

# Sharda Cropchem Limited

Tel. : +91 22 66782800  
FAX : +91 22 66782828 / 66782808  
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



9<sup>th</sup> July, 2024

To,

|  |   |
|--|---|
| <b>National Stock Exchange of India Limited</b><br>Exchange Plaza, 5th Floor, Plot No.<br>C/1, G-Block, Bandra Kurla Complex,<br>Bandra (E), Mumbai – 400 051<br><br><b>Trading Symbol: SHARDACROP</b> | <b>BSE Limited</b><br>Phiroze Jeejeebhoi Tower,<br>Dalal Street,<br>Mumbai – 400 001<br><br><b>Scrip Code: 538666</b> |
|--|---|

**Sub: Annual Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2024.**

Dear Sir/Madam,

This is with reference to our earlier letter dated 03<sup>rd</sup> July, 2024 regarding, inter-alia, convening of the 21<sup>st</sup> Annual General Meeting ("AGM") of the Members of Sharda Cropchem Limited ("the Company") on Friday, 9<sup>th</sup> August, 2024 at 01:00 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 for the financial year 2023-24 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 & 25<sup>th</sup> September, 2023 (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 & 7<sup>th</sup> October, 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 Friday, 02<sup>nd</sup> August, 2024 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 Saturday, 03<sup>rd</sup> August, 2024, for the purpose of Annual General Meeting of the Company.

## ***Sharda Cropchem Limited***

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The Company has fixed **Friday, 02<sup>nd</sup> August, 2024** as the “**Record Date**” for determining eligibility of members entitled to receive final dividend for the financial year ended 31<sup>st</sup> March, 2024.

The Annual Report of the Company for the financial year 2023-24 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**

---

**JETKIN GUDHKA**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**

**Encl: as above**



***Sharda Cropchem Limited***

ANNUAL REPORT FY 2023-24

**SECURING HARVESTS,  
NURTURING FUTURES.**

# ACROSS THE PAGES

Page → 01 – 36

## Company Overview

|   |    |
|---|----|
| Securing Harvests, Nurturing Futures.                                       | 01 |
| Securing Harvests and Nurturing Futures through Focus on Agrochemicals      | 02 |
| Cultivating Growth and Nurturing Sustainability with Our Market Positioning | 04 |
| Nurturing Our Global Presence Across Continents                             | 06 |
| Nurturing Growth through an Extensive Product Portfolio                     | 08 |
| Securing Success through Innovation and Efficiency                          | 10 |
| Charting Our Progress in Securing Harvests and Nurturing Futures            | 12 |
| Driving Core Competency with an Asset-Light Model                           | 14 |
| Message from Chairman & Managing Director                                   | 18 |
| Navigating the Way Ahead while Nurturing the Future                         | 20 |
| Navigating Sharda Cropchem's Financial Growth Journey                       | 22 |
| Securing the Future through Commitment to ESG Excellence                    | 24 |
| Securing the Future of the Planet by Protecting Nature                      | 26 |
| Nurturing its People and Continuing on the Path of Growth                   | 28 |
| Nurturing Communities and Shaping the Future                                | 30 |
| Board of Directors  | 32 |
| Corporate Information   | 36 |

Page → 37 – 154

## Statutory Reports

|   |     |
|---|-----|
| Management Discussion and Analysis              | 37  |
| Notice  | 53  |
| Boards' Report                                  | 66  |
| Corporate Governance Report                     | 89  |
| Business Responsibility & Sustainability Report | 109 |

Page → 155 – 298

## Financial Statements

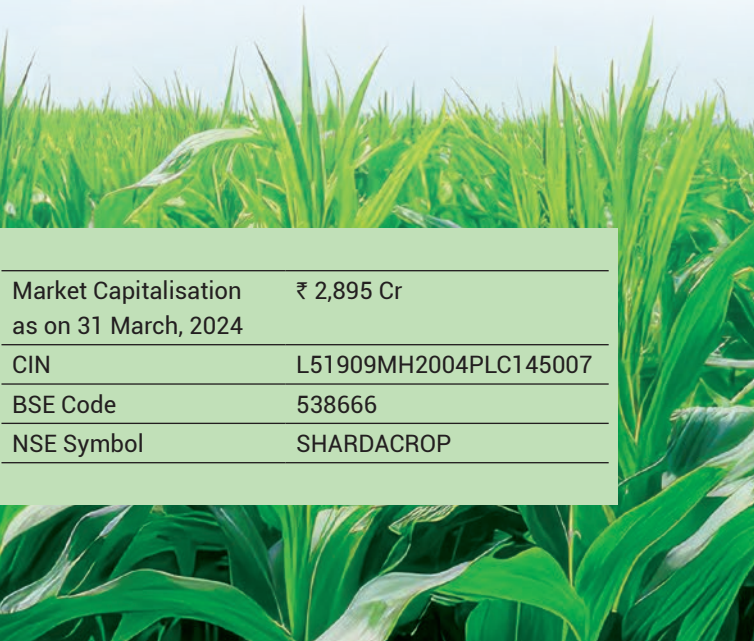
|              |     |
|--------------|-----|
| Standalone   | 155 |
| Consolidated | 228 |



An electronic version of this report is available online at: <https://www.shardacropchem.com/annual-report.html>

### Disclaimer :

This document contains statements about expected future events and financials of Sharda Cropchem Limited ('The Company'), 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 a 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.



|  |                       |
|--|-----------------------|
| Market Capitalisation as on 31 March, 2024 | ₹ 2,895 Cr            |
| CIN  | L51909MH2004PLC145007 |
| BSE Code                                   | 538666                |
| NSE Symbol                                 | SHARDACROP            |

# SECURING HARVESTS, NURTURING FUTURES.

**The intersection of agriculture, sustainability, and technological innovation holds the key to promoting a prosperous future for farmers, agriculture, and the environment. Organisations have a major role in shaping this future by implementing sustainable practices, fostering innovation in farming techniques, and leveraging technology to optimise resource usage. This will not only ensure the long-term viability of farming communities but also contribute to the preservation of our planet for generations to come.**

At Sharda Cropchem, our core mission revolves around 'Securing Harvests, Nurturing Futures.' We are dedicated to making a significant impact in the agricultural industry, ensuring that farmers achieve optimal crop yields and a sustainable future. Our extensive range of agrochemical products, including herbicides, insecticides, fungicides, and biocides, is designed to protect and enhance harvests, safeguarding them from pests and diseases.

Our commitment extends beyond product offerings; it is embedded in our strategic investments in R&D and our highly skilled global workforce. By adhering to stringent regulatory standards, we ensure the safety and efficacy of our solutions, promoting a prosperous future for farmers, agriculture, and the environment.

At Sharda Cropchem, our strong relationships with distributors and suppliers benefit all stakeholders. This will ensure that together, we can secure harvests and nurture futures. Our vision is a sustainable and thriving global community where agriculture flourishes and farmers prosper.





## SECURING HARVESTS AND NURTURING FUTURES THROUGH FOCUS ON AGROCHEMICALS

**Established in 1987 under the visionary leadership of Mr R.V. Bubna, Sharda Cropchem Limited ('Sharda Cropchem', 'The Company,' or 'We') is an intellectual property (IP) driven company. It is engaged in the marketing and distribution of a wide range of formulations and generic active ingredients, with a focus on exporting agrochemical and non-agrochemical products.**

Sharda Cropchem is a fast-growing global agrochemicals company with a peer position in the generic crop protection chemicals industry. Our vast and growing library of dossiers and IPRs provides us with a solid foundation for growth in the global marketplace, especially in advanced markets such as Europe, North America, and Latin America. It enables us to operate globally in a wide range of formulations and generic active ingredients.

Our deep domain knowledge and extensive experience provide us with a significant competitive edge, enabling us to expand our business both in existing markets and new geographies. This has further positioned us as a prominent player in the field of generic crop protection chemicals. We offer a diverse range of products, including fungicides, herbicides, insecticides, and biocides, to a global clientele.

Through our expertise and conviction, Sharda Cropchem has earned a reputation as a trusted partner in the global agricultural industry. We continue to support farmers and agricultural businesses across the globe, fostering growth and sustainability in the sector.



**35+**  
Years of Expertise

**80+**  
Countries

**525+**  
Distributors

**500+**  
Global Resource Deployment

**2,918**  
Total Product Registrations

**1,095**  
Registrations in Pipeline



## CULTIVATING GROWTH AND NURTURING SUSTAINABILITY WITH OUR MARKET POSITIONING

Sharda Cropchem's core strength lies in identifying generic molecules, preparing dossiers, seeking registrations, and marketing and distributing formulations or generic active ingredients worldwide. Additionally, the Company's asset-light business model, where it focusses on outsourcing manufacturing, has led to cost competitiveness across different geographies.

### THE SHARDA ADVANTAGE



Faster Sales Service



Global Reach



Wide Product Range



Quality with Affordability



Healthy Relationships  
with Suppliers



One-Stop Solution Provider for  
Crop Care Products



₹ 3,163<sup>Cr</sup>  
Revenue

₹ 318<sup>Cr</sup>  
EBITDA

₹ 32<sup>Cr</sup>  
PAT





## NURTURING OUR GLOBAL PRESENCE ACROSS CONTINENTS

Sharda Cropchem extends its global reach through strong connections with customers and partners in over 80 countries. The Company strategically enhances its geographical presence by focussing on emerging markets, offering a diverse portfolio of products in both the agrochemical and non-agrochemical segments. Sharda Cropchem credits its growth and success to lasting customer relationships, which drive its continued prosperity.



### Strategic Global Presence

Sharda Cropchem's expansive global footprint attracts specialised talent and facilitates a factory-to-farmer approach. This establishes the Company as a comprehensive one-stop solution provider. Our strategic global presence ensures that we deliver tailored solutions to meet the unique needs of farmers around the world.



### Diverse Revenue Streams through Globalisation

The Company's globalisation efforts create diverse revenue streams, driving growth by adapting to the global market and attracting new customers. Our ability to navigate and thrive in different markets ensures sustained success and innovation in the agricultural sector.



### Agrochemical Leadership Expansion

Sharda Cropchem strengthens its sales force in key regions, focussing on Europe, the US, Canada, Mexico, Columbia, South Africa, India, and beyond. This strategic expansion aims to elevate our position in the agrochemical value chain through robust partnerships and efficient distribution networks, ensuring that we remain at the forefront of the industry.



### Global Market Penetration

Leveraging our global presence, Sharda Cropchem introduces formulations and generic active ingredients worldwide. By utilising third-party distributors and an in-house sales force, we achieve effective market penetration, ensuring that our high-quality products reach farmers in every corner of the globe.

**80+ Countries**

Presence across Europe, NAFTA, LATAM, and ROW

**500+**

Global Resource Deployment

**₹ 420 Cr**

CAPEX

**525+**

Distributors



**EUROPE    NAFTA    LATAM    ROW**

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it 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. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



# NURTURING GROWTH THROUGH AN EXTENSIVE PRODUCT PORTFOLIO

Positioned as a premier 'Comprehensive Crop Care Solutions Provider,' Sharda Cropchem excels with a diverse portfolio, delivering effective solutions to farmers worldwide. By strategically securing registrations in vital regions such as Europe and NAFTA, the Company has emerged as the preferred choice for dependable crop care. Fuelled by innovation and strong customer commitment, the Company adeptly adapts to industry dynamics. Proactively identifying off-patent generic molecules and making strategic investments in IP management, we consolidate our market presence, navigating competition with precision.

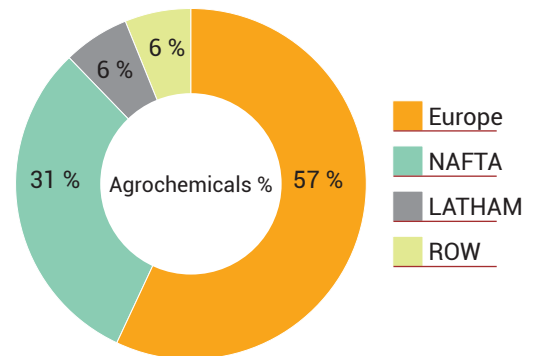
## Agrochemicals



In our ongoing pursuit of excellence, Sharda Cropchem continues to redefine industry standards in the agrochemical sector. Central to our success is the holistic 'Farm to Fork' philosophy, which encompasses every stage of agricultural production and distribution. By seamlessly integrating this approach into its operations, the Company ensures the delivery of high-quality products while promoting environmental stewardship and community engagement.

Sharda Cropchem's dedication to continuous improvement is reflected in its robust research and development (R&D) initiatives. Through strategic partnerships and investments in emerging technologies, the Company remains at the forefront of agricultural innovation. This helps drive efficiency and productivity for farmers worldwide.

## Region-Wise Revenue Breakup (in %)



₹ 2,639 Cr

Revenue from Agrochemicals

2,918

Total Product Registrations

1,095

Registrations in Pipeline

## Non-Agrochemicals

Recognising the evolving needs of industries beyond agriculture, the Company has strategically expanded its product portfolio to include a wide array of essential goods.

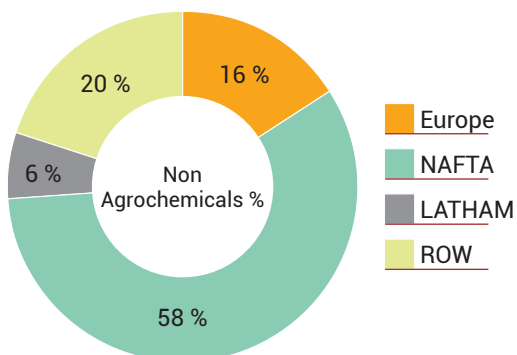
From conveyor belts to general chemicals, dyes, and dye intermediates, Sharda Cropchem prudently sources these products from trusted manufacturers in key markets such as China and India. Leveraging its extensive network and logistical capabilities, the Company efficiently distributes these goods across various regions, including Europe, NAFTA, LATAM, and ROW.

This strategic foray into the non-agrochemical sector proves the Company's agility and foresight in meeting the demands of diverse industries. By diversifying its offerings and expanding its geographic reach, the Company not only enhances its revenue streams but also solidifies its position as a reliable partner for businesses worldwide.

**₹ 524 Cr**

Revenue from Non-Agrochemicals

### Region-Wise Revenue Breakup (in %)





## SECURING SUCCESS THROUGH INNOVATION AND EFFICIENCY

**Sharda Cropchem stands at the forefront of the agrochemical industry, through a strategic blend of innovation and efficiency. Embracing an asset-light model, the Company optimises resources to focus on core competencies, securing a leading position in generic molecule identification and registration. With a vast pipeline of registrations and diversified sourcing arrangements, our global expansion and comprehensive distribution network showcases our commitment to delivering quality products while maintaining agility and competitiveness in the market.**

### **Asset-Light Model**

Sharda Cropchem strategically embraces an asset-light model, optimising time and resources. This approach helps boost its core competency including identifying valuable generic molecules, preparing dossiers, and acquiring registration opportunities. By outsourcing the manufacturing of active ingredients and formulations, the Company not only gains flexibility but also achieves cost competitiveness, with limited capital requirements. This deliberate strategy enables Sharda Cropchem to redirect valuable resources towards expanding its product portfolio and extending its geographic reach. The cause-and-effect nature of this approach not only facilitates scalable growth but also demands minimal capital investment, reinforcing the Company's agility and competitiveness in the market.



