318.72
Investment carried at fair value through statement of profit or loss (FVTPL)	3,190.29	13,439.50

**7. LOANS**

**Current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good (carried at cost)</b>		
Other loans	-	50.04
<b>Total</b>	-	<b>50.04</b>

**8. OTHER FINANCIAL ASSETS**

**Non current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Goods and service tax receivable	838.75	12.54
Statutory dues receivable from government authorities	823.82	738.86
Export incentive receivable	324.03	335.66
Security deposit	528.63	33.38
Balance in fixed deposit accounts with original maturity of more than twelve months *	11,433.39	-
Interest accrued on fixed deposits with bank *	112.10	-
<b>Total</b>	<b>14,060.72</b>	<b>1,120.44</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 11,344.50 Lakhs (31 March, 2022: ₹ Nil) against credit facilities availed by the Company.



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**Current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured, considered good</b>		
Derivative instrument - foreign currency forward contracts (refer note 37)	23.54	31.75
Goods and service tax receivable	2,084.60	4,251.40
Statutory dues receivable from government authorities	750.54	595.06
Export incentive and other receivables	8.07	11.39
Interest accrued on fixed deposits with bank *	0.04	102.33
<b>Total</b>	<b>2,866.79</b>	<b>4,991.93</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 0.04 Lakhs (31 March, 2022: ₹ 102.33 Lakhs) against credit facilities availed by the Company.

**9A. INCOME TAX ASSETS (NET)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Advance tax [Net of provision for income tax of ₹ 47,685.80 Lakhs (31 March, 2022: ₹ 47,630.80 Lakhs)]	7,225.43	7,161.39
<b>Total</b>	<b>7,225.43</b>	<b>7,161.39</b>

**9B. INCOME TAX LIABILITIES (NET)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Other provisions</b>		
Provision for income tax [Net of advance tax ₹ 5,590.99 Lakhs (31 March, 2022: ₹ 116.74 Lakhs)]	1,913.79	420.57
<b>Total</b>	<b>1,913.79</b>	<b>420.57</b>

**9C. TAX EXPENSE**

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

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Current income tax:</b>		
Current income tax charge	7,443.59	8,016.70
Adjustments in respect of current income tax of previous year	286.27	(229.24)
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	1,146.35	3,708.67
<b>Income tax expense reported in the statement of profit and loss</b>	<b>8,876.21</b>	<b>11,496.13</b>



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**Income tax (expense)/benefit recognised in OCI**

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

	(₹ Lakhs)	
	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Net (gain)/loss on remeasurement of defined employee benefit plans	(1.36)	(8.15)
<b>Total</b>	<b>(1.36)</b>	<b>(8.15)</b>

**Reconciliation of effective tax rate (ETR)**

	(₹ Lakhs)	
	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Profit from operations before income taxes	43,074.48	46,423.87
Tax @ 25.168% (31 March, 2022: 34.944%) (Indian statutory income tax rate)	10,840.98	16,222.35
Tax effect on income not taxable/taxable at different rates for tax purposes in certain jurisdictions :		
Dividend received on investment in subsidiary	1,362.40	1,167.71
On account of new tax rate	-	520.75
Others mainly tax effect of Profit at lower/ nil tax rates in certain jurisdictions	903.54	3,030.99
	<b>2,265.94</b>	<b>4,719.45</b>
Tax effect on non-deductible expenses for tax purposes:		
Corporate social responsibility (CSR) expenditure	218.17	105.26
Others	105.58	-
	<b>323.75</b>	<b>105.26</b>
Effect of deductible temporary differences now recognised as deferred tax assets/ liabilities	(308.85)	117.21
Adjustments recognised in the current year in relation to the current tax of prior years	286.27	(229.24)
<b>Income tax expense</b>	<b>8,876.21</b>	<b>11,496.13</b>

The Company elected to opt lower corporate tax rate as permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, in the previous year the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section.

**9D. DEFERRED TAX ASSETS (NET)**

	(₹ Lakhs)	
	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
<b>Deferred tax assets</b>		
Temporary difference related to profit on stock reserves	771.28	476.33
Other	23.31	10.93
<b>Gross deferred tax assets</b>	<b>794.59</b>	<b>487.26</b>
Deferred tax liabilities	-	-
<b>Net deferred tax assets</b>	<b>794.59</b>	<b>487.26</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**9E. DEFERRED TAX LIABILITIES (NET)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Deferred tax assets</b>		
Provision for gratuity	72.07	61.06
Provision for investment in subsidiary	124.47	124.47
Others	38.44	17.42
Lease liability	-	216.66
Provision for doubtful debts	885.81	436.57
Provision for inventories	403.82	223.38
Deferred Sales Ind AS	222.91	306.35
Provision for interest paid to MSME vendors	-	-
Sales Return & Purchase Return Ind AS Impact (Net)	459.54	678.11
<b>Gross deferred tax assets</b>	<b>2,207.06</b>	<b>2,064.02</b>
<b>Deferred tax liabilities</b>		
Tangible and intangible assets	16,510.82	14,371.12
Unrealised gain/ loss on derivative contract carried at fair value through statement of profit and loss	33.29	377.73
Interest on Fair value		
Unrealised gain / loss on derivative contract at fair value through statement of profit and loss	5.93	7.96
Lease assets	-	193.63
<b>Gross deferred tax liabilities</b>	<b>16,550.04</b>	<b>14,950.44</b>
<b>Net deferred tax liabilities</b>	<b>(14,342.98)</b>	<b>(12,886.42)</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 31 March, 2023 and 31 March, 2022**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Net deferred tax liabilities at the beginning of the year</b>	(12,886.42)	(9,286.81)
(Charge) relating to temporary difference	(1,455.20)	(3,591.46)
Temporary difference on other comprehensive income	(1.36)	(8.15)
Translation difference	(0.01)	0.00
<b>Net deferred tax liabilities at the end of the year</b>	<b>(14,342.99)</b>	<b>(12,886.42)</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**10. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Raw materials including packing materials [Stock in transit ₹ 4,919.58 Lakhs (31 March, 2022: ₹ 17,299.72 Lakhs)]	37,120.27	44,442.60
Finished goods [Stock in transit ₹ 4,946.21 Lakhs (31 March, 2022: ₹ 8,560.81 Lakhs)]	65,255.02	34,109.06
Traded goods [Stock in transit ₹ 872.44 Lakhs (31 March, 2022: ₹ 6,420.45 Lakhs)]	11,058.57	10,726.41
<b>Total</b>	<b>1,13,433.86</b>	<b>89,278.07</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 ₹ 642.24 Lakhs (31 March, 2022 ₹ 1,187.98 Lakhs).
- ii) The carrying amount of inventories are pledged as security against credit facilities availed by the Company from bank of ₹ Nil (31 March, 2022: ₹ 3,803.96 Lakhs) 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**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good	1,83,330.50	1,53,995.57
Significant increase in credit risk	4,276.51	2,406.93
<b>Total</b>	<b>1,87,607.01</b>	<b>1,56,402.50</b>
Less: - Allowances for credit losses	(4,276.51)	(2,406.93)
<b>Total</b>	<b>1,83,330.50</b>	<b>1,53,995.57</b>

Trade receivables are pledged as security against credit facilities availed by the Company from bank of ₹ Nil Lakhs (31 March, 2022: ₹ 3,803.96 Lakhs) 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 CASH EQUIVALENTS**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Balances with banks		
in current account	17,632.27	5,668.17
Cash on hand	4.22	1.22
<b>Total</b>	<b>17,636.49</b>	<b>5,669.39</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 7.48 Lakhs (31 March, 2022: ₹ 10,450.46 Lakhs) against credit facilities availed by the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**12B. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
In Fixed deposit account		
with original maturity of more than three months but less than twelve months*	526.09	10,927.16
with original maturity of more than 12 months	0.15	0.15
In earmarked accounts		
Unpaid dividend accounts	23.87	6.34
<b>Total</b>	<b>550.11</b>	<b>10,933.65</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 7.48 Lakhs (31 March, 2022: ₹ 10,450.46 Lakhs) against credit facilities availed by the Company.

**13. OTHER ASSETS**

**Current (Unsecured, considered good)**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Advance to vendors for supply of goods and services	258.51	650.68
Right of recoveries against expected sales return	4,189.94	5,836.15
Prepaid expenses	356.26	300.03
Interest accrued on fixed deposits with bank *	4.03	0.36
<b>Total</b>	<b>4,808.74</b>	<b>6,787.22</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 110.15 Lakhs (31 March, 2022: ₹ 102.32 Lakhs) against credit facilities availed by the Company.

**14. EQUITY SHARE CAPITAL**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
<b>Authorised share capital</b>		
10,50,00,000 (31 March, 2022: 10,50,00,000) equity shares of ₹ 10/- each	10,500.00	10,500.00
<b>Issued, subscribed and fully paid-up</b>		
9,02,20,495 (31 March, 2022: 9,02,20,495) equity shares of ₹ 10/- each	9,022.05	9,022.05

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

**Equity shares**

	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
<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>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**(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 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 Holding Company**

Name of the shareholder	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%
Mrs Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%
Mr Ashish R. Bubna*	1,51,80,000	16.83%	1,51,80,000	16.83%
Mr Manish R. Bubna**	1,51,80,000	16.83%	1,51,80,000	16.83%
HDFC Small Cap Fund	80,48,935	8.92%	81,13,060	8.99%
<b>Total</b>	<b>6,65,52,768</b>	<b>73.78%</b>	<b>6,66,16,893</b>	<b>73.85%</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) Shareholding of Promoters:**

Shares held by promoters at the end of the year	As at 31 March, 2023		As at 31 March, 2022		% Change
Promoter's Name	No. of Shares	% holding in the class	No. of Shares	% holding in the class	
Mr Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%	-
Mrs Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%	-
Mr Ashish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
Mr Manish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
Mrs Seema A Bubna	45,00,000	4.99%	45,00,000	4.99%	-
Mrs Anisha A Bubna	45,00,000	4.99%	45,00,000	4.99%	-

**(e) In the period of five years, immediately preceding March, 2023:**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(f) Distribution made and proposed

	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Cash dividend on equity shares declared:</b>		
Interim dividend on equity shares for the year ended 31 March, 2023: ₹ 3.00 (31 March, 2022: ₹ 3.00) per share	2,706.61	2,706.61
<b>Proposed dividend on Equity shares:</b>		
Final cash dividend for the year ended 31 March, 2023: ₹ 3.00 (31 March, 2022: ₹ 3.00) per share	2,706.61	2,706.61
<b>Cash dividends on equity shares distributed and paid :</b>		
Interim dividend on equity shares for the year ended 31 March, 2023: ₹ 3.00 (31 March, 2022: ₹ 3.00) per share	2,706.61	2,706.61
Final dividend on equity shares for the year ended 31 March, 2022: ₹ 3.00 (31 March, 2021: ₹ 3.00) per share	2,706.61	2,706.61

**15. OTHER EQUITY**

	(₹ Lakhs)	
	As at 31 March, 2023	As at 31 March, 2022
<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	3,532.12	3,245.84
Add: Foreign currency translation reserve for the year	3,296.29	286.28
<b>Balance at the end of the year</b>	<b>6,828.41</b>	<b>3,532.12</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	1,74,277.42	1,44,747.46
Add: Profit for the year	34,195.94	34,925.35
Add: Other comprehensive income	6.02	18.84
Add/(Less): Adjustment on account of company closure	3.05	(1.00)
Less: Payment of dividends	5,545.31	5,413.23
<b>Balance at the end of the year</b>	<b>2,02,937.12</b>	<b>1,74,277.42</b>
<b>Total</b>	<b>2,14,180.13</b>	<b>1,82,224.14</b>

**Capital Reserve -**

The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 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 bonus shares.

## 16. | BORROWINGS (CARRIED AT COST)

### Current

	As at 31 March, 2023	As at 31 March, 2022
Buyer's credit from Bank (Secured)*	-	3,803.96
Unsecured loans	296.47	-
<b>Total</b>	<b>296.47</b>	<b>3,803.96</b>

(₹ Lakhs)

Note: Quarterly statements of current assets are filed with Banks, are in agreement with books and no discrepancies found.

\*Buyer's credit facility utilised within overall credit facility availed by the Company against hypothecation of stocks meant for exports and book debts. Buyer's credit carries interest @ 3M SOFR plus 90 basis points p.a.

## 17. | TRADE PAYABLES

### Non-current

	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of creditors other than micro enterprises and small enterprises *	-	235.58
<b>Total</b>	<b>-</b>	<b>235.58</b>

(₹ Lakhs)

### Current

	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of micro enterprises and small enterprises * (refer note 40)	185.87	880.74
Total outstanding dues of creditors other than micro enterprises and small enterprises *	1,37,571.12	1,16,875.36
<b>Total</b>	<b>1,37,756.99</b>	<b>1,17,756.10</b>

(₹ Lakhs)

\* 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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

Trade payable ageing schedule as per amendment in Schedule III for 31 March, 2023

(₹ Lakhs)

	Not Yet Due	Upto 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>Trade payables</b>						
MSME	-	162.70	-	-	-	162.70
Other	78,866.38	51,447.86	92.62	13.77	304.56	1,30,725.19
Disputed dues - MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total of Trade Payables</b>						<b>1,30,887.89</b>
Accruals						6,869.10
<b>Total</b>						<b>1,37,756.99</b>

Trade payable ageing schedule as per amendment in revised Schedule III for 31 March, 2022

(₹ Lakhs)

	Not Yet Due	Upto 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>Trade payables</b>						
MSME	59.98	209.20	-	-	-	269.18
Other	81,675.76	22,480.06	36.39	0.41	0.03	1,04,192.65
Disputed dues - MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total of Trade Payables</b>						<b>1,04,461.83</b>
Accruals						13,529.85
<b>Total</b>						<b>1,17,991.68</b>

**18. OTHER FINANCIAL LIABILITIES (CARRIED AT COST)**

**Non-current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Security deposits	-	-
Creditors for capital purchases	172.56	159.14
<b>Total</b>	<b>172.56</b>	<b>159.14</b>

**Current**

(₹ Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Unclaimed dividend *	23.87	6.34
Lease liabilities	-	-
Interest accrued on borrowings	-	15.21
Creditors for capital purchases	42,035.63	31,434.41
Forward contract	-	-
Directors commission	602.23	569.45
Salaries and bonus	445.05	394.70
Others	30.39	56.34
<b>Total</b>	<b>43,137.17</b>	<b>32,476.45</b>

\*An amount of ₹ 0.25 Lakhs (31 March, 2022: Nil) has been transferred on 29 September, 2022 to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013.