### Large Pipeline of Registrations

Sharda excels in smart product registrations, strategically identifying generic molecules approaching patent expiration. As of 31 March, 2024, the Company has 2,918 registrations, showcasing its commitment to expanding its IP portfolio. Furthermore, with 1,095 registration applications in progress globally, the Company is strategically positioned for future growth, aligning with its vision of achieving economies of scale in the global market.

### Global Expansion and Market Penetration

Leveraging a diversified product portfolio, Sharda Cropchem has expanded its business operations to 80+ countries across Europe, NAFTA, Latin America, and ROW. This strategic expansion not only enables efficient entry into new markets but also reinforces the Company's presence in existing markets, establishing a formidable global footprint.

### Diversified Sourcing Arrangements

Sharda Cropchem has cultivated strong relationships with agrochemical manufacturers in China and India, while also collaborating with formulators in the US and Europe. This diversified sourcing approach ensures access to quality products at optimal prices, providing a competitive advantage. Despite currency market fluctuations, our flexibility in supplying formulations or generic active ingredients is a testament to the robust bonds forged with third-party manufacturers.

### Comprehensive Distribution Network

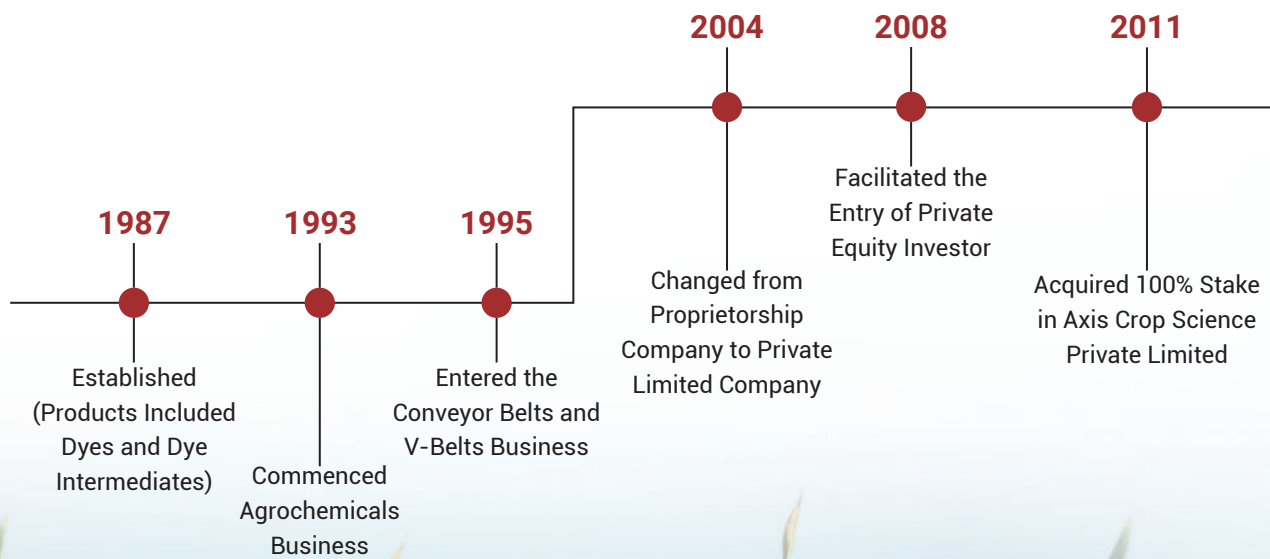
As a global player, Sharda Cropchem is dedicated to strengthening the entire agrochemical value chain through a widespread distribution network comprising 525+ third-party distributors and a 500+ strong sales force. Drawing on its extensive experience across diverse geographies and products, the Company has invaluable insights into local weather and soil conditions. This enables the creation of unique product variants tailored to meet the specific needs of its esteemed customers.



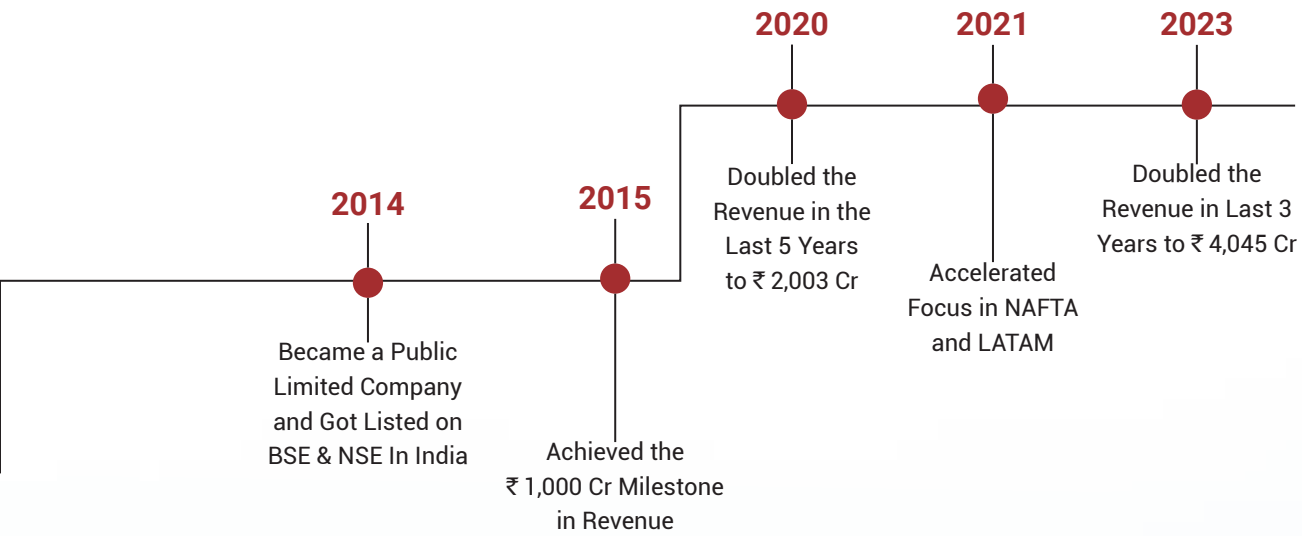


## CHARTING OUR PROGRESS IN SECURING HARVESTS AND NURTURING FUTURES

Sharda Cropchem embarked on a journey of continuous growth and evolution since its inception in 1987. The Company has navigated through significant milestones, expanding its presence across industries and geographies. From establishing its roots in dyes and dye intermediates to venturing into agrochemicals and beyond, Sharda Cropchem's trajectory is marked by strategic acquisitions, financial milestones, and a relentless pursuit of excellence.







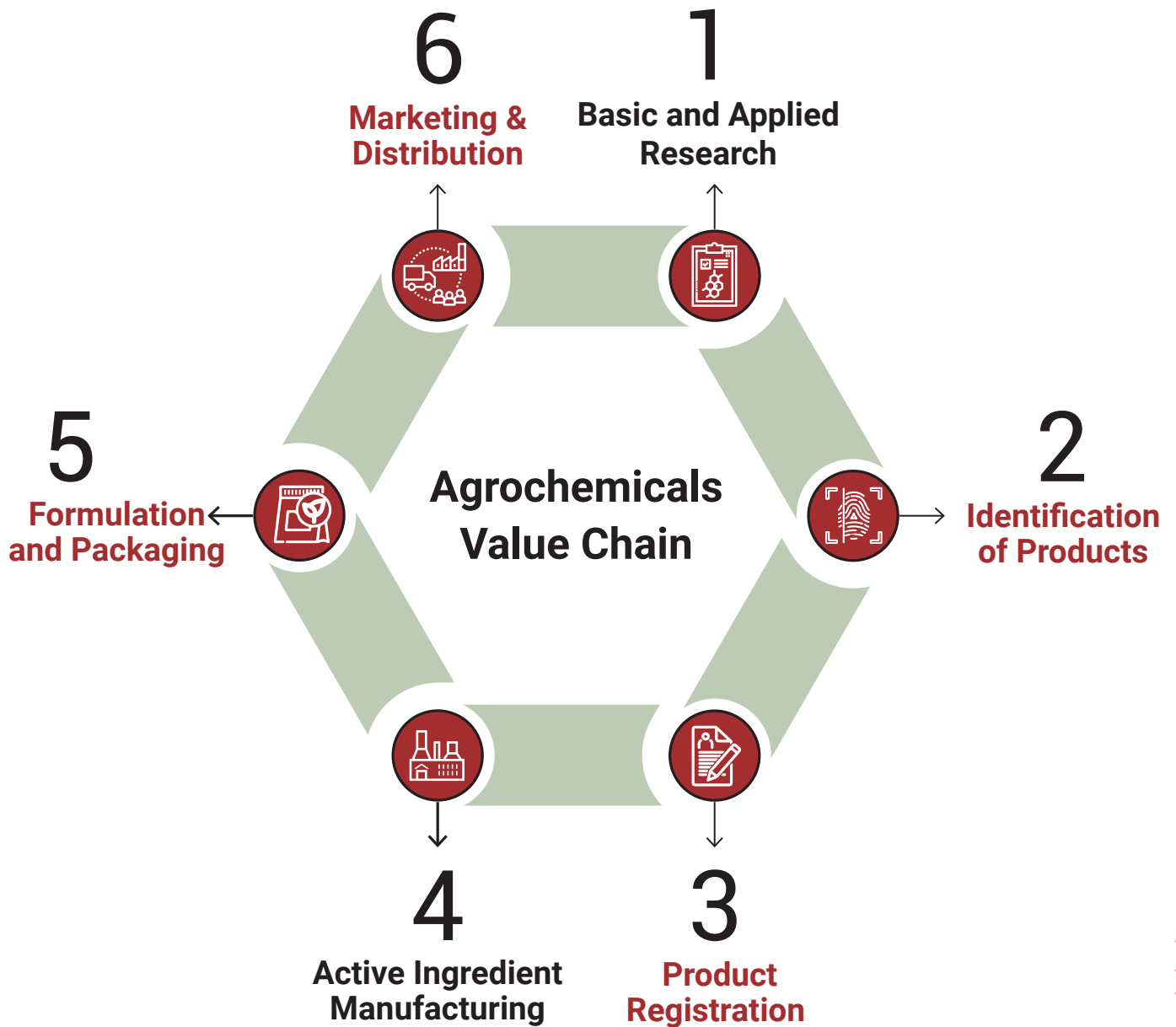


## DRIVING CORE COMPETENCY WITH AN ASSET-LIGHT MODEL

**Sharda Cropchem remains committed to expanding registrations and building an extensive dossier library, highlighting its dedication to an asset-light business model. With a robust and agile sales force strategically positioned across Europe, the US, Mexico, Columbia, South Africa, and India, the Company's global footprint spans over 80 countries. This facilitates remarkable growth in diverse territories, thereby solidifying its stature as a premier player in the agrochemical industry. Sharda Cropchem continually enhances its market presence and operational efficiency through innovative digital platforms and analytics-driven insights, optimising decision-making processes, and ensuring adaptability in dynamic market conditions.**

Sharda Cropchem continues to reinforce its global leadership by meticulously sourcing high-quality generic active ingredients and fostering innovative product formulations in collaboration with trusted third-party manufacturers. Its strategic focus revolves around identifying generic molecules, meticulously preparing dossiers, and navigating the intricate process of securing registrations. With precision and expertise, the Company adeptly navigates the complexities of marketing and distributing formulations through a network of third-party distributors and its own dedicated sales force.

Sharda Cropchem remains committed to sustainability, actively investing in R&D to formulate eco-friendly products and promote responsible agricultural practices. This aligns with the Company's growth objectives emphasising environmental stewardship and societal well-being.





## Process Overview

As on 31 March, 2024, Sharda Cropchem had amassed 2918 registrations and 1095 applications in pipeline, strategically positioned across key regions. This extensive dossier library grants us a competitive edge, facilitating registrations in multiple countries and enabling operations across a diverse array of formulations and generic active ingredients. This advantage proves particularly crucial in highly regulated markets where operating without proper registrations would be constrained.

### ▲ Identifying Products and Registration Opportunities

At the core of Sharda Cropchem's strategy lies the identification of formulations and generic active ingredients nearing patent expiration. This entails a comprehensive evaluation of factors including viability, approval timelines, scalability, and market potential. Informed decisions are made based on this analysis, guiding the development and introduction of products into the market.

### ▲ Registration Process

- 1. Preparation of Dossiers**

Sharda Cropchem undertakes a rigorous process to compile dossiers, gathering and analysing data on the physical, chemical, and biological characteristics of generic active ingredients. Adhering strictly to regulatory guidelines, the Company collaborates with GLP-certified laboratories to ensure accurate results. This entails comprehensive testing and experimentation, including batch analyses and risk assessments.
- 2. Applying for Registrations**

Following the identification of formulations and ingredients, Sharda Cropchem proceeds to collect essential information for registration applications in relevant jurisdictions. In cases where data can be obtained from the data-holder, technical equivalence is established. Alternatively, the Company conducts its own studies and tests to acquire necessary information, if unavailable, from the data-holder.

### ▲ Active Ingredient Manufacturing and Procurement

Sharda Cropchem prioritises procurement of active ingredients from China and India. Generic active ingredients are sourced through agreements with third-party manufacturers. To prepare formulations, we procure the necessary ingredients and outsource the process to third-party formulators in Europe and the US.

### ▲ Marketing and Distribution

Sharda Cropchem's agrochemical products are marketed and distributed in over 80 countries worldwide, facilitated by a robust network of more than 525 third-party distributors and over 500 global resources. The Company's global presence indicates its dedication to quality and reliability, with its products proudly bearing the Sharda Cropchem brand name.

### ▲ Formulations and Packaging

Formulations are meticulously labelled and packaged by third-party formulators in accordance with country-specific specifications. Labels include crucial details such as formulation or active ingredient names, constituents, manufacturer, and registration holder identity. Additionally, dosage, precautions, and usage instructions are provided.



## MESSAGE FROM

## CHAIRMAN & MANAGING DIRECTOR



“ Our extensive pipeline of registrations showcases our resilience and our commitment to growth. As of 31 March, 2024, we have secured 2,918 registrations and have filed 1,095 applications in pipeline at various stages globally. ”

### Dear Shareholders,

Our theme for the year, 'Securing Harvests, Nurturing Futures,' reflects our commitment to global food security and sustainable agriculture. We strive to empower farmers with reliable crop protection solutions, safeguarding livelihoods and food supplies. This theme underscores our dedication to eco-friendly practices and long-term ecosystem health, ensuring that by protecting today's crops, we cultivate a resilient, well-nourished tomorrow.

### Navigating Global Challenges

The fiscal year 2023-24 presented numerous challenges for the agrochemical industry worldwide. The global economic environment was fraught with undercurrents that

tested the resilience of businesses across our sector. Geopolitical tensions and a general slowdown in consumption had a ripple effect, impacting operations and market dynamics. However, these challenges have not weakened our determination. Instead, they have driven us to navigate these complexities with a balanced approach, prioritising our business objectives alongside the trust and goodwill of our customers.

Amid these global challenges, the Indian economy demonstrated robust growth, supported by high investment activity and strong private consumption. This resilience provided a favourable backdrop for Sharda Cropchem, enabling us to leverage our strengths and continue our growth trajectory.

### Our Core Strengths and Growth Foundations

Sharda Cropchem is a rapidly growing global agrochemicals company, recognised for its position in the generic crop protection chemicals industry. Our extensive and ever-expanding library of dossiers and IPRs provides a solid foundation for growth in the global marketplace. This is particularly true in advanced markets such as Europe, North America, and Latin America, where our capabilities in operating across a diversified range of formulations and generic active ingredients are well-established.