#Includes principal amount ₹ 993.42 Lakhs (31 March, 2022: ₹ 576.23 Lakhs) and interest due thereon ₹ 52.13 Lakhs (31 March, 2022: ₹ 22.72 Lakhs) remaining unpaid to micro enterprises and small enterprises.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**19. PROVISIONS****Non-current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Provision for Gratuity (refer note 30)	273.92	228.71
<b>Total</b>	<b>273.92</b>	<b>228.71</b>

**Current**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Provision for Gratuity (refer note 30)	38.74	38.17
Provision for leave encashment	52.98	48.87
Expected return from customers	6,048.48	8,578.47
<b>Total</b>	<b>6,140.20</b>	<b>8,665.51</b>

**20. OTHER CURRENT LIABILITIES**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Advance from customers (refer note 34)	635.37	817.52
Reward scheme liability	1,635.47	1,793.17
Deposit taken	7.90	5.50
Book overdraft	766.61	114.56
Statutory liabilities (including provident fund, tax deducted at source and others)	4,762.81	2,806.97
Others	3.18	2.87
<b>Total</b>	<b>7,811.34</b>	<b>5,540.59</b>

**21. REVENUE FROM OPERATIONS**

(₹ Lakhs)

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Sale of goods (refer note 34)	4,03,979.87	3,57,415.40
Other operating revenue		
Export incentives	273.96	315.23
Royalty income	45.82	91.25
Miscellaneous receipts	216.01	154.80
<b>Total</b>	<b>4,04,515.66</b>	<b>3,57,976.68</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**22. OTHER INCOME**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest income on		
Bank deposits carried at amortised cost	450.04	440.30
VAT refund	-	1.41
Income tax refund received	0.53	175.34
Bonds	37.92	28.14
Others	1.78	0.16
Profit on disposal of property, plant and equipment	5.45	-
Liabilities/ provisions no longer required written back	1,604.14	1,382.63
Liabilities/ provisions no longer required written back on creditors for capital purchases	203.70	100.84
Profit on sale of mutual funds	1,582.11	149.83
Gain on financial instruments at fair value (Mutual fund)	-	483.07
Miscellaneous income	142.38	126.05
<b>Total</b>	<b>4,028.05</b>	<b>2,887.77</b>

**23. COST OF MATERIALS CONSUMED**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventory at the beginning of the year	44,442.60	25,841.10
Add: Purchases	1,47,847.02	1,51,710.52
	1,92,289.62	1,77,551.62
Less: Inventory at the end of the year	(37,120.27)	(44,442.60)
<b>Total</b>	<b>1,55,169.35</b>	<b>1,33,109.02</b>

**24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the end of the year		
Stock in trade	11,058.58	10,726.41
Finished goods	65,255.02	34,109.06
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	(476.75)	(108.84)
<b>Total</b>	<b>75,836.85</b>	<b>44,726.63</b>
Inventories at the beginning of the year		
Stock in trade	10,726.41	6,132.83
Finished goods	34,109.06	20,580.93
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	310.10	224.33
<b>Total</b>	<b>45,145.57</b>	<b>26,938.09</b>
<b>Changes in inventories of finished goods and stock in trade</b>	<b>(30,691.28)</b>	<b>(17,788.54)</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**25. EMPLOYEE BENEFITS EXPENSES**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries, wages and bonus	4,407.56	4,341.56
Contribution to provident and other funds (refer note 30)	4.90	5.27
Gratuity expenses (refer note 30)	53.71	60.26
Staff welfare expenses	13.51	10.10
<b>Total</b>	<b>4,479.68</b>	<b>4,417.19</b>

**26. FINANCE COSTS**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest Expenses on		
Loan from others (refer note 35)	0.01	-
Borrowing from bank	60.43	32.18
Income tax	225.50	-
Lease liabilities	50.31	89.67
Delayed payment of statutory dues	0.46	0.22
Others	114.29	99.22
<b>Total</b>	<b>451.00</b>	<b>221.29</b>

**27. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on property, plant and equipment (refer note 3A)	232.12	253.17
Depreciation on right-of-use asset (refer note 3B)	769.36	471.58
Amortisation of intangible assets (refer note 4)	23,810.26	23,808.74
<b>Total</b>	<b>24,811.74</b>	<b>24,533.49</b>

**28. OTHER EXPENSES**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Freight and forwarding expenses	8,163.27	5,266.78
Rent	273.81	231.15
Rates and taxes	500.15	1,032.02
Insurance charges	1,357.57	797.77
Repairs and maintenance		
Buildings	0.48	9.89
Others	45.75	48.97
Advertising and sales promotion	779.97	240.52
Sales commission	1,570.06	1,630.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Travelling and conveyance	741.52	1,066.73
Communication expenses	103.60	183.75
Office expenses	1,158.69	942.76
Legal and professional fees	21,558.69	16,859.85
Directors sitting fees	12.90	12.00
Corporate Social Responsibility expense (refer note 41)	866.15	596.39
Donation	0.70	-
Payment to auditor (refer note 'a' below)	77.26	80.24
Loss on financial instruments at fair value (Mutual fund)	1,368.55	-
Bad debts	677.91	79.57
Allowance for doubtful debts	1,789.93	198.79
Loss on sale of bond	7.50	5.74
Provision for diminution in shares	2.82	-
Bank charges	1,566.33	1,279.24
Discard / write-off of intangible assets and intangible assets under development	1,194.12	2,923.10
Impairment of Goodwill	-	43.34
Miscellaneous expenses	69.86	112.58
<b>Total</b>	<b>43,887.59</b>	<b>33,641.99</b>

**Note a:**

**Details of payment to auditor:**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
As auditor:		
Audit fees	61.41	73.59
Reimbursement of expenses	10.68	2.76
In other capacities:		
Other services :- certification	5.17	3.90
<b>Total</b>	<b>77.26</b>	<b>80.25</b>

**29. EARNINGS PER SHARE (EPS)**

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit after tax attributable to equity shareholders (₹ Lakhs)	34,195.94	34,925.35
Weighted average number of equity shares outstanding during the year	9,02,20,495	9,02,20,495
<b>Earnings per Share</b>		
Face value per equity share (₹)	10.00	10.00
Basic and diluted earning per share (₹)	37.90	38.71



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**30. EMPLOYEE BENEFITS - EMPLOYMENT BENEFIT PLANS**

**a) Defined contribution plans**

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

The Company has recognised the following amount as an expense and included in the Note 25 under "Contribution to provident and other funds":

	As at 31 March, 2023	As at 31 March, 2022
Contribution to employees provident fund	3.58	3.98
Contribution to ESI	1.31	1.29
	<b>4.89</b>	<b>5.27</b>

(₹ Lakhs)

**b) Defined benefit plans**

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

	As at 31 March, 2023	As at 31 March, 2022
<b>Changes in benefit obligations</b>		
Benefit obligations at the beginning of the year	373.65	341.49
Current service cost	36.39	35.12
Interest cost	23.56	19.74
Curtailement gain	-	-
Actuarial (gains)/ losses	(8.87)	(21.25)
Past service cost	-	-
Benefits paid	(28.16)	(1.45)
<b>Benefit obligations at the end of the year</b>	<b>396.57</b>	<b>373.65</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	106.77	2.48
Interest income	-	-
Transfer of assets	-	-
Return on plan assets excluding amounts included in interest income	4.74	5.74
Contributions	-	100.00
Benefits paid	(27.60)	(1.45)
<b>Fair value of plan assets at the end of the year</b>	<b>83.91</b>	<b>106.77</b>
<b>Net benefit obligation at the end of the year</b>	<b>312.66</b>	<b>266.88</b>

(₹ Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

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

(₹ Lakhs)

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Current service cost	36.39	40.52
Net interest cost	17.32	19.74
<b>Net gratuity cost charged to statement of profit and loss</b>	<b>53.71</b>	<b>60.26</b>

**Amounts recognised in Statement of other comprehensive income**

(₹ Lakhs)

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	(8.87)	(21.25)
(Return)/ loss on plan assets excluding amounts included in the net interest	1.49	(5.74)
	<b>(7.38)</b>	<b>(26.99)</b>

**Plan assets comprise of the following**

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Policy of Insurance	100%	100%

**Actuarial assumptions as at the balance sheet date:**

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Discount rate	7.40%	7.00%
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**

(₹ Lakhs)

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Year 1	84.05	73.72
Year 2	29.01	26.75
Year 3	26.45	26.42
Year 4	22.85	24.22
Year 5	41.74	19.92
Year 6 to 10	153.99	146.42



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### 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.