As an IP-driven company, we are engaged in the marketing and distribution of a wide range of formulations and generic active ingredients. Our asset-

light business model allows us to efficiently channel time and resources into strengthening our core competencies, identifying generic molecules, and pursuing registration opportunities that offer scalable growth with limited capital requirements.

### Pipeline and Sourcing Strategies

Our extensive pipeline of registrations proves our commitment to growth and resilience. As of 31 March, 2024, we have secured 2,918 registrations and filed 1,095 applications pending at various stages globally. This robust pipeline positions us well for future growth and market expansion.

We maintain enduring relationships with multiple manufacturers and formulators, enabling us to source and supply formulations or generic active ingredients at competitive prices. This flexibility ensures we respond effectively to market demand fluctuations across various geographies.

### Expanding Global Presence and Distribution Network

Our domain knowledge and experience provide us with a substantial competitive advantage. They help in facilitating business expansion in both existing and new geographies. Our strategy includes a dual approach: further penetrating existing markets while entering new ones.

We continue to identify generic molecules going off patent and invest in preparing dossiers and seeking registrations under our name. This strategy is backed by our ongoing investment in product registrations, which enhances our market presence and execution capabilities.

Furthermore, we have successfully adopted a factory-to-farmer

approach, becoming a one-stop solution provider to our global customers. We are working towards strengthening and widening our sales force in key regions such as Europe, the US, Canada, Mexico, Columbia, South Africa, and India, in addition to our third-party distributors. This will help us enhance our presence in the agrochemical value chain.

### Financial Performance and Future Outlook

For 2023-24, our capital expenditure (Capex) stood at ₹ 420 Cr in product registrations. This substantial investment is aimed at strengthening our market position and supporting our growth initiatives. The Capex will enable us to enhance our capabilities, expand our product offerings, and improve operational efficiency, ultimately contributing to our long-term success and competitiveness in the agricultural industry.

In fiscal year 2023-24, we recorded a revenue of ₹ 3,163 Cr, with ₹ 2,639 Cr from agrochemicals and ₹ 524 Cr from non-agrochemicals. Our EBITDA stood at ₹ 318 Cr, with a PAT of ₹ 32 Cr. We remain debt-free, with ₹ 375 Cr in cash and liquid investments as of 31 March, 2024, positioning us to navigate challenges and pursue growth opportunities.

The volume growth in agrochemicals was facilitated by the availability of products, allowing us to meet customer demand promptly. The decline in the non-agrochemicals segment was influenced by increased freight charges and disturbances in the Red Sea affecting travel time. However, the cost and time involved in registering new products have proven beneficial, leading to less competition.

We anticipate that a combination of volume growth and pricing power will drive revenue growth. Our

ability to register new products, market them effectively, and gain customer acceptance has been crucial in achieving volume growth.

### Conclusion and Way Forward

As we look ahead, we aim to invest in product registrations, leveraging our market presence and execution capabilities. The growing global population and increasing middle-class demand for food and protein will drive the need for greater agricultural productivity. Recognising the critical role of agriculture, the Interim Union Budget has allocated substantial funds to the Ministry of Agriculture, supporting our industry's growth. Our Capex plans for 2024-25 are aligned with these growth opportunities, with the aim to enhance our market capabilities and operational efficiency.

In conclusion, I extend my heartfelt appreciation to our stakeholders for their consistent confidence in Sharda Cropchem. Our resilience, driven by deep-rooted values of excellence, innovation, and sustainability, has steered us through challenges and laid the groundwork for our continued progress. As we forge ahead, we remain focussed on our key objectives: fostering growth, broadening our market presence, and enhancing operational prowess.

The steady support of our talented team, loyal customers, investors, bankers and valued partners strengthens our resolve to adapt and thrive amid changing market dynamics, ultimately creating enduring value for all who have a stake in our success. United in purpose, we will persist in shaping a prosperous future not only for our Company but also for the wider communities touched by our work.

Warm regards,

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



## NAVIGATING THE WAY AHEAD WHILE NURTRING THE FUTURE

**Navigating the path forward with foresight and determination, Sharda Cropchem charts a course for continued success through strategic initiatives. From forward integration to building distribution presence and prioritising operational efficiencies, the Company remains committed to enhancing its market position and delivering value to customers worldwide.**

### ▲ **Forward Integration - Build Sales Force**

Sharda Cropchem, leveraging its established market presence and robust execution capabilities, strategically pursues forward integration. The Company adopts a factory-to-farmer approach, aiming to become a comprehensive one-stop solution provider. This initiative extends globally, with a targeted strategy for different regions, including NAFTA, Europe, LATAM, and other key markets in the ROW. This strategic move enhances the Company's market position and fosters increased customer satisfaction.





### ▲ Continual Investment in Product Registrations

As part of its growth strategy, Sharda Cropchem remains committed to continual investment in product registrations. The Company identifies generic molecules reaching patent expiry, followed by extensive preparation of dossiers, and seeking registrations under its own name. This can be attributed to the Company's product portfolio expansion and a proactive approach to market demand, ensuring sustained competitiveness.

### ▲ Expand and Strengthen Distribution Presence

Sharda Cropchem strategically expands its geographical reach by leveraging its existing library of dossiers. The Company follows a two-fold approach, involving further penetration into existing markets while simultaneously entering new ones. This can be attributed to its increased market share and enhanced accessibility, aligning with the Company's commitment to being a global leader in agrochemical distribution.

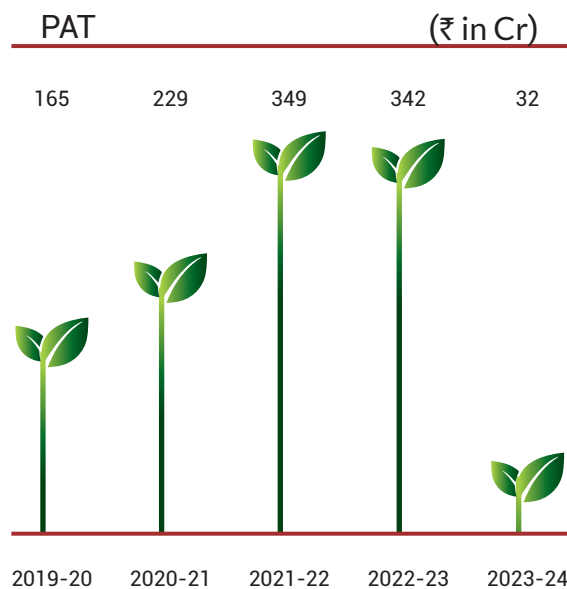
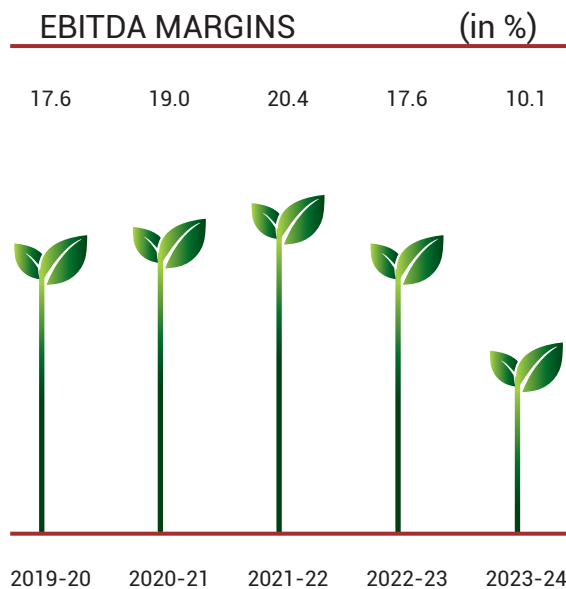
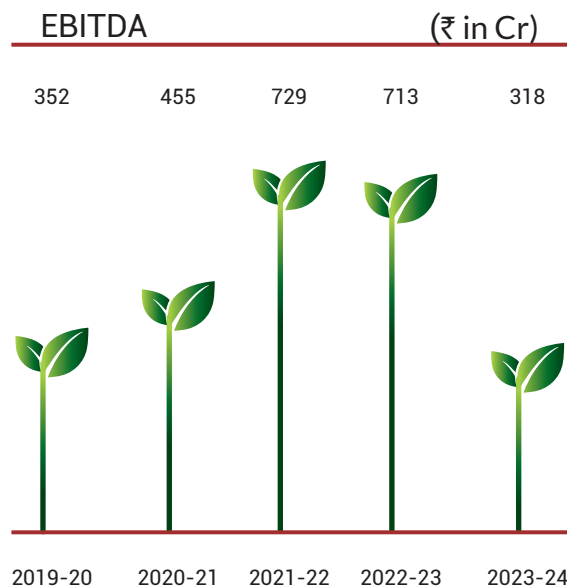
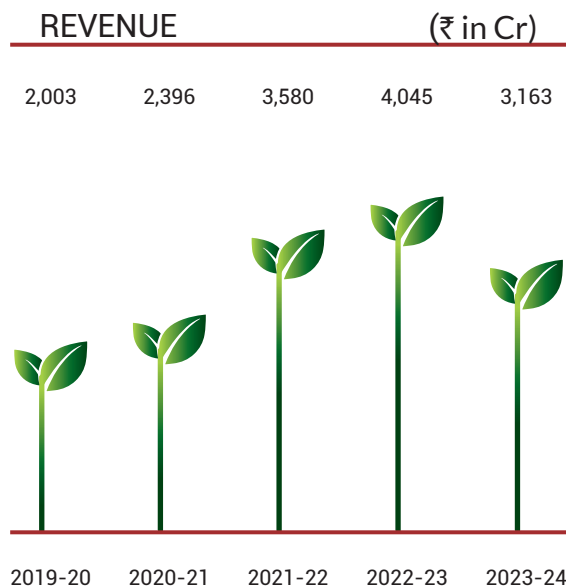
### ▲ Focus on Operational Efficiencies

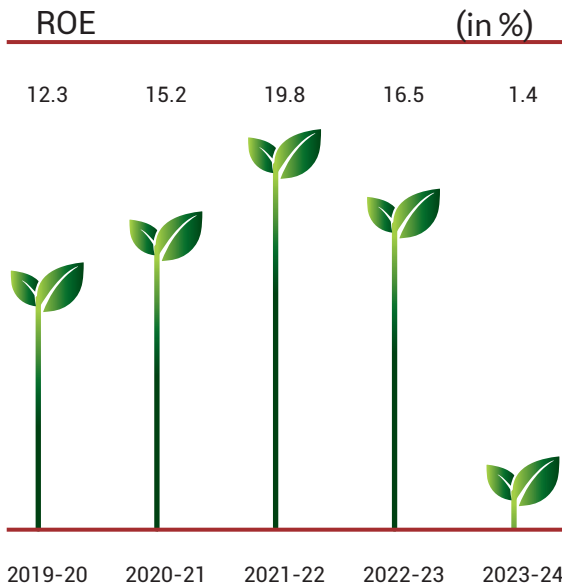
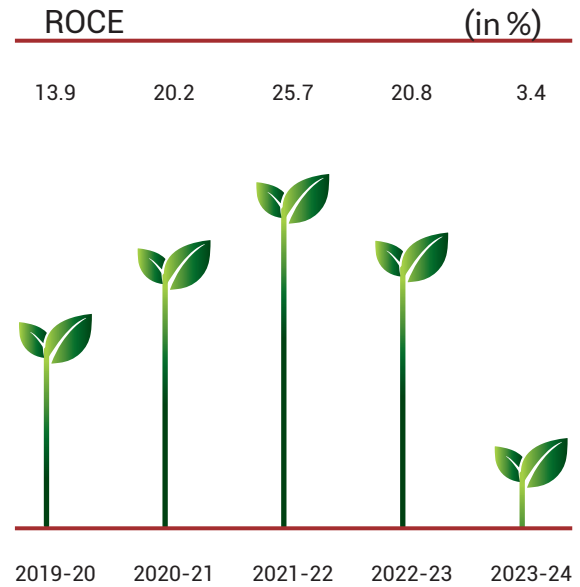
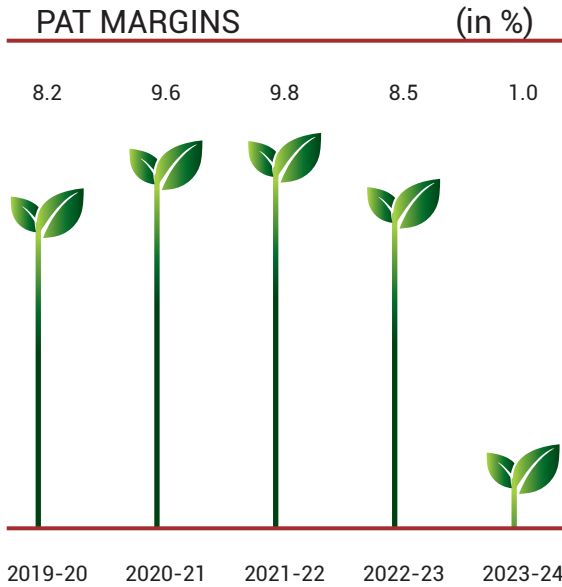
To drive sustainable growth, Sharda Cropchem intensifies its focus on operational efficiencies. The Company boosts investments in revenue-generating opportunities, improving margins. At the same time, it focusses on strict cost management and removing non-value-adding (NVA) processes. This enhances profitability and organisational agility, ensuring a strong foundation for future growth.





# NAVIGATING SHARDA CROPCHEM'S FINANCIAL GROWTH JOURNEY





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



## SECURING THE FUTURE THROUGH COMMITMENT TO ESG EXCELLENCE

Sharda Cropchem is dedicated to sustainability with a strong focus on environmental stewardship, employee well-being, community engagement, and robust governance. The Company prioritises eco-friendly practices, fostering a supportive work culture, actively contributing to societal development, and adhering to high governance standards. This ensures that the Company's operations benefit all stakeholders and the planet.



### Environment



Sharda Cropchem is deeply committed to environmental stewardship and implementing sustainable practices across its operations. The Company prioritises eco-friendly product formulations, reduces its carbon footprint, and adheres to stringent environmental regulations. By investing in R&D, Sharda Cropchem aims to create products that are not only effective but also minimise ecological impact, thereby contributing to the overall health of the planet.



### Employees



Sharda Cropchem values its employees as its greatest asset, fostering a supportive and inclusive work environment. The Company invests in professional development, offering training and career advancement opportunities to help employees reach their full potential. By promoting a culture of safety, diversity, and innovation, Sharda Cropchem ensures a motivated and engaged workforce dedicated to achieving the Company's goals.





## Community



Sharda Cropchem is dedicated to making a positive impact on the communities where it operates. Through various CSR initiatives, the Company supports education, healthcare, and local economic development. It actively engages with community stakeholders, striving to improve the quality of life and bring long-term benefits for society at large.



## Governance



Strong governance is at the core of Sharda Cropchem's operations, ensuring transparency, accountability, and ethical conduct. The Company adheres to rigorous corporate governance standards, with a focus on maintaining robust internal controls and risk management practices. By fostering a culture of integrity and compliance, Sharda builds trust with shareholders, customers, and other stakeholders, reinforcing its commitment to sustainable and responsible business practices.





## SECURING THE FUTURE OF THE PLANET BY PROTECTING NATURE

Sharda Cropchem actively pursues sustainability, optimising efficiency and mitigating risks as a commitment to a greener future. Despite minimal waste generated in agrochemical trading business, the Company responsibly disposes and recycles plastics, e-waste, and hazardous waste by selling to local vendors. The Company further reduces its environmental footprint by minimising paper usage and adopting recyclable materials in its operations.

### SDG's Impacted



### ▲ Waste Reclamation Practices

Sharda Cropchem is engaged in agrochemical product registration and distribution. The Company minimises its waste generation, including plastics, e-waste, hazardous waste, and other residues. Through responsible disposal practices, the Company sells waste to local vendors, ensuring proper recycling or disposal. Additionally, Sharda Cropchem prioritises the use of recyclable paper and actively reduces paper consumption in its operations, aligning with its commitment to environmental stewardship.

### ▲ Energy Efficiency Initiatives

Sharda Cropchem is committed to optimising energy use across its operations, striving for maximum efficiency and minimal environmental impact. The Company employs energy-saving technologies and practices to reduce consumption in its facilities and logistics. This includes the use of energy efficient lighting, machinery, and processes, as well as promoting a culture of energy conservation among employees.

### ▲ Reduction of Hazardous Chemicals

Sharda Cropchem, as a trader of agriculture and non-agro commodities, maintains a minimal need for hazardous and toxic chemicals. The Company employs a validated process for e-waste management, scrutinised by an external agency. In adherence to regulatory guidelines, Sharda Cropchem ensures the responsible and compliant handling of any waste produced in its trading activities. This strategy reflects the Company's commitment to environmental sustainability and regulatory compliance.

### ▲ Water Conservation Efforts

Sharda Cropchem prioritises water conservation as a key component of its environmental sustainability strategy. The Company implements water-saving measures throughout its operations, including efficient water management systems and the use of water-efficient technologies. Rainwater harvesting, wastewater treatment, and recycling are integral parts of the Company's water conservation efforts.

**0.29 GJ/Cr**

Energy Intensity per  
Rupee of Turnover

**1.38 KL/Cr**

Water Intensity per Rupee of Turnover  
(Water Consumed/Turnover)

**761.57 GJ**

Total Energy Consumption

**3,588 KL**

Total Water Consumption



## NURTURING ITS PEOPLE

## AND CONTINUING ON THE PATH OF GROWTH

**At Sharda Cropchem, inclusivity is ingrained in its ethos. Committed to equal opportunities, the Company fosters a workplace where every individual, regardless of marital status, race, gender, or origin, has an equal chance to excel. With a workforce embodying diversity, Sharda Cropchem embraces unique perspectives, fostering innovation and ensuring all employees' fundamental rights are respected and protected.**





## Ensuring a Safe and Healthy Workplace

Sharda Cropchem ensures a safe and healthy workplace through a range of meticulous safety measures. From fire and burglar alarm systems to strategically placed fire extinguishers and earthing pits for electrical safety, the Company prioritises prevention and preparedness. Essential emergency contact numbers, public address systems, and regular safety drills further contribute to a secure work environment. Comprehensive CCTV surveillance, first-aid kits, and regular maintenance underscore the Company's commitment to the well-being of its employees, establishing a safe and secure workplace.

### ▲ Grievance Redressal and Open Communication

Sharda Cropchem encourages open communication and grievance redressal. The Company's inclusive open-door policy ensures that every employee, regardless of hierarchy, has unrestricted access to the business heads, HR, Legal and Compliance Departments, and senior management. The Company's Whistle Blower Policy, aligned with its Code of Business Conduct and Ethics, emphasises zero tolerance for workplace harassment and unethical behaviour, actively safeguarding employees against victimisation.

### ▲ Firm Adherence to Equal Opportunities

Sharda Cropchem is committed to providing equal opportunities and fostering a workplace where success knows no barriers. Regardless of marital status, race, gender, ethnic or social origin, culture, language, or religion, every individual has an equal chance to thrive. The Company actively celebrates diversity, with a workforce comprising 55.49% women, fostering an innovative and creative work environment.

### ▲ Mechanisms for Human Rights Grievances

The internal mechanisms addressing human rights grievances at Sharda Cropchem mirror those for other concerns. Employees can express concerns through various channels, such as email, letter, web helpline, or verbal communication. Harassment by seniors, sexual harassment, unethical dealings, and other issues are treated with the utmost seriousness. The CEO and relevant departments jointly investigate significant concerns, reinforcing the Company's dedication to addressing critical matters promptly.

### ▲ Inclusive Policies and Managerial Framework

Sharda Cropchem's policies and managerial framework ensure that every employee's fundamental and human rights are not just acknowledged but fully protected. The business thrives on fairness and transparency, with equal opportunities embedded in its corporate DNA. This commitment creates a harmonious and empowering workplace, uniting individuals under a shared vision and dedication to excellence.

186

Total Employees

Zero

No. of Fatalities

54.30%

Women Employees

Zero

No. of Complaints Registered









## NURTURING COMMUNITIES AND SHAPING THE FUTURE

The Company is committed to creating a positive impact through CSR initiatives. Our projects encompass various areas, including animal welfare, education promotion, hunger and poverty eradication, medical welfare, rural development, and women empowerment. These initiatives underscore Sharda Cropchem's dedication to fostering positive change and contributing to the well-being of communities.

₹ 8.11 Cr

Total Amount Spent on CSR



| CSR Project                    | 1   | No. of Persons Benefitted from CSR Projects |
|--------------------------------|---|---|
| Animal Welfare                 |    | 500+ Animals                                |
| Promoting Education            |    | 17,000+ Students                            |
| Eradicating Hunger and Poverty |    | 1,000+ People                               |
| Medical Welfare                |  | 200+ People                                 |
| Rural Development              |  | 500+ People                                 |
| Women Empowerment              |  | 1,800+ Women                                |

By investing in these initiatives, Sharda Cropchem aims to make a positive impact on society and contribute to sustainable development.



## BOARD OF DIRECTORS



**Mr Ramprakash V. Bubna**

*Chairman & Managing Director,  
Founder & Promoter*

Mr Ramprakash V. Bubna holds a bachelor's degree in Chemical Engineering from IIT Bombay. He has over 56 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 was associated with Tata Oil Mills Limited, Zenith Limited, Piramal Rasayan Limited, Coromandel Fertilisers Limited, and Zuari Agrochemicals Limited. He is one of the Founders and Promoters of the Company.



**Mrs Sharda R. Bubna**

*Whole-Time Director,  
Founder & Promoter*

Ms 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 industries from 1987 up to 2004. She is one of the Founders & Promoters of the Company.



**Mr Ashish R. Bubna**

*Whole-Time Director,  
Founder & Promoter*

Mr Ashish R. Bubna graduated from the University of Mumbai with a bachelor's degree in Commerce. He has over 33 years of experience in the marketing of chemicals, agrochemicals, and related products. He has been instrumental in strategising early investments in product registrations and building the library of product dossiers. Mr Bubna is responsible for the marketing, procurement, registration and logistics functions of the agrochemical business. He is one of the Founders & Promoters of the Company.



**Mr Manish R Bubna**

*Whole-Time Director,  
Founder & 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 31 years of experience in chemicals, agrochemicals, and related fields. He spearheaded the Company's foray into the conveyor belt and general chemicals business. Additionally, he oversees the information technology, logistics, and documentation functions of the Company. He is one of the Founders & Promoters of the Company.



**Mr M. S. Sundara Rajan**

*Independent Director*

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. He was the 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 45<sup>th</sup> in Economic Times' India Inc.'s most potential CEOs list (2009). Additionally, Mr Rajan secured the second spot among CEOs of nationalised banks and ranked sixth among the CEOs of commercial banks. Since July 2011, he has been an Independent Director of the Company.



**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 & Independent Director on the Board of Julius Baer Wealth Advisors (India) Pvt. Ltd. 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.



**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 (IPOs) in India and several international equity and equity-linked debt issuances by Indian corporate houses. Mr Thakore has been an Independent Director of the Company since December 2013.



**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 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). Her 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.



**Mr H. S. Upendra Kamath**  
*Additional Director (Independent Director)*

Mr Kamath is a Certified Associate of Indian Institute of Bankers (CAIIB) and also holds a bachelor's degree in Commerce (B.Com). He has more than four decades of experience in the Indian Banking industry. He possesses a wealth of expertise in critical areas such as MSME, Retail Banking, Priority Sector, Recovery and Legal Risk Management, International Banking, Treasury, Credit Monitoring, and Administration.

He has been appointed as an Additional Director of the Company upto the date of the Annual General Meeting and his appointment as an Independent Director is subject to approval of the members in the forthcoming Annual General Meeting.



**Mr Vinod Kathuria**

*Additional Director (Independent Director)*

Mr Kathuria is a Certified Associate of Indian Institute of Banking and Finance (CAIIB) and also holds a master's degree in Commerce (M.Com). He has more than 40 years of experience in the Indian Banking Industry. He possesses a expertise in key banking areas such as Corporate Credit, Recovery, Retail Lending, Treasury Operations, International Banking Business.

He has been appointed as an Additional Director of the Company upto the date of the Annual General Meeting and his appointment as an Independent Director is subject to approval of the members in the forthcoming Annual General Meeting.



**Mr Shalin Divatia**

*Additional Director (Independent Director)*

Mr Divatia is a Fellow member of Institute of Chartered Accountant of India (ICAI), an Associate member of Institute of Company Secretaries of India (ICSI), also holds bachelors degrees in Law and Commerce (B. Com. & L.L.B.). He has more than 30 years of experience in the filed of Accounts, Finance, Taxation, Audit & Corporate Law and expertise in Corporate Matters, Mergers & Amalgamation and Exchange Control Matters.

He has been appointed as an Additional Director of the Company upto the date of the Annual General Meeting and his appointment as an Independent Director is subject to approval of the members in the forthcoming Annual General Meeting.



## CORPORATE INFORMATION

### Board of Directors

▶ **Mr Ramprakash V. Bubna**

Chairman & Managing Director,  
Founder & Promoter

▶ **Mrs Sharda R. Bubna**

Whole-Time Director, Founder & Promoter

▶ **Mr Ashish R. Bubna**

Whole-Time Director, Founder & Promoter

▶ **Mr Manish R. Bubna**

Whole-Time Director, Founder & Promoter

▶ **Mr M. S. Sundara Rajan**

Independent Director

▶ **Mr Shitin Desai**

Independent Director

▶ **Mr Shobhan Thakore**

Independent Director

▶ **Ms Sonal Desai**

Independent Director

▶ **Mr H. S. Upendra Kamath**

Additional Director (Independent  
Director w.e.f. 10 May, 2024.)

▶ **Mr Vinod Kathuria**

Additional Director (Independent  
Director w.e.f. 10 May, 2024.)

▶ **Mr Shalin Divatia**

Additional Director (Independent  
Director w.e.f. 10 May, 2024.)

### Key Managerial Personnel

▶ **Mr Shailesh A Mehendale**

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**

**Website: www.shardacropchem.com**

▶ **Auditors**

B S R & Co LLP, Chartered Accountant

▶ **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

**Website: www.shardacropchem.com**



# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economy

The global economic scenario demonstrated a steady and enduring performance in 2023, recording a favourable growth rate of 3.2%, as per reports by the IMF. This positive momentum is estimated to continue in 2024, with a similar growth rate projection of 3.2%. Advanced economies are expected to contribute considerably to this growth, with an anticipated expansion of 1.7%. On the other hand, emerging markets and developing economies are poised for an even stronger growth of 4.2% in 2024. The outlook for 2025 remains encouraging. While advanced economies are projected to grow at 1.8%, emerging markets and developing economies are forecasted for a slight uptick to 4.2%. As a result, the worldwide economic growth rate is likely to reach 3.2%.

In some major developing economies, there has been subdued growth due to challenges such as high interest rates, moderating consumer spending, and subdued labour market conditions. However, these obstacles present valuable

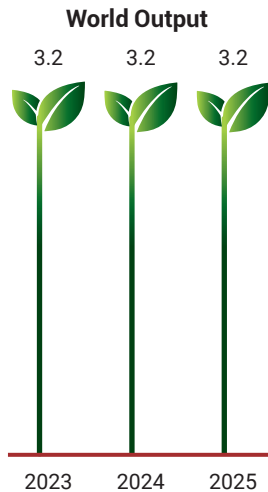
opportunities for innovation and strategic adaptation, ultimately enhancing economic resilience and sustainable development pathways. A positive sign is the projected decrease in global headline inflation, expected to fall to 5.9% in 2024 and further decline to 4.5% in 2025.

*Source: [https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024]*

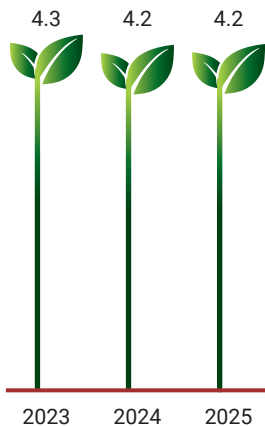
In countries such as the the US, Europe, and China, there is persistent uncertainty regarding the extent of slowdown, which could intensify further. However, downside growth risks have eased, and forecasts indicate improved growth conditions towards the end of the 2024. Major central banks have also taken decisive action, raising rates to combat inflation. While this increase was challenging in the short term, it has set the stage for easing inflation expectations and reduced longer-term borrowing costs. These actions are providing tailwinds for continued economic progress.



## World Economy Outlook: April 2024 Growth Projections (in %)



**Emerging Markets and Developing Economies**



Source: [International Monetary Fund (IMF), World Economic Report Projections, April 2024]

## Outlook

The global economic outlook for 2024 is cautiously optimistic, as consumer spending is expected to drive growth amid a slowing but still expanding labour market. However, several persistent challenges coexist globally. These include high interest rates, weak consumer demand in some economies, labour shortages, deglobalisation trends, energy transition costs, and housing constraints. Further, geopolitical conditions such as the Middle East Conflict can lead to such as potential disruptions in the energy market.

Though the US faces a projected mid-year slowdown, a recession is not anticipated. In contrast, the Euro Area remains most vulnerable to prolonged risks of recession. Major economies like China and India are likely to support global growth, despite certain significant downside risks like monetary tightening, sovereign debt levels, and potential financial crises. On the whole, careful policymaking will be essential to ensuring sustained global expansion amid the evolving uncertainties.

(Source: <https://www.conference-board.org/topics/global-economic-outlook>)

## The Indian Economy

India’s economy has displayed remarkable resilience and sustained robust growth, jointly driven by strategic initiatives by the Government and favourable economic conditions. The Reserve Bank of India (RBI) has projected a GDP growth rate of 7% for the fiscal year 2024-25, indicating continued economic expansion during the period.

A key factor fuelling the country’s economic progress has been the Government’s increased focus on infrastructure development. A major instance is the allocation of ₹ 11.1 Lakh Cr (3.4% of GDP) for capital expenditure in the fiscal year 2024-25. Additionally, initiatives such as the Production Linked

Incentive (PLI) Scheme, aimed at boosting key manufacturing industries, have contributed to the growth of the manufacturing sector. India has also witnessed a steady inflow of Foreign Direct Investment (FDI), boosted by favourable policies and the country's vast consumer market.

The Government has also undertaken proactive fiscal measures such as targeted interventions and the implementation of stimulus packages. These have played a crucial role in supporting economic recovery and sustained growth. Moreover, resilient domestic demand has been a significant growth driver for the economy. This noteworthy endurance has been propelled by factors such as rising consumer optimism, increasing auto sales, and double-digit credit growth.