	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	381.99	412.27	359.15	389.33
Future salary growth rate varied by 0.5%	403.53	389.52	379.99	365.90
Withdrawal rate varied by 10%	400.82	392.04	377.42	369.64

(₹ Lakhs)

### 31. CAPITAL AND OTHER COMMITMENTS

	As at 31 March, 2023	As at 31 March, 2022
Estimated amount of contracts remaining to be executed on capital account not provided for	30,388.25	21,893.56

(₹ Lakhs)

### 32. CONTINGENT LIABILITIES

	As at 31 March, 2023	As at 31 March, 2022
Income tax matters (refer note (i) below)	6,703.71	6,703.71
Service tax matter (refer note (ii) below)	785.14	785.14
<b>Total</b>	<b>7,488.85</b>	<b>7,488.85</b>

(₹ Lakhs)

Note:

- In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim made 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 years. 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 2014-15 (AY 2015-16), the Company has considered ₹ 90.61 Lakhs as contingent liability as in view of the management, the Company has a refund of ₹ 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 ₹ 1,340.48 Lakhs along with the applicable interest.
- 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.
- 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.
- During March 2022, the Company had voluntarily paid / reversed GST ITC Credit 'Under Protest' aggregating to ₹ 3,678.73 Lakhs and disclosed the same as recoverable. The Company has received refund of ₹ 2,823.38 Lakhs in September, 2022 and believes that the amount of ₹ 855.35 Lakhs is refundable based on legal advice obtained from an eminent expert.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**33. SEGMENT INFORMATION**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses or income which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Business segment of Group primarily identified and reported taking into account, the different risks and returns, the organisation 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**

(₹ Lakhs)

Particulars	Agrochemicals		Non-agrochemicals		Total	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Revenue</b>						
External sales	3,34,797.88	3,00,367.39	69,717.78	57,609.29	4,04,515.66	3,57,976.68
Other income	1,588.54	1,589.30	367.52	15.22	1,956.06	1,604.52
<b>Revenue from operations</b>	<b>3,36,386.42</b>	<b>3,01,956.69</b>	<b>70,085.30</b>	<b>57,624.51</b>	<b>4,06,471.72</b>	<b>3,59,581.20</b>
<b>Results</b>						
Segment results	27,881.62	39,207.82	17,074.07	7,618.28	44,955.69	46,826.10
Other income (Unallocated)					2,072.01	1,283.26
Unallocated expenses					(3,562.60)	(1,500.58)
<b>Operating profit</b>					<b>43,465.10</b>	<b>46,608.78</b>
Finance costs					(390.62)	(184.91)
<b>Profit before tax</b>					<b>43,074.48</b>	<b>46,423.87</b>
Income taxes					(8,876.21)	(11,496.13)
<b>Profit after tax</b>					<b>34,198.27</b>	<b>34,927.74</b>
<b>Other segment information</b>						
Segment assets	3,73,194.33	3,10,907.68	20,342.30	24,561.20	3,93,536.63	3,35,468.88
Unallocated assets					41,546.16	38,844.34
<b>Total assets</b>	<b>3,73,194.33</b>	<b>3,10,907.68</b>	<b>20,342.30</b>	<b>24,561.20</b>	<b>4,35,082.79</b>	<b>3,74,313.22</b>
Segment liabilities	1,88,143.24	1,59,765.17	7,140.40	10,274.25	1,95,283.64	1,70,039.42
Unallocated liabilities					16,561.78	12,994.47
<b>Total liabilities</b>	<b>1,88,143.24</b>	<b>1,59,765.17</b>	<b>7,140.40</b>	<b>10,274.25</b>	<b>2,11,845.42</b>	<b>1,83,033.89</b>
<b>Capital expenditure:</b>						
Tangible assets (Unallocated)					65.72	35.88
Intangible assets (Including IAUD*) (Allocated)	35,536.77	40,730.78	-	-	35,536.77	40,730.78
Intangible assets (Unallocated)					8.02	-
Depreciation (Unallocated)					1,001.06	724.76
Amortisation (Allocated)	23,809.71	23,808.14	0.56	0.60	23,810.27	23,808.74
Amortisation (Unallocated)					-	-
Capital employed	1,85,051.09	1,51,142.51	13,201.90	14,286.95	1,98,252.99	1,65,429.46
Capital employed (Unallocated)					24,984.38	25,849.87

\*IAUD-Intangible Asset Under Development



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### Notes

- (i) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
- Agrochemicals – This is the main area of the Group's operation and includes the trading of agrochemical products.
  - Non Agrochemicals – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India.
  - Revenue outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).
- (v) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (vi) The 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.

(₹ Lakhs)

	31 March, 2023		31 March, 2022	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
INDIA	554.61	20,304.32	49.70	8,975.31
EUROPE	1,91,031.40	39,242.06	1,55,825.62	37,889.21
LATAM	27,607.34	1,882.38	34,210.61	2,172.48
NAFTA	1,54,876.66	42,497.71	1,44,085.93	35,483.96
ROW	30,445.65	4,544.95	23,804.82	4,159.63
<b>Total</b>	<b>4,04,515.66</b>	<b>1,08,471.42</b>	<b>3,57,976.68</b>	<b>88,680.59</b>

\* 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 31 March, 2023 and 31 March, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**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 product shelf life being short, revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Group does not give significant credit period resulting in no significant financing component. The Group, however, has a policy for replacement of the damaged goods.

**(A) Reconciliation of revenue recognised from Contract liability (Advance from customers)**

(₹ Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening contract liability	817.52	954.24
Add: Addition to contract liability during the year	8,085.44	17,007.92
Less: Recognised as revenue during the year	(7,265.25)	(16,342.06)
Less: Other adjustments	(1,002.34)	(802.58)
<b>Closing contract liability</b>	<b>635.37</b>	<b>817.52</b>

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

(₹ Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contract with customer as per contract price	4,33,169.40	3,74,270.14
Less: Discounts and incentives	(3,142.99)	(3,137.77)
Less:- Sales returns /credits / reversals	(25,931.79)	(13,686.11)
Less:- Any other adjustments	(114.75)	(30.86)
<b>Total</b>	<b>4,03,979.87</b>	<b>3,57,415.40</b>

**(C) Disaggregation of revenue from contract with customers**

(₹ Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Agrochemicals</b>		
India	1,056.81	893.06
Europe	1,77,088.98	1,37,260.94
Latin America	23,913.39	31,445.50
North America	1,12,357.06	1,15,151.05
Rest of the world	19,845.83	15,055.57
<b>Total (A)</b>	<b>3,34,262.07</b>	<b>2,99,806.12</b>
<b>Non Agrochemicals</b>		
India	-	-
Europe	13,666.64	17,937.86
Latin America	3,658.63	2,715.12
North America	42,359.09	28,748.46
Rest of the world	10,033.44	8,207.84
<b>Total (B)</b>	<b>69,717.80</b>	<b>57,609.28</b>
<b>Total (A) +(B)</b>	<b>4,03,979.87</b>	<b>3,57,415.40</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)**35. RELATED PARTY TRANSACTIONS****(A) Names of related parties and their relationship**