However, the economy still faces persistent challenges in the form of food price uncertainties and cost-push pressures. These negative trends have posed difficulties in maintaining price stability, with the CPI inflation rate projected at 4.5% for 2024-25. While overall private consumption has rebounded, its growth remains subdued, indicating a potential for further improvement. Additionally, global geopolitical tensions and a slowdown in external demand could pose downside risks for the external sector and trade.

Maintaining fiscal discipline and managing the fiscal deficit will also be crucial for sustaining long-term economic growth. Despite all such challenges, India's economy has been commendably enduring, geared by effective strategy-making, favourable domestic conditions, and proactive policy measures. Addressing challenges such as inflation management, boosting private consumption, and mitigating external risks will be vital for ensuring continued sustainable economic growth.

(Source: [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57638](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57638))

## Outlook

India's economic trajectory looks promising as it surges ahead to become the world's third-largest economy by 2047. The country has set an ambitious target of achieving a GDP of US\$ 5 Tn by 2027. In spite of several pandemic-induced challenges, the Indian economy has showcased striking growth fuelled by robust domestic demand and strategic Government initiatives. Further, the Government envisages India's transformation into a 'developed country' by 2047. This vision highlights its commitment to sustainable economic advancement.

Notably, the key factors influencing this projected growth include strong domestic consumption and investment. Alongside, there are focussed efforts to bolster manufacturing through initiatives such as the Production Linked Incentive (PLI) scheme. The PLI scheme has already showcased significant success, driving investments, boosting exports, and creating employment across multiple sectors. Notable achievements include reduced dependency on imports in pharmaceuticals and enhanced domestic sourcing in food processing.

Looking ahead, the Indian economy is poised for continued expansion due to its resilient performance, the ongoing reforms, and several strategic investments. At the same time, certain strategic measures are crucial for enhancing the competitiveness of the domestic industry and driving sustainable growth. These include prudent policymaking, the development of physical



and digital infrastructure, and improvements in certain key regulations and processes. Reaching such a level of economic prosperity holds immense potential for the nation. It can provide an enhanced quality of life to India's citizens and fulfil their aspirations for a better future.

## Industry Overview

Crop protection chemicals, commonly known as pesticides, are substances used in agriculture to safeguard crops from pests, diseases, and weeds. These chemicals include insecticides, herbicides, fungicides, and bactericides that aim to control or eliminate threats to crop health, ensuring higher crop yield and quality. In 2023, the global Crop Protection Chemicals market was valued at US\$ 92.2 Bn. Moving ahead, it is poised to reach US\$ 134.7 Bn by 2032, with a projected Combined Annual Growth Rate (CAGR) of 4.2% during the forecast period 2023-2032.

Source: [<https://www.imarcgroup.com/crop-protection-chemicals-market>]

Currently, the adoption of digital technologies such as data analytics, drones, and AI is enhancing precision farming and optimising the use of crop protection inputs. The industry is witnessing the development of safer and more targeted formulations. This has been due to increased regulatory scrutiny and evolving consumer preferences. Moreover, collaborations and partnerships between agrochemical companies and technology firms are on the rise, fostering industrial innovation. On the whole, the trends reflect a broader industry movement towards sustainable, efficient, and technology driven solutions in crop protection.

Notably, the Herbicides segment of the industry held the highest market share in 2022 and is expected to keep its dominance during the forecast period 2024-2032. The recent trends in herbicides within the crop protection chemicals market include a growing focus on sustainable and eco-friendly formulations. There is an increased emphasis on developing herbicides with reduced environmental impact and improved safety profiles. Integrated Weed Management (IWM) approaches, incorporating diverse strategies like biological controls and precision agriculture, are gaining traction.



|                               |               |
|-------------------------------|---------------|
| Market Size in 2023           | US\$ 92.2 Bn  |
| Projected Market Size in 2032 | US\$ 134.7 Bn |
| CAGR                          | 4.2%          |
| Forecast Period               | 2024-2033     |

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

### Rationale for Agrochemical Use

- 1 Ploughing of Land
- 2 Sowing of Seeds
- 3 Farming and Irrigation
- 4 Application of Fertilisers
- 5 Application of Agrochemicals

## The Indian Crop Protection Industry

India is a largely agrarian country, with more than 50% of the population depending on agriculture for their livelihood. However, the contribution of agriculture towards the economy has been decreasing over the past few years. The primary reason behind this trend is the much lower crop yield in India compared to North American and European regions, and similar countries, such as China.

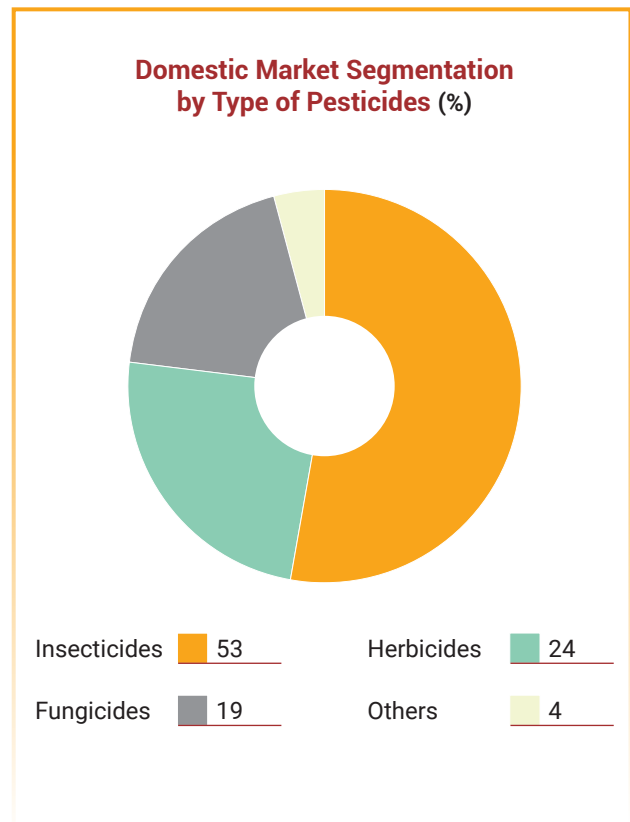
Despite this, in contrast to agricultural output, India is the fourth-largest manufacturer of agrochemicals after the United States, Japan, and China. The size of the crop protection market in India is projected to grow substantially from US\$ 5.12 Bn in 2023 to US\$ 6.60 Bn by 2029, indicating an expansion over the forecast period. This projected growth reflects a CAGR of 4.65% from 2024 to 2029, hinting at sustained development in the market sector over the next decade.

Several factors are fuelling this market growth over the forecast period. These include a growing awareness about the use of crop protection products among small and marginal crop producers in the country, the expansion of areas under cultivation of high-value and export-oriented crops, the rising population, and the increasing need for food crops.

Notably, farmers in India are losing a significant part of their income as their crops are being attacked by pests and weeds. Crop protection chemicals can play a vital role when judiciously applied, protecting the crop and produce from pests and increasing farm productivity. With limited farmland and growing unpredictable climatic conditions causing new plant diseases and pests to attack crops, Indian farmers' major concern is safeguarding their crops. According to the Government of India's statistics, about 15 to 25% of crops are lost due to pests every year. Hence, the crop protection industry has been growing as farmers in the country are relying on these crop protection chemicals to overcome the damage.

|                         |              |
|-------------------------|--------------|
| Market Size in 2023     | US\$ 5.12 Bn |
| Market Forecast in 2032 | US\$ 6.60 Bn |
| CAGR                    | 4.65%        |
| Forecast Period         | 2024-2032    |

(Source: <https://www.techsciresearch.com/report/india-crop-protection-chemicals-market/4898.html>)



## Global Crop Protection Market Category-Wise



### Herbicides



The global herbicides market was valued at US\$ 45.42 Bn in 2024, and is projected to reach US\$ 72.64 Bn by 2030, expanding at a CAGR of 12.5% during the forecast period 2024-2030. The projected growth for this period can be attributed to several factors such as global population growth, weed resistance management, precision agriculture, organic and sustainable farming. Some major trends observed in the market include sustainable weed management, the emergence of precision application technologies, and the increasing use of biological, organic and non-GMO herbicides.

According to the United Nations (UN), the world's population is growing and expected to reach US\$ 9.8 Bn by 2050, which is predicted to boost the herbicide market significantly. Alongside, there should be an increase in crop production, farming activities, and trade volumes to meet the demands of the increasing population. The acquisitions of arable land by farmers and commercial farming companies will also increase to boost crop production. Ultimately, this chain of events is likely to contribute to the increased demand for herbicides and bolster market growth.

Notably, Asia-Pacific was the largest region in the herbicides market in 2023, while South America is the second largest market.

(Source: <https://www.thebusinessresearchcompany.com/report/herbicides-global-market-report>)

### Insecticides



The global insecticides market, currently valued at US\$ 17.23 Bn, is witnessing significant growth, and is projected to achieve US\$ 34.32 Bn by 2030. This translates to a compound annual growth rate CAGR of 9.0%. This growth projection can be owed to the rapid increase in food demand triggered by the rising population. In fact, the growing agricultural industry is anticipated to drive product demand during 2024-2030 on account of the rising food demand. As per data from the European Union, the annual production of oilseeds is poised to reach 33.0 Mn tonnes in 2032, which is almost 2.8 Mn tonnes more than in 2022.

Another major factor contributing to rising global food consumption is the ongoing global population growth. The world's population reached 7.6 Bn in 2023 and is projected to reach 8.6 Bn and more than 9.8 Bn, respectively, by 2030 and 2050, according to the United Nations. The ever-increasing global population is anticipated to drive food demand, thereby increasing the use of insecticides to boost agricultural yields. Notably, a number of programmes have been launched by various Governments amid the growing food demand, aimed at benefiting farmers and increasing crop yields.

(Source: <https://www.polarismarketresearch.com/industry-analysis/insecticides-market>  
<https://www.databridgemarketresearch.com/reports/global-insecticides-market>)

## Fungicides



The global fungicides market was valued at US\$ 23.40 Bn in 2023. Projections indicate that the market would grow to US\$ 32.07 Bn by 2030, with a forecasted CAGR of 4.6%. Fungi are the most widespread cause of crop loss. Fungicides are formulations used to control disease attacks on crops and to protect the crops from the fungal attacks. Notably, fungicides can be of two types, namely protectants and eradicants. Protectants prevent or inhibit fungal growth and eradicate the pests on application. This, in turn, improves productivity, reduces blemishes on crop (thus enhancing market value of the crop), and improves the storage life and quality of the harvested crop. Fungicides find application in preserving a variety of fruits, vegetables, and rice. The key growth drivers for the fungicides market have been a shift in agriculture from cash crops to fruits and vegetables, and the Government support for the exports of fruits and vegetables.

(Source: <https://www.careratings.com/upload/NewsFiles/Studies/Agrochemicals.pdf>  
<https://www.stellarmr.com/report/Fungicides-Market/342>)

## Bio-Based



The global market for bio-based products was valued at US\$ 22.50 Bn in 2023, and is anticipated to reach US\$ 82.60 Bn by 2030, reflecting a CAGR of 25.8%. It is important to note that there is an increasing attention towards bio-chemicals and a bolstered demand in the global market. The probable reasons behind this trend are their potential to reduce environmental impacts, lower carbon emissions, and contribution towards creating a more sustainable and circular economy.

The industrial overview of global bio-based chemicals is promising, with a growing trend towards sustainable and eco-friendly solutions in various industries. Bio-based chemicals find use in a wide range of applications across different sectors, including automotive, packaging, agriculture, consumer goods, and construction, among others. Bio-based chemicals are also implemented in the agricultural industry, where they act as bio pesticides, bio stimulants, and fertilisers. Notably, bio pesticides are derived from natural sources, such as plant extracts or microorganisms, and are used for pest control in agriculture without leaving harmful residues. On the other hand, bio stimulants are used to enhance plant growth and increase crop yield. Bio-based fertilisers have nutritional benefits for plants, supplying them with essential nutrients in a sustainable and environmentally friendly manner.

(Source: <https://www.polarismarketresearch.com/industry-analysis/bio-based-chemicals-market>  
<https://www.futuredatastats.com/bio-based-plastics-and-materials-market> )

## Region-Wise Crop Protection Market



### Europe

In 2023, the size of the European crop protection was recorded at US\$ 30.63 Bn and is expected to reach US\$ 39.27 Bn by 2028. It is likely to advance at a CAGR of 5.1% between 2023 and 2028. Noticeably, there is a growing demand for food safety and quality amid the stringent regulatory procedures prevalent in the market. Farmers are adopting bio pesticides all over the region, especially in developed and some developing countries. The demand for organic and wholly natural food items is increasing, which is, in turn, increasing the consumption of bio pesticides.

(Source: *Europe Crop Protection Pesticides Market Analysis Report (marketdataforecast.com)*)

### North America

In 2024, the North American crop protection market is valued at US\$ 24.51 Bn and is projected to reach US\$ 31.00 Bn by 2029, reflecting a CAGR of 4.81%. North America's various climate zones provide favourable conditions for a wide range of grain and cereal crops like wheat, maize, barley, oats, and sorghum. Importantly, increasing concerns for food security have facilitated the production of efficient and sustainable food items by farmers, while minimising the damaging impact of pests on the market.

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



- EUROPE
- NORTH AMERICA
- ASIA-PACIFIC
- THE MIDDLE EAST AND AFRICA

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it 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. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



### Asia-Pacific (APAC)

In 2023, the Asia-Pacific region's crop protection market was valued at US\$ 13.08 Bn, and by 2028, it is anticipated to reach US\$ 17.06 Bn. The APAC region is expected to continue leading the market in 2028. It will expand at a CAGR of 5.46% between 2023 and 2028, which is faster than the projected growth rate for the overall market. Furthermore, the region will contribute 35.07% to the incremental growth of the overall market between 2023 and 2028. Importantly, APAC contributed 33.13% to the global crop protection market in 2023, and its contribution is predicted to increase to 33.56% in 2028.

*(Source: Global Grain and Cereal Crop Protection Market 2024-2028)*

### The Middle East and Africa

In 2023, the crop protection market in the Middle East and Africa was valued at US\$ 2.59 Bn and is poised to reach US\$ 3.4 Bn by 2028. The crop production in this region is expected to advance at a CAGR of 5.59% between 2023 and 2028, which is faster than that of the overall market. Furthermore, this growth will constitute 7.14% of the incremental progress of the overall market between 2023 and 2028. In 2023, the Middle East and Africa region contributed 6.56% to the global market for grain and cereal crop protection, and its contribution is likely to increase to 6.69% in 2028.

*(Source: Global Grain and Cereal Crop Protection Market 2024-2028)*

### Outlook

In conclusion, the APAC region is projected to record a robust CAGR of 5.46% from 2023 to 2028. Europe is anticipated to be driven by the demand for food safety and quality amid stringent regulations, alongside the increasing adoption of bio pesticides. On the other hand, North America, with its diverse climate zones suitable for various grain and cereal crops, is poised for steady growth, fuelled by food security concerns. The Middle East and Africa region is projected to experience faster-than-average growth, contributing modestly to the overall market expansion between 2023 and 2028.





## Growth Drivers

### Increasing Globalisation and Trade

Agriculture is a global industry, and countries often produce crops for both domestic consumption and international trade. To meet quality standards and maintain competitive prices in the global market, farmers use a variety of crop protection products to yield high-quality crops. Globalisation opens agriculture markets worldwide, allowing agricultural products to be traded across borders. Notably, the demand for crops, both for domestic consumption and international trade, drives the need for effective crop protection. Farmers strive to meet global standards and quality requirements to remain competitive in these markets. As agricultural practices evolve to meet global demands, there is a higher emphasis on maximising yields and ensuring the quality of the produce. This intensification often requires the use of crop protection products to safeguard crops against pests, diseases, and weeds. Therefore, efforts to ensure sustainable agriculture and responsible use of crop protection products continue to be essential.