<b>(a) Key Managerial Personnel and their Relatives</b>	
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 Purav M. Bubna	Son of Whole-time Director
Mr M.S. Sundara Rajan	Independent Director
Mr Shitin Desai	Independent Director
Mr Shobhan M. Thakore	Independent Director
Ms Sonal Desai	Independent Director
Mr Ashok Vashisht	Chief Financial Officer
Mr Jetkin N. Gudhka	Company Secretary
Ms Pooja Dongre	Company Secretary, Axis Cropscience Private Limited (resigned effective 12 April, 2021)
Mrs Manali Gohil	Company Secretary, Axis Cropscience Private Limited (resigned effective 27 December, 2022)
Ms Shweta Parmar	Company Secretary, Axis Cropscience Private Limited (effective from 14 January, 2023)
<b>(b) Enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives</b>	
Jankidevi Bilasrai Bubna Trust	

**(B) Transactions during the year****(a) Key Managerial Personnel Compensation:**

	(₹ Lakhs)	
	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
Short- term employee benefits	1,748.14	1,648.64
Post-employment benefits	2.62	1.79

**(b) With Key Managerial Personnel and their relatives**

	(₹ Lakhs)	
	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
<b>Rent paid:</b>		
Mr Ramprakash V. Bubna	270.00	270.00
Mrs Sharda R. Bubna	24.00	24.00
Mr Ashish R. Bubna	86.40	86.40
Mr Manish R. Bubna	94.50	94.50
Mrs Seema A. Bubna	44.55	44.55
Mrs Anisha M. Bubna	44.55	44.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Remuneration to Key Management Personnel:</b>		
Mr Ramprakash V. Bubna	203.41	200.12
Mrs Sharda R. Bubna	30.00	30.00
Mr Ashish R. Bubna	155.10	153.78
Mr Manish R. Bubna	154.80	153.43
Ms Kevika A. Bubna	25.05	23.29
Mr Purav M. Bubna	12.31	-
Mr Ashok Vashisht	87.00	68.27
Mr Jetkin N. Gudhka	21.29	19.32
Mrs Manali Gohil	5.54	5.86
Ms Shweta Parmar	1.82	-
<b>Director's Sitting Fees paid:</b>		
Mr M.S. Sundara Rajan	3.00	3.00
Mr Shitin Desai	3.00	3.30
Mr Shobhan Madhukant Thakore	1.65	1.80
Ms Sonal Desai	5.25	3.90
<b>Directors' Commission paid:</b>		
Mr Ramprakash V. Bubna	449.50	425.03
Mr Ashish R. Bubna	301.16	284.77
Mr Manish R. Bubna	301.16	284.77
<b>Dividend paid</b>		
Mr Ramprakash V. Bubna	843.16	843.16
Mrs Sharda R. Bubna	845.47	845.47
Mr Ashish R. Bubna	910.80	910.80
Mr Manish R. Bubna	910.80	910.80
Mrs Seema A. Bubna	270.00	270.00
Mrs Anisha M. Bubna	270.00	270.00
Mr Jetkin Gudhka	0.01	0.01
<b>Post-employment benefits:</b>		
Mr Ashish R. Bubna	0.14	(0.07)
Mr Manish R. Bubna	0.05	(0.15)
Ms Kevika A. Bubna	0.46	0.33
Mr Purav M. Bubna	0.15	-
Mr Ashok Vashisht	1.53	1.34
Mr Jetkin Gudhka	0.29	0.34

(c) With enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Donations paid to:</b>		
Jankidevi Bilasrai Bubna Trust	19.00	37.50



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(C) Outstanding balance as at balance sheet date

	As at 31 March, 2023	As at 31 March, 2022
(₹ Lakhs)		
<b>Director's Commission Payable</b>		
Mr Ramprakash V. Bubna	257.37	243.35
Mr Ashish R. Bubna	172.43	163.05
Mr Manish R. Bubna	172.43	163.05
<b>Salary Payable</b>		
Ms Kevika A. Bubna	1.45	1.24
Mr Purav M. Bubna	1.12	-
Mr Ashok Vashisht	3.48	3.86
Mr Jetkin N. Gudhka	1.39	1.33
<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	11.19	11.05
Mr Manish R. Bubna	10.47	10.42
Ms Kevika A. Bubna	1.04	0.58
Mr Purav M. Bubna	0.15	
Mr Ashok Vashisht	3.09	1.56
Mr Jetkin N. Gudhka	3.68	3.39

**Terms and conditions of transactions with related parties**

The sales to and purchases of goods and services from related parties are made on terms equivalent to those that prevail in arm's length transactions and are in confirmation with provisions of Companies Act and SEBI Regulations. 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.

**36. HEDGING ACTIVITIES AND DERIVATIVES**

**Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Nature of instrument	Foreign currency	31 March, 2023		31 March, 2022	
		Amount (FC Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
Forward contract- Sell	US\$ to ₹	4.50	3,830.16	3.75	2,901.11
	EUR to US\$	3.80	3,383.35	0.75	643.70
	EUR to ₹	1.50	1,329.26	0.50	439.43
	CAD to US\$	0.20	121.39	1.25	761.36

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**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 31 March, 2023

(₹ 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>Non current</b>								
Other financial assets	31 March, 2023	-	-	14,060.72	-	-	-	-
<b>Current</b>								
Investment in mutual funds	31 March, 2023	3,190.29	-	-	-	3,190.29	-	3,190.29
Derivative financial assets	31 March, 2023	23.54	-	-	-	23.54	-	23.54
Loans	31 March, 2023	-	-	-	-	-	-	-
Trade Receivables	31 March, 2023	-	-	1,83,330.50	-	-	-	-
Cash and cash equivalents	31 March, 2023	-	-	17,636.49	-	-	-	-
Bank balances other than cash and cash equivalents	31 March, 2023	-	-	550.11	-	-	-	-
Other financial assets	31 March, 2023	-	-	2,843.25	-	-	-	-
<b>Total Financial Assets</b>		<b>3,213.83</b>	<b>-</b>	<b>2,18,421.07</b>	<b>-</b>	<b>3,213.83</b>	<b>-</b>	<b>3,213.83</b>
<b>Financial Liabilities</b>								
<b>Financial liabilities</b>								
<b>Non current</b>								
Trade creditors	31 March, 2023	-	-	-	-	-	-	-
Lease liabilities	31 March, 2023	-	-	-	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2023	-	-	172.56	-	-	-	-
<b>Current</b>								
Borrowings	31 March, 2023	-	-	296.47	-	-	-	-
Derivative financial liabilities	31 March, 2023	-	-	-	-	-	-	-
Trade creditors	31 March, 2023	-	-	1,37,756.99	-	-	-	-
Lease liabilities	31 March, 2023	-	-	-	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2023	-	-	43,137.17	-	-	-	-
<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,81,363.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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As at 31 March, 2022

(₹ 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</b>								
<b>Non Current</b>								
Other financial assets	31 March, 2022	-	-	1120.44	-	-	-	-
<b>Current</b>								
Investment in mutual funds	31 March, 2022	13,439.50	-	-	-	13,439.50	-	13,439.50
Derivative financial assets	31 March, 2022	31.75	-	-	-	31.75	-	31.75
Loans	31 March, 2022	-	-	50.04	-	-	-	-
Trade Receivables	31 March, 2022	-	-	1,53,995.57	-	-	-	-
Cash and cash equivalents	31 March, 2022	-	-	5,669.39	-	-	-	-
Bank balances other than cash and cash equivalents	31 March, 2022	-	-	10,933.65	-	-	-	-
Other financial assets	31 March, 2022	-	-	4,960.18	-	-	-	-
<b>Total Financial Assets</b>		<b>13,471.25</b>	<b>-</b>	<b>1,76,729.27</b>	<b>-</b>	<b>13,471.25</b>	<b>-</b>	<b>13,471.25</b>
<b>Financial Liabilities</b>								
<b>Financial liabilities</b>								
<b>Non Current</b>								
Borrowings	31 March, 2022	-	-	-	-	-	-	-
Trade creditors	31 March, 2022	-	-	235.58	-	-	-	-
Lease liabilities	31 March, 2022	-	-	347.17	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	159.14	-	-	-	-
<b>Current</b>								
Borrowings	31 March, 2022	-	-	3,803.96	-	-	-	-
Derivative financial liabilities	31 March, 2022	-	-	-	-	-	-	-
Lease liabilities	31 March, 2022	-	-	513.69	-	-	-	-
Trade creditors	31 March, 2022	-	-	1,17,756.10	-	-	-	-
Other financial liabilities	31 March, 2022	-	-	32,476.45	-	-	-	-
<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,55,292.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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.

**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. The mutual funds are valued using the closing NAV.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

**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

## 38. 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 minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

### Market risk

The Company operates internationally and a major portion of its business is transacted in US Dollars and Euros and purchases from overseas suppliers mainly in US Dollars. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates / depreciates against these currencies.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The 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).



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The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Foreign currency	As at 31 March, 2023		As at 31 March, 2022	
		Amount (FCY Mn)	Amount (₹ Lakhs)	Amount (FCY Mn)	Amount (₹ Lakhs)
<b>Unhedged currency exposure on:-</b>					
<b>a) Receivables</b>	<b>HRK</b>	-	-	1.35	150.07
	<b>US\$</b>	75.67	62,284.50	65.26	49,451.29
	<b>EUR</b>	60.71	54,593.52	56.52	47,390.48
	<b>GBP</b>	4.24	4,294.30	3.90	3,881.60
	<b>AUD</b>	0.90	493.53	1.15	650.52
	<b>PLN</b>	24.90	4,750.60	24.14	4,361.42
	<b>CZK</b>	-	-	22.43	770.87
	<b>CAD</b>	28.13	17,107.95	31.58	19,148.74
<b>b) Payables</b>	<b>US\$</b>	156.52	1,28,619.47	165.14	1,25,146.51
	<b>EUR</b>	42.11	37,482.17	28.67	24,033.59
	<b>MXN</b>	0.05	2.27	0.48	18.39
	<b>HUF</b>	641.34	1,505.68	746.61	1,707.72
	<b>CZK</b>	0.93	35.42	6.79	233.53
	<b>PLN</b>	3.84	732.15	2.28	412.78
	<b>CHF</b>	0.09	78.32	0.03	28.45
	<b>GBP</b>	0.61	618.48	0.32	317.90
	<b>PHP</b>	0.11	1.64	0.22	3.16
	<b>CAD</b>	1.40	848.68	0.34	203.38
	<b>ZAR</b>	0.22	10.18	0.99	51.51
	<b>AUD</b>	-	0.98	0.07	37.81
	<b>HRK</b>	-	0.01	0.17	19.21
	<b>JPY</b>	4.11	25.47	4.86	30.27
	<b>AED</b>	0.11	25.73	0.11	23.35
<b>c) Bank Balance</b>	<b>US\$</b>	11.69	9,606.58	1.63	1,238.81
	<b>EUR</b>	6.17	5,487.72	3.38	2,830.81
	<b>CAD</b>	1.60	972.68	0.02	10.79
	<b>PLN</b>	0.19	35.34	1.08	195.13
	<b>GBP</b>	0.08	44.69	0.05	45.21
	<b>AUD</b>	-	0.56	-	0.11
<b>d) Advance received from customers</b>	<b>EUR</b>	-	-	0.02	14.60
	<b>GBP</b>	-	-	0.01	10.30
	<b>US\$</b>	0.31	251.97	-	-
<b>e) Other receivables</b>	<b>AED</b>	0.39	88.26	0.16	32.58

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**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in US\$ 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.

(₹ Lakhs)

	<b>Change in US\$ Rate</b>	<b>Effect on profit and loss</b>	<b>Effect on equity</b>
31 March, 2023	1%	(663.34)	(526.65)
	(1%)	663.34	526.65
31 March, 2022	1%	(756.96)	(569.51)
	(1%)	756.96	569.51

(₹ Lakhs)

	<b>Change in EUR Rate</b>	<b>Effect on profit and loss</b>	<b>Effect on equity</b>
31 March, 2023	1%	171.12	135.86
	(1%)	(171.12)	(135.86)
31 March, 2022	1%	233.41	175.61
	(1%)	(233.41)	(175.61)

**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 ₹ 1,83,330.5 Lakhs and ₹ 1,53,995.57 Lakhs as of 31 March, 2023 and 31 March, 2022, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

**Trade Receivables**

The Group has established credit policy under which each new customer is analysed individually for credit worthiness before Group's standard payment terms (credit period ranges from 30 to 180 days) and delivery terms and conditions are offered. The Group reviews external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

**The following table represents ageing of trade receivables 31 March, 2023:**

(₹ Lakhs)

<b>Particulars</b>	<b>Not Yet Due</b>	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
i) Undisputed Trade receivables - considered good	1,64,069.86	19,041.13	2,925.43	686.85	62.04	821.70	1,87,607.01
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	48.13	2,748.09	596.55	62.04	821.70	4,276.51
iii) Undisputed Trade receivables - credit impaired							-
iv) Disputed Trade Receivables considered good							-
v) Disputed Trade receivables - which have significant increase in credit risk							-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-



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The following table represents ageing of trade receivables 31 March, 2022:

Particulars	(₹ Lakhs)						Total
	Not Yet Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	1,37,527.69	16,511.02	394.51	854.58	89.90	1,024.80	1,56,402.50
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	257.93	198.08	836.22	89.90	1,024.80	2,406.93
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

**Movement in allowances for credit losses**

	(₹ Lakhs)			
	Opening	Addition	Reversal	Closing
31 March, 2023	2,406.93	3,128.80	1,259.22	4,276.51
31 March, 2022	2,291.28	411.54	295.89	2,406.93

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. Loans represent loan given to related parties & employees for which the Company does not foresee any impairment loss.

**Liquidity Risk**

The liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach of managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation. The Group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables & other financial liabilities

The Company's principal sources of liquidity are cash and cash equivalents and the cash flows that are generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March, 2023, the Company had a working capital of ₹ 1,28,760.82 Lakhs including cash and cash equivalents of ₹ 17,636.49 Lakhs and current investments of ₹ 3,190.29 Lakhs. As of 31 March, 2022, the Company had a working capital of ₹ 1,15,968.50 Lakhs including cash and cash equivalents of ₹ 5,669.39 Lakhs and current investments of ₹ 13,439.50 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2023:

	(₹ Lakhs)				Total
	Carrying value	Upto 1 year	1-2 years	More than 2 years	
Borrowings	296.47	296.47	-	-	296.47
Lease liabilities	-	-	-	-	-
Trade payables	1,37,756.99	1,37,754.44	2.55	-	1,37,756.99
Other financial liabilities	43,309.73	43,137.17	172.56	-	43,309.73
<b>Total financial liabilities</b>	<b>1,81,363.19</b>	<b>1,81,188.08</b>	<b>175.11</b>	<b>-</b>	<b>1,81,363.19</b>

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The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2022:

(₹ Lakhs)

	Carrying value	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	3,803.96	3,803.96	-	-	3,803.96
Lease liabilities	860.86	513.69	347.17	-	860.86
Trade payables	32,635.59	32,476.45	159.14	-	32,635.59
Other financial liabilities	32,635.59	32,476.45	159.14	-	32,635.59
<b>Total financial liabilities</b>	<b>69,936.00</b>	<b>69,270.55</b>	<b>665.45</b>	<b>-</b>	<b>69,936.00</b>

### 39. CAPITAL MANAGEMENT

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The capital structure of the Group consists of net asset 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.