### Growing Organic Farmlands

The global organic food sector has seen exponential double-digit growth rates due to the increasing demand for food sufficiency and the significance of safe farming practices. Furthermore, the global demand for organic farming and food has increased over the past three decades. As for bio pesticides, these are utilised extensively in organic farming because they do not contain any chemicals. Owing to the increasing demand for organic food and drink products on a global scale, the market for bio pesticides is expanding with time. Notably, the more stringent rules on chemical use and residual limits in

places like Europe have prompted a shift towards bio pesticides, as a profitable alternative to synthetic pesticides. Several European nations have launched programmes to encourage the use of bio pesticides.

### Growing Utilisation of Crop Protection Products for High Yield

Crop protection chemicals are widely used in modern agriculture to increase crop yield by shielding plants from damaging pests and weeds. To provide food security for the expanding populace across the world, there has been an increase in agricultural productivity. This, in turn, has prompted an increase in the demand for the crop protection products. The Food and Agricultural Organisation (FAO) reports that Brazil, China, and the United States are the three countries that buy the most of these protective goods. One of the key reasons for the increasing agricultural output in these nations is its high pesticide usage.

### Industry Focus on Sustainability

Some recent trends in the market for crop protection chemicals include a growing emphasis on sustainable and eco-friendly formulations. Notably, these trends have been influenced by an increased environmental awareness. Integrated pest management (IPM) practices, combining biological control and precision agriculture technologies, are gaining traction.

### Technology

The adoption of digital technologies, such as data analytics, drones, and AI, is enhancing precision farming and optimising the use of crop protection inputs. Furthermore, trends such as increased regulatory scrutiny and evolving consumer preferences are driving the development of safer and more targeted formulations



## Company Overview

Sharda Cropchem Limited (referred to as 'Sharda Cropchem' or 'The Company') is one of the fastest-growing global agrochemicals companies, maintaining a leadership position in the industry for generic crop protection chemicals. The Company's asset-light business model is its core strength, with competencies in developing product dossiers and obtaining product registrations across different countries.

Sharda Cropchem focusses on identifying generic molecules, preparing dossiers, seeking registrations, and marketing & distributing formulations through third-party distributors and/or its own sales force. At present, the Company's entire agrochemical value chain comprises an expanded network of 525+ third-party distributors and 500+ global resources, serving its esteemed clientele in 80+ countries worldwide. Its two established business verticals, agrochemicals, and non-agrochemicals, continue to drive the Company's growth.

In the agrochemicals business, the Sharda Cropchem continues to uphold its core strengths. These include an expanding global presence, a diverse product portfolio, strong supplier relationships, affordable and high-quality products, efficient customer services, and a comprehensive offering as a one-stop solution for crop care & protection. The Company has further solidified its strong foothold in advanced markets such as Europe, North America, and Latin America. Simultaneously, the Company has strengthened its presence in other regulated markets, including Latin America (LATAM) and the Rest of the World (ROW) markets.

### Business Outline

Sharda Cropchem's strategic focus continues to be on expanding its footprint in both the agrochemical and non-agrochemical markets.

This involves sourcing from a diverse network of trusted suppliers and providing a comprehensive range of premium agrochemical products at flexible and cost-effective prices.

### Agrochemicals

Sharda Cropchem is dedicated to safeguarding crops proactively through the marketing and distribution of generic active ingredients and formulations, facilitating effective crop protection. The Company's core business revolves around supplying diverse formulations and generic active ingredients across the fungicide, herbicide, and insecticide segments.

It also partners with third-party manufacturers to obtain completed formulations and generic active ingredients for resale. Apart from this, Sharda Cropchem's functions include procuring generic active ingredients and outsourcing third-party entities to prepare formulations, enabling the development and marketing of customised formulations.

Beyond its crop protection offerings, the Company caters to a wide range of market demands by serving the turf and specialty markets, alongside producing disinfectants within the biocide segment. This comprehensive approach allows it to meet diverse industry needs through its strong marketing and distribution capabilities.

### Non-Agrochemicals

Expanding beyond its core agrochemical business, Sharda Cropchem has diversified its offerings further through a non-agrochemicals division. This division includes a versatile portfolio encompassing the supply of belts, general chemicals, dyes, and dye intermediates. By venturing into these complementary product-lines, the Company has broadened its market reach and catered to diverse industry demands beyond the agricultural sector.





## Financial Highlights

### Key Financial Highlights as per the Consolidated Financials

Revenue from Operations (₹ in Cr)

4,045      3,163

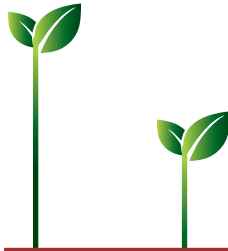


2022-23

2023-24

EBITDA (₹ in Cr)

713      318

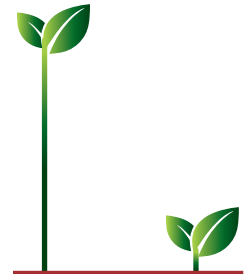


2022-23

2023-24

PAT (₹ in Cr)

342      32

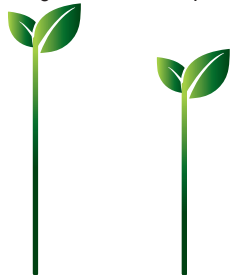


2022-23

2023-24

Finance Cost (₹ in Cr)

5      4



2022-23

2023-24

Non-Current Liabilities (₹ in Cr)

148      220

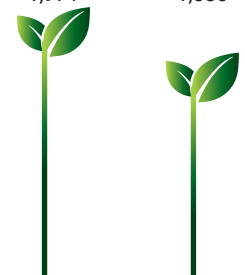


2022-23

2023-24

Current Liabilities (₹ in Cr)

1,971      1,580

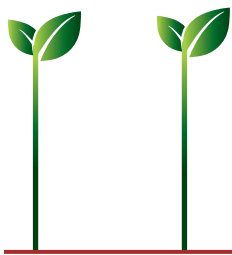


2022-23

2023-24

Non-Current Assets (₹ in Cr)

1,093      1,100

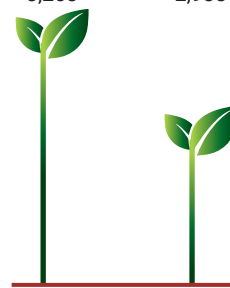


2022-23

2023-24

Current Assets (₹ in Cr)

3,258      2,938



2022-23

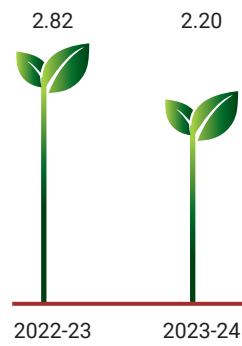
2023-24

### Key Financial Ratios Based on the Consolidated Financials

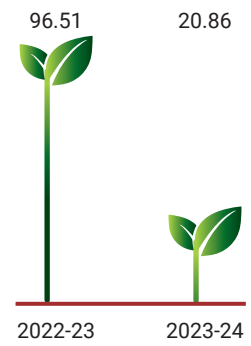
Debtors Turnover Ratio



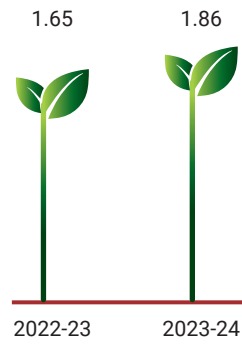
Inventory Turnover Ratio



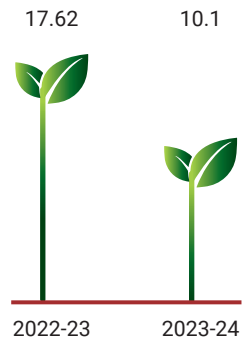
Interest Coverage Ratio



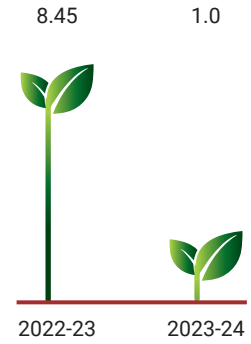
Current Ratio



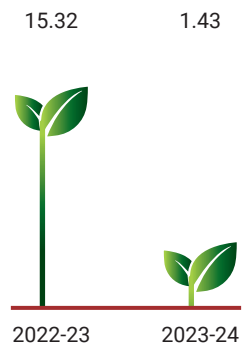
Operating Profit Margin (%)



Net Profit Margin (%)



Return on Net Worth (%)





## Inclusive Workplace and Empowerment

Sharda Cropchem continues to place immense value on its workforce, shareholders, and clientele, considering them as the driving force behind its success. The Company's extensive expertise in the domain, coupled with the vast experience of its Promoters and Management Team, imparts a significant competitive edge. Ultimately, these attributes enable the Company to fortify its position in existing markets and explore new geographical frontiers. Fostering an inclusive workplace culture remains a top priority for Sharda Cropchem. As part of this approach, the Company cherishes the contributions of its employees and strives to cultivate an environment that can nurture their growth and empower them to realise their full potential.

Furthermore, diversity and inclusion are deeply ingrained in Sharda Cropchem's beliefs and professional values. This year, the Company has taken significant strides to promote these values further. Women now constitute over 54% of its total employee strength. The Company also actively encourages female employees to champion diversity, equality, and inclusivity within their respective teams, fostering a culture of respect and equal opportunities. As of 31 March, 2024, Sharda

Cropchem's total employee count stood at 186, reflecting a steady growth in its workforce.

Investing in human capital continues to be a cornerstone of Sharda Cropchem's business. The Company actively recruits highly qualified professionals and key personnel, ensuring it possesses the best talent to propel its business forward and stay ahead of the curve. Its open and transparent practices for human capital management, coupled with competitive compensation and benefits packages, have helped the Company attract and retain top-level talent from the industry. Sharda Cropchem cultivates a culture of continuous learning, growth, and development for all its employees. The Company conducts training programmes and offers upskilling opportunities to equip employees with the necessary skills to thrive in an ever-evolving business scenario.

All in all, Sharda Cropchem remains devoted to fulfilling the needs of its employees, shareholders, and customers by offering competitive rewards, policies, and practices. Its dedication to create an inclusive, diverse, and growth-oriented environment remains a core tenet of its values.

## Risk Management

Sharda Cropchem recognises the significance of mitigating potential risks proactively. By adopting a comprehensive approach to risk management, the Company aims to enhance stability, minimise potential threats, and create value for its business and the community.

The Company's Risk Management System (RMS) is designed to address a diverse range of factors, including technological challenges, strategic management errors, natural disasters, and the need to adapt to evolving trends. Through this holistic approach, which encompasses various aspects of risk management, the Company effectively mitigates risks and promotes a more secure and prosperous environment for its operations and stakeholders.



| Risk  | Mitigation  |
|---|---|
| <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. These include the possibility of facing fines, legal penalties, and damage to its reputation.   | The Company has put a reliable compliance management process in place and has a dedicated legal team stationed at all the major geographies to keep itself updated on the key regulatory changes and mitigate the risks of non-compliance.  |
| <b>Biosafety and Environmental Risk</b>   |   |
| As an agrochemical company dealing with pesticides and crop protection solutions, Sharda Cropchem faces risks associated with biosafety and the environmental impact of its products. Improper handling, storage, or application of these chemicals can pose risks to human health, wildlife, and the ecosystem.                                  | Sharda Cropchem implements stringent biosafety protocols and adheres to all relevant environmental regulations. The Company invests in research and development to continuously improve the eco-friendliness of its products. Comprehensive training programmes are conducted for employees, distributors, and farmers to ensure the safe and responsible use of its agrochemicals.   |
| <b>Climate Risk</b>   |   |
| Sharda Cropchem's operations and bottom-line can be adversely impacted by climate changes.  | To mitigate this risk, the Company continuously expands its geographical reach and portfolio diversity to minimise the financial impact. Furthermore, Sharda Cropchem actively invests in sustainable agricultural practices and develops climate-resilient crop solutions to adapt to the changing environmental conditions.   |
| <b>Risk of Delay in Registration of Products</b>  |   |
| The Company may experience delays in the registration of its products, which can subsequently postpone the commercialisation of these new offerings. These delays can be attributed to legal discrepancies in formulations and agents across various geographies.   | The Company takes multiple proactive registrations in different geographies, enabling it to smoothly on-board its product portfolio to mitigate this risk.  |
| <b>Risk of Downward Pricing Pressure due to Excess Supply and Geopolitical Crises</b>   |   |
| Sharda Cropchem's profitability may be affected, and it can be challenging to price "the Company's" products competitively in the event of a downward pressure on prices. This, in turn, can be brought about by excess supply in the chemical industry and the effects of Global geopolitical crises resulting in unrests situation due to wars. | Sharda Cropchem enhances its operational efficiencies and implements stringent cost management measures to sustain profitability. Additionally, the Company explores new markets, expands distribution channels, and invests in product differentiation and value-added offerings.  |
| <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.   | Sharda Cropchem adopts rigorous measures, such as conducting customer due diligence and continuously assessing creditworthiness. Additionally, the Company has secured comprehensive global insurance coverage to effectively mitigate the risk.associated with customer credit.  |
| <b>Currency Risk</b>  |   |
| The Company is exposed to the risk of currency fluctuations, which could negatively affect its financial performance and profitability, especially since most of its business transactions are conducted in foreign currency.   | To mitigate the risk of currency fluctuations, Sharda Cropchem employs a combination of natural hedging and forward contracts. The Company's purchases imports mainly in USD and exports in both EUR and USD, creating a natural hedge as the inflows and outflows in these currencies offset each other, thereby reducing overall exposure to currency fluctuations. Additionally, Sharda Cropchem uses forward contracts to manage and mitigate currency risk. By locking in exchange rates for future transactions, the Company protects itself against adverse movements in currency rates, ensuring more predictable financial outcomes. These strategies collectively help Sharda Cropchem to effectively manage its currency risk and safeguard its financial performance. |



## Internal Control Systems and Their 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 Twenty First Annual General Meeting of the Members of M/s. Sharda Cropchem Limited will be held on Friday, 9 August, 2024 at 1:00 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, 2024, 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, 2024, together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares of the Company for the Financial Year 2023-24.
4. To appoint a Director in place of Mrs Sharda R. Bubna (DIN:00136760), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs Sharda R. Bubna (DIN:00136760), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company and being eligible offers herself for re-appointment, be and is hereby re-appointed as the Director of the Company."

### SPECIAL BUSINESS:

5. Appointment of Mr H. S. Upendra Kamath (DIN: 02648119) as a Non-Executive Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 & other applicable provisions, if any, of the Companies Act, 2013 (the Act) & the Rules made thereunder read with schedule IV of the said Act & Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 (LODR

Regulations) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the provisions of the Articles of Association of the Company and on the recommendation of the Nomination & Remuneration Committee & Audit Committee, the Board of Directors had appointed Mr H. S. Upendra Kamath (DIN: 02648119), as an Additional Director in the capacity of Non-Executive and Independent Director of the Company with effect from 10 May, 2024 and who holds office up to the date of this Annual General Meeting and who meets the criteria for Independence under Section 149(6) of the Act & Rules made thereunder & Regulation 16(1)(b) of the LODR Regulation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of 5 (Five) years commencing from 10 May, 2024 to 9 May, 2029, and he shall not be liable to retire by rotation.