(₹ Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total debt (bank and other borrowings)	296.47	3,803.96
Lease Liabilities (non current and current)	-	860.86
	<b>296.47</b>	<b>4,664.82</b>
Equity	2,23,237.37	1,91,279.33
<b>Debt to equity (net)</b>	<b>0.00</b>	<b>0.02</b>

### 40. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

(₹ Lakhs)

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Total outstanding dues of Micro and Small 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 #	1,174.67	880.55
Interest due thereon remaining unpaid to any supplier at the end of the accounting year #	56.74	22.97
<b>Total</b>	<b>1,231.41</b>	<b>903.52</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	-	-



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	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
iii) Amount of interest accrued and remaining unpaid at the end of accounting year	57.91	22.97
iv) Amount of interest written back during the period as the same is not payable	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>57.91</b>	<b>22.97</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.

# Includes principal amount ₹ 993.42 Lakhs (31 March, 2022: ₹ 576.23 Lakhs) and interest due thereon ₹ 52.13 Lakhs (31 March, 2022: ₹ 22.72 Lakhs) remaining unpaid to Micro and Small enterprises for capital purchases.

**41. DETAILS OF CSR EXPENDITURE (AS PER THE PROVISIONS OF SECTION 135 OF THE COMPANIES ACT, 2013):**

	(₹ Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
1) Gross amount required to be spent by the Group	676.61	567.43
2) Shortfall from previous year	-	-
<b>Total</b>	<b>676.61</b>	<b>567.43</b>
3) Amount spent		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 28)	866.15	596.39
<b>Total</b>	<b>866.15</b>	<b>596.39</b>
4) Amount unspent/ (over spent)	<b>(189.54)</b>	<b>(28.96)</b>

Note:

- Gross amount required to be spent by the Company is ₹ 676.61 Lakhs (31 March, 2022: ₹ 567.43 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent ₹ 866.15 Lakhs during the current year. Excess amount spent of ₹ 189.54 Lakhs (31 March, 2022: ₹ 28.96 Lakhs)
- For contribution made to related party refer note 35.

**42. DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES:**

There is one shareholder holding 164 shares in the Company as at 31 March, 2023 whose name is struck off from the register under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ Lakhs)			
Name of the struck off company	Nature of transaction	Balance outstanding	Relationship with the struck off company
RI Infotech Private Limited	Shares held by struck off company	164	Shareholder

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**43. AS PER AMENDMENT IN THE SCHEDULE III OF THE COMPANIES ACT 2013, FOLLOWING ARE THE ADDITIONAL NOTES TO ACCOUNTS**

Ratios	Numerator	Denominator	Year ended 31 March, 2023	Year ended 31 March, 2022	% Variance	Reason for Variance
a) Current Ratio	Current assets	Current liabilities	1.65	1.69	(2%)	
b) Debt Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	0.00	0.02	(100%)	The debt equity ratio has declined as there was repayment of Borrowings during the year
c) Debt Service coverage Ratio	Profit before interest and tax	Debt consists of borrowings and lease liabilities	146.81	10.80	1259%	The Debt service ratio has increased due to repayment of borrowings of ₹ 2,980.76 Lakhs and EBIT has increased by 49%
d) Return on Equity Ratio	Profit after tax	Average total equity = (Opening total equity + Closing total equity)/2	17.00	19.80	(14%)	
e) Inventory Turnover Ratio	Cost of goods sold	Average inventory = (Opening inventory + Closing inventory)/2	2.82	3.53	(20%)	
f) Trade Receivable Turnover ratio	Revenue from operations	Average trade receivables = (Opening trade receivable + Closing trade receivable)/2	2.40	2.65	(9%)	
g) Trade Payables Turnover Ratio	Total purchases	Average trade payable = (Opening trade payable + Closing trade payable)/2	2.42	2.88	(16%)	
h) Net capital Turnover Ratio	Revenue from operations	Average working capital = (Opening current assets + Closing current assets)/2	3.31	3.38	(2%)	
i) Net Profit	Profit after tax	Revenue from operations	8.45	9.76	(13%)	
j) Return on capital employed	Profit before interest and tax	Average capital employed * = (Opening capital employed + Closing capital employed)/2	19.64	24.71	(20%)	
k) Return on Investment	Income generated from invested funds in market	Average invested funds in market = (Opening funds invested in market + Closing funds invested in market)/2	3.49	4.35	(20%)	

Note:

Basis of computation changed during the current year.

\* Capital employed = Total assets - Current liabilities



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44. ADDITIONAL INFORMATION RELATED TO THE SUBSIDIARIES CONSIDERED IN THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lakhs)

Sr. No.	Name of the Entity	Year Ended 31 March, 2023					Year Ended 31 March, 2022										
		Net Assets *		Share in profit or loss		Share in total comprehensive income		Net Assets *		Share in profit or loss		Share in total comprehensive income					
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of total comprehensive income	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of total comprehensive income					
	<b>Parent</b>																
1	Sharda Cropchem Limited	89.69%	2,00,224.02	94.96%	32,474.25	0.12%	4.06	86.61%	32,478.31	90.53%	1,73,158.94	80.99%	28,289.08	4.98%	15.18	80.33%	28,304.26
	<b>Indian Subsidiaries</b>																
2	Axis Crop Science Private Limited	0.15%	337.24	0.36%	124.62	0.06%	1.96	0.34%	126.58	0.11%	210.66	0.24%	85.30	1.20%	3.66	0.25%	88.96
	<b>Foreign Subsidiaries</b>																
3	Euroazjiski Pesticide d.o.o	0.01%	13.85	0.04%	13.18	(0.22%)	(7.16)	0.02%	6.02	0.00%	7.09	(0.02%)	(6.79)	(0.13%)	(0.40)	(0.02%)	(7.19)
4	Nihon Agro Service Kabushiki Kaisha	0.00%	1.08	0.00%	(0.42)	0.00%	(0.09)	0.00%	(0.51)	0.00%	1.59	0.00%	(0.47)	(0.01%)	(0.03)	0.00%	(0.50)
5	Sharda Agrochem Dooel Skopje	0.00%	3.83	0.00%	(0.05)	(0.01%)	(0.24)	0.00%	(0.29)	0.00%	4.12	0.00%	0.44	(0.07%)	(0.22)	0.00%	0.22
6	Sharda Balkan Agrochemicals Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.51)	0.00%	(0.01)	0.00%	(0.52)
7	Sharda Benelux BVBA	0.00%	0.91	0.00%	(0.07)	0.00%	(0.06)	0.00%	(0.13)	0.00%	0.96	0.00%	0.79	(0.02%)	(0.05)	0.00%	0.74
8	Sharda Bolivia SRL	0.00%	2.56	0.01%	2.50	0.00%	(0.01)	0.01%	2.49	0.00%	0.01	0.01%	4.81	0.00%	0.01	0.01%	4.82
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	0.04%	87.19	(0.06%)	(21.34)	(0.73%)	(24.08)	(0.12%)	(45.42)	0.06%	123.23	(0.20%)	(70.66)	(0.71%)	(2.16)	(0.21%)	(72.82)
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.	0.54%	1,200.34	2.57%	879.81	3.42%	113.04	2.65%	992.85	0.57%	1,088.00	1.79%	626.21	(9.93%)	(30.31)	1.69%	595.90
13	Sharda Cropchem Tunisia SARL	0.00%	2.84	(0.01%)	(3.32)	0.00%	(0.01)	(0.01%)	(3.33)	0.00%	6.17	0.02%	5.83	(0.06%)	(0.18)	0.02%	5.65
14	Sharda De Guatemala S.A.	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	(0.02)	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-
15	Sharda De Mexico S.De RL DE CV	0.13%	283.46	0.08%	27.93	0.74%	24.43	0.14%	52.36	0.11%	212.03	(0.86%)	(301.25)	3.79%	11.56	(0.82%)	(289.69)
16	Sharda Del Ecuador CIA LTDA	0.00%	0.29	0.00%	-	0.00%	0.03	0.00%	0.03	0.00%	0.26	0.00%	0.00	-	-	0.00%	0.00
17	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.07%	23.19	0.20%	0.61	0.07%	23.80
18	Sharda Dominicana S.R.L.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
19	Sharda EL Salvador S.A. DE CV	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
20	Sharda Europe BVBA	0.00%	0.73	(0.01%)	(2.30)	0.00%	(0.16)	(0.01%)	(2.46)	0.00%	3.00	0.00%	(0.28)	(0.06%)	(0.18)	0.00%	(0.46)
21	Sharda Hellas Agrochemicals Limited	0.00%	-	0.00%	-	(0.01%)	(0.23)	0.00%	(0.23)	0.00%	-	(0.01%)	(1.79)	(0.01%)	(0.02)	(0.01%)	(1.81)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