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."

6. Appointment of Mr Vinod Kumar Kathuria (DIN: 06662559) as a Non-Executive Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 & other applicable provisions, if any, of the Companies Act, 2013 (the Act) & the Rules made thereunder read with schedule IV of the said Act & Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 (LODR Regulations) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the provisions of the Articles of Association of the Company and on the recommendation of the Nomination & Remuneration Committee & Audit Committee, the Board of Directors had appointed



## NOTICE (CONTD.)

Mr Vinod Kumar Kathuria (DIN: 06662559), as an Additional Director in the capacity of Non-Executive and Independent Director of the Company with effect from 10 May, 2024 and who holds office up to the date of this Annual General Meeting and who meets the criteria for Independence under Section 149(6) of the Act & Rules made thereunder & Regulation 16(1)(b) of the LODR Regulation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of 5 (Five) years commencing from 10 May, 2024 to 9 May, 2029, and he shall not be liable to retire by rotation.

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. Appointment of Mr Shalin S. Divatia (DIN: 00749517) as a Non-Executive Independent Director of the Company To consider and if thought fit, pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 & other applicable provisions, if any, of the Companies Act, 2013 (the Act) & the Rules made thereunder read with schedule IV of the said Act & Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 (LODR Regulations) (including any statutory modification(s)

or re-enactment(s) thereof for the time being in force and the provisions of the Articles of Association of the Company and on the recommendation of the Nomination & Remuneration Committee & Audit Committee, the Board of Directors had appointed Mr Shalin S. Divatia (DIN: 00749517), as an Additional Director in the capacity of Non-Executive and Independent Director of the Company with effect from 10 May, 2024 and who holds office up to the date of this Annual General Meeting and who meets the criteria for Independence under Section 149(6) of the Act & Rules made thereunder & Regulation 16(1)(b) of the LODR Regulation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of 5 (Five) years commencing from 10 May, 2024 to 9 May, 2029, and he shall not be liable to retire by rotation.

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: 10 May, 2024

COMPANY SECRETARY

Place : Mumbai

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, 28 December, 2022 & 25 September, 2023 (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

## NOTICE (CONTD.)

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 7 of the Notice is annexed hereto. The Board of Directors has considered and decided to include item Nos. 5 to 7 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 at **co.sec@shardaintl.com** and / or to KFin Technologies Private Limited ("RTA") at **evoting@kfintech.com / raghu.vedha@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 Friday, 2 August, 2024 as the **"Record Date"** for determining entitlement of members to dividend for the financial year ended 31 March, 2024, if approved at the AGM. The Register of Members and the Share Transfer Books of the Company will remain closed on Saturday, 3 August, 2024.
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 2023-24 shall be sent to those Members who request for the same. The AGM Notice is also disseminated on the website of our RTA.



## NOTICE (CONTD.)

13. Notice of AGM along with Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website **www.shardacropchem.com**, website of stock exchanges i.e BSE Limited at **www.bseindia.com** and National Stock Exchange of India Limited at **www.nseindia.com**.
14. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding', 'Register of Contracts and Arrangements' and 'Register of Members' maintained as per the Companies Act, 2013 shall be accessible to the members.
15. If the 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 paid 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 was approved at the Annual General Meeting of the Company held on 8 August, 2023.
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 2023-24 have been provided in the report on Corporate Governance which forms part of this Annual Report.
17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Members w.e.f. 1 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 2 August, 2024. 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 2 August, 2024.
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

## NOTICE (CONTD.)

(040) 6716 1606 or write mail at **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.
- v. Shareholders who would like to express their views/ask questions during the Meeting may log into **https://emeetings.kfintech.com/** and click on "Post your Questions" may post their queries/views/questions in the window provided

by mentioning the name, demat account number/ folio number, email id, mobile number. Please note that, Members questions will be answered only, the shareholder continues to hold the shares as of cut-off date benpos. Members may post their queries from 9:00 AM (IST) on Monday, 5 August, 2024 till 5:00 PM (IST) on Thursday, 8 August, 2024.

- vi. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr Raghunath Veedha on (040) 6716 1606 or write at **emeetings@kfintech.com**.
- vii. In case of decision to allow the Q&A session in the Meeting, Members may log into **https://emeetings.kfintech.com/** and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence from 9:00 AM (IST) on Monday, 5 August, 2024 till 5:00 PM (IST) on Thursday, 8 August, 2024.

### 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)



NOTICE (CONTD.)

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 Monday, 5 August, 2024 (9:00 am) and ends**

**on Thursday, 8 August, 2024 (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 Friday, 2 August, 2024**, 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. Friday, 2 August, 2024**.
- 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> <ul 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> </ul> | <p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i. Click on URL: <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/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> </ul> |

NOTICE (CONTD.)

| <b>Procedure to login through websites of Depositories</b>  |  |
|---|--|
| <b>NSDL</b>   | <b>CDSL</b>  |
| <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.nsd.com">https://eservices.nsd.com</a>.</li> <li>ii. Select "<b>Register Online for IDeAS</b>".</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/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/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>  |
| <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>i. Click on URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>ii. Click on the button "<b>Login</b>" available under "<b>Shareholder / Member</b>" section.</li> <li>iii. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen.</li> <li>iv. On successful authentication, you will enter the e-voting module of NSDL.</li> <li>v. Click on "<b>Active E-voting Cycles / VC or OAVMs</b>" option under e-voting.</li> <li>vi. Click on <b>Company name</b> or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.</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>i. Click on URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii. Provide demat account number and PAN.</li> <li>iii. System will authenticate user by sending OTP on registered mobile &amp; email as recorded in the demat account.</li> <li>iv. On successful authentication, you will enter the e-voting module of CDSL.</li> <li>v. Click on <b>Company name</b> or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.</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.**

| <b>Contact details in case of technical issue on NSDL website</b>   | <b>Contact details in case of technical issue on CSDL website</b>  |
|---|--|
| 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.: <b>1800 1020 990 and 1800 22 44 30</b> | 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 <b>022- 23058738 or 22-23058542-43.</b> |



## NOTICE (CONTD.)

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

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

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

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

For CDSL: 16 digits beneficiary ID.

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

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

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

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

- d. After entering the details appropriately, click on LOGIN.
- e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- f. You need to login again with the new credentials.
- g. On successful login, the system will prompt you to select the EVENT number of the Company.
- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution
- k. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- l. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the **cut-off date i.e. Friday, 2 August, 2024** may obtain the user ID and password in the manner as mentioned below:



## NOTICE (CONTD.)

- 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 / 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: 10 May, 2024

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 7 of the accompanying Notice dated 10 May, 2024.

**Item No. 5:** Appointment of Mr H. S. Upendra Kamath (DIN: 02648119) as a Non-Executive Independent Director of the Company

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, appointed Mr H. S. Upendra Kamath (DIN: 02648119) as an Additional Director in the capacity of Non-Executive & Independent Director of the Company for a term of 5 (Five) years with effect from 10 May, 2024 to 9 May, 2029 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The brief profile of Mr H. S. Upendra Kamath and other relevant information as required under the LODR Regulations are provided in Annexure to this Notice.

The Company has received a notice in writing by a member proposing his candidature under Section 160 of the Act.

The Company has received the following disclosures from Mr H. S. Upendra Kamath:

- I. Consent in writing to act as Director of the Company.
- II. Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified to act as Director.
- III. A declaration to the effect that he meets the criteria of independence as per the Act & LODR Regulations.
- IV. Declaration that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority.
- V. Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.



## NOTICE (CONTD.)

VI. A Confirmation that he has registered himself with the Independent Director's data bank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr H. S. Upendra Kamath fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that his background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

Mr Kamath would be entitled to sitting fees for attending meetings of the Board of Directors and Committees of which he is a member.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought, as a special resolution, for appointment of Mr H. S. Upendra Kamath as a Non-Executive Independent Director of the Company for a term of 5 (Five) years commencing from 10 May, 2024 to 9 May, 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof and he shall not be liable to retire by rotation.

Except Mr Kamath, no other Director or KMP and / or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set forth in Item No. 5 of the Notice. Mr Kamath do not hold any shares in the Company.

The Board recommends the special resolution as set out in Item no. 5 of this notice for the approval of members.

**Item No. 6:** Appointment of Mr Vinod Kumar Kathuria (DIN: 06662559) as a Non-Executive Independent Director of the Company

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, appointed Mr Vinod Kumar Kathuria (DIN: 06662559) as an Additional Director in the capacity of Non-Executive & Independent Director of the Company for a term of 5 (Five) years with effect from 10 May, 2024 to 9 May, 2029 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The brief profile of Mr Vinod Kumar Kathuria and other relevant information as required under the LODR Regulations are provided in Annexure to this Notice.

The Company has received a notice in writing by a member proposing his candidature under Section 160 of the Act.

The Company has received the following disclosures from Mr Vinod Kumar Kathuria:

- I. Consent in writing to act as Director of the Company.
- II. Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified to act as Director.
- III. A declaration to the effect that he meets the criteria of independence as per the Act & LODR Regulations.
- IV. Declaration that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority.
- V. Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.
- VI. A Confirmation that he has registered himself with the Independent Director's data bank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr Kathuria fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that his background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

Mr Kathuria would be entitled to sitting fees for attending meetings of the Board of Directors and Committees of which he is a member.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought, as a special resolution, for appointment of Mr Vinod Kumar Kathuria as a Non-Executive Independent Director of the Company for a term of 5 (Five) years commencing from 10 May, 2024 to 9 May, 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof and he shall not be liable to retire by rotation.

## NOTICE (CONTD.)

Except Mr Kathuria, no other Director or KMP and / or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set forth in Item No. 6 of the Notice. Mr Kathuria do not hold any shares in the Company.

The Board recommends the special resolution as set out in Item no. 6 of this notice for the approval of members.

**Item No. 7:** Appointment of Mr Shalin S. Divatia (DIN: 00749517) as a Non-Executive Independent Director of the Company

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, appointed Mr Shalin S. Divatia (DIN: 00749517) as an Additional Director in the capacity of Non-Executive & Independent Director of the Company for a term of 5 (Five) years with effect from 10 May, 2024 to 9 May, 2029 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The brief profile of Mr Shalin S. Divatia and other relevant information as required under the LODR Regulations are provided in Annexure to this Notice.

The Company has received a notice in writing by a member proposing his candidature under Section 160 of the Act.

The Company has received the following disclosures from Mr Shalin S. Divatia:

- I. Consent in writing to act as Director of the Company.
- II. Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified to act as Director.
- III. A declaration to the effect that he meets the criteria of independence as per the Act & LODR Regulations.
- IV. Declaration that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority.
- V. Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

- VI. A Confirmation that he has registered himself with the Independent Director's data bank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr Divatia fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that his background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

Mr Divatia would be entitled to sitting fees for attending meetings of the Board of Directors and Committees of which he is a member.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought, as a special resolution, for appointment of Mr Shalin S. Divatia as a Non-Executive Independent Director of the Company for a term of 5 (Five) years commencing from 10 May, 2024 to 9 May, 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

Except Mr Divatia, no other Director or KMP and / or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set forth in Item No. 7 of the Notice. Mr Divatia do not hold any shares in the Company.

The Board recommends the special resolution as set out in Item no. 7 of this notice for the approval of members.

### BY ORDER OF BOARD OF DIRECTORS

Sd/-

**JETKIN GUDHKA**

Date: 10 May, 2024

Place: Mumbai

COMPANY SECRETARY

Membership No. A26487



## ANNEXURE

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

| Name of Director  | Mrs Sharda R. Bubna   | Mr H. S. Upendra Kamath  | Mr Vinod Kumar Kathuria  | Mr Shalin S. Divatia  |
|---|---|--|--|---|
| Director Identification Number  | 00136760  | 02648119   | 06662559   | 00749517  |
| Date of Birth (Age)   | 4 May, 1953<br>(71 Years)   | 14 December, 1953<br>(70 Years)  | 23 July, 1958<br>(65 Years)  | 8 January, 1965<br>(59 Years)   |
| Date of Appointment   | 12 March, 2004  | 10 May, 2024   | 10 May, 2024   | 10 May, 2024  |
| Category  | Executive Director  | Non-Executive and Independent Director   | Non-Executive and Independent Director   | Non-Executive and Independent Director  |
| Qualification   | B.A. (Bachelor of Arts)   | B. Com, CAIIB  | M.Com, CAIIB   | B. Com, L.L.B, FCA, ACS   |
| Experience & Expertise  | Through her sole proprietary concern, M/s. Sharda International, she has been involved in the chemicals, agrochemicals and related businesses from the year 1987 upto 2004. She is one of the Founders and Promoter of the Company. | He has more than four decades of experience in the Indian Banking industry.<br>He possesses a wealth of expertise in critical areas such as MSME, Retail Banking, Priority Sector, Recovery and Legal Risk Management, International Banking, Treasury, Credit-Monitoring, and Administration. | He has more than 40 years of experience in the Indian Banking Industry.<br>He possesses a expertise in key banking areas such as Corporate Credit, Recovery, Retail Lending, Treasury Operations, International Banking Business.  | He has more than 30 years of experience in the filed of Accounts, Finance, Taxation, Audit & Corporate Law and expertise in Corporate Matters, Mergers & Amalgamation and Exchange Control Matters. |
| Number of shares held in the Company  | 1,40,91,147   | Nil  | Nil  | Nil   |
| Directorship held in other Public Companies (excluding foreign companies and Section 8 companies) | NIL   | <ol style="list-style-type: none"> <li>1. APL Apollo Tubes Limited</li> <li>2. Kisan Mouldings Limited</li> <li>3. Sree UGCL Projects Limited</li> <li>4. Zuno General Insurance Limited</li> <li>5. SG Finserv Limited</li> <li>6. Online PSB Loans Limited</li> </ol>                        | <ol style="list-style-type: none"> <li>1. A. K. Capital Finance Limited</li> <li>2. A K Capital Services Limited</li> <li>3. Deepak Builders &amp; Engineers India Limited</li> <li>4. Jayaswal Neco Industries Limited</li> <li>5. Satia Industries Limited</li> <li>6. Anand Rathi Global Finance Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Integra Engineering India Limited</li> </ol>  |

**NOTICE (CONTD.)**

| <b>Name of Director</b>   | <b>Mrs Sharda R. Bubna</b>  | <b>Mr H. S. Upendra Kamath</b>  | <b>Mr Vinod Kumar Kathuria</b>   | <b>Mr Shalin S. Divatia</b>  |
|---|---|---|--|--|
| Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)           | NIL   | <ol style="list-style-type: none"> <li>1. Zuno General Insurance Limited</li> <li>2. SG Finserv Limited</li> <li>3. Online PSB Loans Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Deepak Builders &amp; Engineers India Limited</li> <li>2. Anand Rathi Global Finance Limited</li> <li>3. A K Capital Services Limited</li> <li>4. A. K. Capital Finance Limited</li> </ol> | <ol style="list-style-type: none"> <li>1. Integra Engineering India Limited</li> </ol> |
| Relationships between Directors inter-se  | <ol style="list-style-type: none"> <li>1) Wife of Mr Ramprakash V. Bubna</li> <li>2) Mother of Mr Ashish R. Bubna and Mr Manish R. Bubna</li> </ol> | None  | None   | None   |
| In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | N.A   | Please refer explanatory statement of Item No. 5 of the Notice  | Please refer explanatory statement of Item No. 6 of the Notice   | Please refer explanatory statement of Item No. 7 of the Notice                         |
| No. of Board Meetings attended during the year  | 4   | -   | -  | -  |



# 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, 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL PERFORMANCE:

(₹ in Lakhs)

| Particulars  | Standalone  |             | Consolidated |             |
|--|-------------|-------------|--------------|-------------|
|  | 2023-24     | 2022-23     | 2023-24      | 2022-23     |
| Revenue from operations  | 2,60,266.68 | 3,31,273.30 | 3,16,302.45  | 4,04,515.66 |
| Other income   | 27,078.59   | 17,356.76   | 5,976.22     | 4,028.05    |
| Total Income   | 2,87,345.27 | 3,48,630.06 | 3,22,278.67  | 4,08,543.71 |
| Expenses excluding interest, depreciation and amortisation expenses    | 2,42,962.97 | 2,82,306.51 | 2,88,016.44  | 3,40,206.49 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA)* | 44,382.30   | 66,323.55   | 34,262.23    | 68,337.22   |
| Depreciation and amortisation expenses                                 | 26,707.83   | 24,806.46   | 26,713.18    | 24,811.74   |
| Profit before tax (PBT)  | 17,504.89   | 41,130.18   | 7,187.16     | 43,074.48   |
| Tax Expense  | 3,828.60    | 8,655.93    | 3,996.54     | 8,876.21    |
| Net Profit for the year  | 13,676.29   | 32,474.25   | 3,190.62     | 34,198.27   |
| Other Comprehensive Income   | (11.26)     | 4.06        | 54.99        | 3,302.31    |
| Total Comprehensive Income   | 13,665.03   | 32,478.31   | 3,245.61     | 37,500.58   |
| * Adjusted EBITDA  | 21,026.49   | 55,347.92   | 31,810.99    | 71,264.22   |

## 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 decreased by 21.81% on YoY basis from ₹ 4,04,515.66 Lakhs to ₹ 3,16,302.45 Lakhs in 2023-24. This was due to lower price realisation across all regions. The Company has 2,918 product registrations as on 31 March, 2024.