(₹ Lakhs)

Sr. No.	Name of the Entity	Year Ended 31 March, 2023						Year Ended 31 March, 2022							
		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 comprehensive income	Amount	As % of consolidated comprehensive income	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated comprehensive income		
22	Sharda Hungary Kft	0.23%	514.88	(0.25%)	(86.81)	0.13%	4.28	(0.22%)	(82.53)	(0.19%)	(65.78)	(8.28%)	(25.26)	(0.26%)	(91.04)
23	Sharda International Africa (PTY) Limited	0.19%	419.04	0.21%	73.46	(2.47%)	(81.48)	(0.02%)	(8.02)	0.80%	279.31	2.62%	7.98	0.82%	287.29
24	Sharda International DMCC	9.65%	21,551.22	49.18%	16,819.95	0.00%	-	44.85%	16,819.95	21.55%	7,528.50	0.00%	-	21.37%	7,528.50
25	Sharda Italia SRL	0.52%	1,170.09	0.50%	172.55	2.06%	68.11	0.64%	240.66	0.76%	265.98	(7.69%)	(23.47)	0.69%	242.51
26	Sharda Malaysia SDN. BHD.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
27	Sharda Peru SAC	0.00%	0.79	0.00%	-	0.00%	0.11	0.00%	0.11	0.00%	0.09	(0.02%)	(0.05)	0.00%	0.04
28	Sharda Poland SP. ZOO	0.17%	387.95	0.27%	92.31	0.67%	22.03	0.30%	114.34	(0.27%)	(95.39)	(0.55%)	(1.68)	(0.28%)	(97.07)
29	Sharda Polska SP. ZOO.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	(0.01%)	(1.81)	(0.06%)	(0.19)	(0.01%)	(2.00)
30	Sharda Spain S.L.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.23)	0.00%	(0.01)	0.00%	(0.24)
31	Sharda Swiss SARL	0.00%	7.35	0.00%	(0.07)	0.02%	0.66	0.00%	0.59	0.00%	(0.07)	(0.03%)	(0.08)	0.00%	(0.15)
32	Sharda Taiwan Limited	0.00%	1.95	0.00%	-	0.00%	0.01	0.00%	0.01	0.00%	-	(0.02%)	0.06	0.00%	0.06
33	Sharda Ukraine LLC	0.00%	0.28	0.00%	0.21	0.00%	(0.03)	0.00%	0.18	0.00%	(0.32)	0.01%	0.02	0.00%	(0.30)
34	Sharda Uruguay S.A	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
35	Sharda USA LLC	0.00%	2.10	0.00%	-	0.01%	0.21	0.00%	0.21	0.00%	(0.04)	0.01%	0.03	0.00%	(0.01)
36	Shardacan Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Sharda Maroc SARL	0.01%	21.24	0.05%	17.97	0.02%	0.74	0.00%	18.71	(0.02%)	(5.54)	(0.05%)	(0.16)	0.00%	(5.70)
37	Shardaserb DOO.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	0.01	0.00%	0.00
38	Sharpar S.A.	0.01%	22.60	0.00%	0.10	(0.05%)	(1.57)	0.00%	(1.47)	0.00%	0.09	0.00%	-	0.00%	0.09
39	Sharzam Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
40	Siddhivinyak International Limited	0.25%	552.85	0.00%	(0.56)	0.00%	-	0.00%	(0.56)	0.27%	510.37	0.01%	4.40	0.01%	4.40
41	Sharda Private (Thailand) Limited	0.03%	68.47	0.04%	12.42	0.12%	3.93	0.04%	16.35	0.01%	2.93	(0.44%)	(1.33)	0.00%	1.60
42	Sharda Impex Trading LLC	(0.03%)	(60.92)	(0.15%)	(52.62)	0.00%	-	(0.14%)	(52.62)	(0.16%)	(55.29)	0.00%	0.01	(0.16%)	(55.28)
	<b>Consolidation adjustments</b>														
	Adjustment arising out of consolidation	(1.62%)	(3,615.99)	(47.79%)	(16,343.09)	96.12%	3,174.13	(35.12%)	(13,168.96)	(1.30%)	(2,493.25)	113.87%	347.43	(3.51%)	(1,235.54)
	Minority Interests in all subsidiaries	0.02%	35.13	(0.01%)	(2.34)	(0.01%)	(0.28)	(0.01%)	(2.62)	0.00%	(0.01)	1.43%	4.35	0.01%	4.34
	<b>Total</b>	<b>100.00%</b>	<b>2,23,237.37</b>	<b>100.00%</b>	<b>34,198.27</b>	<b>100.00%</b>	<b>3,302.31</b>	<b>99.95%</b>	<b>37,500.58</b>	<b>100.00%</b>	<b>1,91,279.33</b>	<b>100.00%</b>	<b>305.12</b>	<b>100.02%</b>	<b>35,232.86</b>

\* Net assets = total assets minus total liabilities



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### **45. DISCLOSURE FOR ULTIMATE BENEFICIARIES**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### **46. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April, 2023, as below:

#### **a) IND AS 1 - Presentation of financial statements:**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

#### **b) Ind AS 8 - Accounting policies, changes in accounting estimates and errors:**

This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

#### **c) Ind AS 12 - Income taxes:**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

None of these amendments are expected to have material impact on the financial statements of the Company.

### **47. OTHER MATTERS**

- i) The Company does not have any Benami property, where any proceeding has been initiated or is pending against the Company, for holding any Benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Company is in compliance with the number of layers prescribed under clause (87) of Section 2 of The Companies Act read with the Companies (Restriction on number of layers) Rules, 2017.
- v) The Company does not have any such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as Search or Survey or any other relevant provisions of the Income Tax Act, 1961)
- vi) As on 31 March, 2023 there is no unutilised amounts of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (CONTD.)

### **48. PREVIOUS YEAR COMPARATIVE**

The figures for the previous year have been regrouped /reclassified to correspond with the current year's classification/ disclosures.

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 : 12 May, 2023

**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 : 12 May, 2023

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 12 May, 2023







## ***Sharda Cropchem Limited***

### **Registered Office:**

Prime Business Park, Dashrathlal Joshi Road,

Vile Parle (West), Mumbai - 400 056

Tel. No.: 91 22 6678 2800

Email: [co.sec@shardaintl.com](mailto:co.sec@shardaintl.com)

Fax No.: 91 22 6678 2828

Website: [www.shardacropchem.com](http://www.shardacropchem.com)