In 2023-24, EBITDA margins were significantly reduced by 55%. PAT decreased by 91% from last year mainly due to lower gross margin essentially due to substantial reduction in sales prices and significant decrease in product price realisation during the year.

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

## BOARDS' REPORT (CONTD.)

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 ₹ 420 Cr on product registrations during the financial year 2023-24.

### CHANGE IN NATURE OF BUSINESS:

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

### MATERIAL CHANGES OR COMMITMENTS:

There are no material changes or commitments that took place after the closure of 2023-24 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:

The Directors have recommended a dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial Year ended 31 March, 2024 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 dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 2,706.61 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 2023-24 are as follows:

| Financial year | Amount of unclaimed dividend transferred (Amt in ₹) | Number of shares transferred |
|----------------|---|------------------------------|
| 2015-16        | 1,13,391  | 6                            |
| 2016-17        | 46,174  | 24                           |
| <b>Total</b>   | <b>1,59,565</b>                                     | <b>30</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>

### 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, 2024 was ₹ 9,022.05 Lakhs. During the year under review, the Company has not issued any shares. The



## BOARDS' REPORT (CONTD.)

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, 2024, the Company's total income is ₹ 882.44 Lakhs (Previous year: ₹ 1,096.38 Lakhs) and Profit for the year is ₹ 53.17 Lakhs (Previous year: ₹ 124.62 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, 2024, there were no operations in the Company. However, the Loss for the year is ₹ 0.40 Lakhs (Previous Year: ₹ 0.42 Lakhs).

##### Sharda Agrochem Dooel Skopje, Macedonia

Sharda Agrochem Dooel Skopje is engaged in the business of dealing in agrochemical products in Macedonia. For the year ended 31 December, 2023, the Company's total income is Nil (Previous Year: Nil) and Profit for the year is Nil (Previous Year: Loss of ₹ 0.05 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, 2023, the Company's total income is ₹ 1.11 Lakhs (Previous Year: ₹ 1.28 Lakhs) and Loss for the year is Nil (Previous Year: Nil).

##### Sharda Costa Rica SA, Costa Rica

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

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

Sharda Cropchem Espana, S.L. is engaged in the business of distribution of agrochemical products in Spain and abroad. For the year ended 31 March, 2024, the Company's total income is ₹ 27,397.95 Lakhs (Previous year: ₹ 28,593.17 Lakhs) and Profit for the year is ₹ 387.19 Lakhs (Previous year: ₹ 879.32 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, 2023, the Company's total income is ₹ 3.73 Lakhs (Previous Year: ₹ 2.30 Lakhs) and Profit for the year is ₹ 2.55 Lakhs (Previous Year: Loss of ₹ 3.32 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, 2023, Company's total income is ₹ 74.30 Lakhs (Previous Year: ₹ 39.06 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 in agrochemical products in Brazil. During the year, there were no operations in the Company.

##### 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.



## BOARDS' REPORT (CONTD.)

### 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, 2024, the Company's total income is ₹ 7,527.47 Lakhs (Previous year: ₹ 13,576.91 Lakhs) and Loss for the year is ₹ 438.90 Lakhs (Previous year: ₹ 86.81 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, 2024, the Company's total income is ₹ 52,408.91 Lakhs (Previous year: ₹ 69,971.46 Lakhs) and Profit for the year is ₹ 11,817.59 Lakhs (Previous year: ₹ 16,819.95 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, 2024, the Company's total income is ₹ 10,931.89 Lakhs (Previous Year: ₹ 11,695.80 Lakhs) and Profit for the year is ₹ 203.11 Lakhs (Previous year: ₹ 172.55 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, 2023, the Company's total income is ₹ 37.61 Lakhs (Previous Year: ₹ 36.06 Lakhs) and Profit for the year is ₹ 1.28 Lakhs (Previous year: Nil).

### 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, 2024, the Company's total income is ₹ 17,052.08 Lakhs (Previous year: ₹ 23,576.40 Lakhs) and Profit for the year is ₹ 178.07 Lakhs (Previous year: ₹ 184.10 Lakhs).

### Sharda Spain, S.L., Spain

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

### 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, 2023, the Company's total income is ₹ 3.22 Lakhs (Previous Year: ₹ 2.88 Lakhs) and Loss for the year is ₹ 0.13 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, the

Company's total income is ₹ 0.01 Lakhs (Previous Year: Nil) and Profit for the year is ₹ 0.01 Lakhs (Previous year: Nil).

### Sharda Ukraine LLC, Ukraine

Sharda Ukraine LLC is engaged in the business of dealing in agrochemical products in Ukraine. For the year ended 31 December, 2023, the Company's total income is ₹ 9.42 Lakhs (Previous Year: ₹ 7.17 Lakhs) and Loss for the year is ₹ 0.19 Lakhs (Previous year: Profits of ₹ 0.21 Lakhs).

### Sharda USA LLC, USA

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

### Shardacan Limited, Canada

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

### Shardaserb DO.O., Serbia

Shardaserb DO.O. is engaged in the business of dealing in agrochemical products in Serbia. For the year ended 31 December, 2023, the Company's total income is ₹ 16.43 Lakhs (Previous Year: ₹ 17.70 Lakhs) and Profit for the year is ₹ 0.22 Lakhs (Previous year: Nil).

### 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, 2024, the Company's total income is ₹ 446.27 Lakhs (Previous Year: ₹ 681 Lakhs) and Loss for the year is ₹ 10.88 Lakhs (Previous year: Profit of ₹ 12.42 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, 2023, the Company's total income is ₹ 1,663.71 Lakhs (Previous Year: ₹ 1,018.46 Lakhs) and Profit for the year is ₹ 10.07 Lakhs (Previous year: ₹ 17.97 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, 2024, the Company's total income is ₹ 95.19 Lakhs (Previous Year: ₹ 129.35 Lakhs) and Loss for the year is ₹ 23.54 Lakhs (Previous year: Profit of ₹ 13.18 Lakhs).



## BOARDS' REPORT (CONTD.)

### 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, 2023, the Company's total income is ₹ 1.11 Lakhs (Previous Year: ₹ 0.58 Lakhs) and Profit for the year is ₹ 0.06 Lakhs (Previous year: Loss of ₹ 0.07 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, 2023, the Company's total income is ₹ 43.70 Lakhs (Previous Year: 21.05 Lakhs) and Profit for the year is ₹ 5.78 Lakhs (Previous year Profit of ₹ 2.50 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, 2024, the Company's total income is ₹ 1,178.72 Lakhs (Previous year: ₹ 357.77 Lakhs) and Profit for the year is ₹ 42.58 Lakhs (Previous year: Loss of ₹ 21.34 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, 2024, the Company's total income is ₹ 9,820.93 Lakhs (Previous year: ₹ 9,114.14 Lakhs) and Profit for the year of ₹ 36.23 Lakhs (Previous year: ₹ 27.93 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, 2024, the Company's total income is ₹ 3.07 Lakhs (Previous Year: ₹ 2.64 Lakhs) and Loss for the year is Nil (Previous year: ₹ 2.30 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, 2024, the Company's total income is ₹ 3,709.55 Lakhs (Previous year: ₹ 3,690.71 Lakhs) and Profit for the year is ₹ 70.86 Lakhs (Previous year: ₹ 73.46 Lakhs).

### 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, 2023, the Company's total income is ₹ 4.15 Lakhs (Previous Year: ₹ 7.63 Lakhs) and Loss for the year is ₹ 1.76 Lakhs (Previous year: Profit of ₹ 0.10 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, 2024, the Company's total income is Nil (Previous Year: ₹ Nil) and Loss for the year is ₹ 0.03 Lakhs (Previous year: ₹ 0.56 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 Trading LLC is engaged in the business of dealing in agrochemical products in UAE and abroad. For the year ended 31 March, 2024, the Company's total income is ₹ 175.76 Lakhs (Previous Year: ₹ 32.81 Lakhs) and Profit for the year is ₹ 82.46 Lakhs (Previous year: Loss for ₹ 48.78 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, 2024, the Company has Eight (8) Directors

## BOARDS' REPORT (CONTD.)

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, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors & the Shareholders of the Company has 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.

During the year, the members, through postal ballot, has re-appointed Ms Sonal Desai (DIN: 08095343) as an Independent Director for a second term of five years from 1 April, 2024 to 31 March, 2029.

During the year, the Company has re-appointed Mr Ashish R. Bubna (DIN: 00945147) at Annual General Meeting dated 8 August, 2023 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, Mrs Sharda R. Bubna (DIN: 00136760), Whole-time Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

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

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

statutory authority.

### **Appointment/Resignation of the Key Managerial Personnel**

During the year, Mr Ashok Vashisht resigned as Chief Financial Officer (CFO) of the Company w.e.f. 7 June, 2023. The Board, on the recommendation of the Nomination & Remuneration Committee, appointed Mr Shailesh Anant Mehendale as Chief Financial Officer (CFO) of the Company w.e.f. 6 December, 2023.

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, 2024:

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 Shailesh Anant Mehendale, 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 10 May, 2024, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, appointed Mr H. S. Upendra Kamath (DIN:02648119), Mr Vinod Kumar Kathuria (DIN: 06662559) and Mr Shalin S. Divatia (DIN: 00749517) as an Additional Director (Non-Executive & Independent Director) of the Company to hold office upto the forthcoming Annual General Meeting of the Company. Requisite proposal seeking members approval for appointment as an Independent Director of the Company forms part of the Notice convening the 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 Five times during the 2023-24 viz 12 May, 2023, 24 July, 2023, 21 October, 2023, 6 December, 2023 & 24 January, 2024.

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, 2024, wherein the performance of the Non-Independent Directors and the Board as a whole was



## BOARDS' REPORT (CONTD.)

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.

### FAMILIARISATION 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 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 ₹ 7,98,49,978/- towards CSR activities out of which during the financial year 2023-24, the Company has spent ₹ 8,10,72,446/- 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

## BOARDS' REPORT (CONTD.)

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 & SUSTAINABILITY REPORT (BRSR):**

The Management Discussion and Analysis Report & the Business Responsibility & Sustainability Report (BRSR) 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 2023-24.

### **AUDITORS:**

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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co LLP, (Firm No. 101248W/W-100022) Chartered Accountants, were appointed as the Statutory Auditor of the Company to hold office from the Conclusion of the 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting of the Company.

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

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

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

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

#### **c) Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. KJB & CO LLP, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the Financial Year 2023-24. The Secretarial Audit Report is annexed to this report as Annexure – 3.

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

#### **Qualification:**

Q1: Pursuant to the Regulation 18(1)(d) of the Securities and Exchange Board of India (Listing Obligation) Regulations, 2015, The absence of the Chairman of the audit committee at the annual general meeting was due to his unavoidable reasons, presence of chairman of audit committee is mandated under regulation 18(1)(d) of LODR regulations, in conjunction with standard 4.1.1 of secretarial standard 2 issued by the Institute of Company Secretaries of India (ICSI). However, other member of the audit committee was authorised to address shareholders' queries in his absence.

Q2: Pursuant to the Regulation 47(3) of the Securities and Exchange Board of India (Listing Obligation) Regulations, 2015, The publication of unaudited financial results in the newspaper (both standalone and consolidated) for the quarter and half year ended 30 September 2023, on 24 October, 2023, was delayed beyond the stipulated period of 48 hours following the conclusion of the board of directors' meeting held on 21 October, 2023 as required by regulation 47(3) of LODR regulations. However, the financial results were uploaded on the Stock Exchange within the stipulated time frame.

Q3: Pursuant to the Regulation 26(A)(2) of the Securities and Exchange Board of India (Listing Obligation) Regulations,



## BOARDS' REPORT (CONTD.)

2015, The appointment of the Chief Financial Officer (CFO) as on 6 December, 2023, pursuant to regulation 26(A)(2) of the LODR regulations effective from 15 July, 2023, was delayed beyond the stipulated period of three months of the resignation of the previous Chief Financial Officer as on 7 June, 2023. Further, due to the vacancy, the Company was unable to obtain the required certification from the Chief Financial Officer under regulation 33(2)(a) of LODR regulations for the quarters ending June 2023 and September 2023.

### Reply:

R1: The Chairman of the Audit Committee was absent at the Annual General Meeting of the Company due to his unavoidable reasons. However, other member of the audit committee was authorised to address shareholders queries in his absence.

R2: Our Board Meeting was held on Saturday i.e. 21 October, 2023. The next day was Sunday and we confirmed the financial publication to the agency on Monday i.e. 23 October, 2023 and the same was published on Tuesday i.e. 24 October, 2023.

R3: Our Chief Financial Officer (CFO) was relieved on 7th June, 2023. At that time, LODR provision was to appoint a CFO within a period of 6 months. On 15th July, 2023, LODR provisions were amended for appointment of Chief Financial Officer from 6 months to 3 months. It is an important position. It takes time to call for application from candidates, have personal interviews and several meetings to shortlist the candidate. After finalisation, the candidate is also obliged to serve the notice period of normally 3 months in his pervious job. In this way it is very diffictul to complete the process within a period of 3 months. We did our best to fill up this vacancy as early as possible. There was no intentional delay. The Company had appointed Chief Financial Officer of the Company on 6th December, 2023.

### 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 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, 2024 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 if of the opinion that the Company's internal financial controls were adequate and effective during 2023-24.

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

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

**BOARDS' REPORT (CONTD.)**

- b. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**STATUTORY DISCLOSURES:**
**1) Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo:**

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

**A. Conservation of Energy, Technology Absorption**

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

**B. Foreign Exchange Earnings and Outgo**

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

| Particulars               | (₹ in Lakhs)                 |                              |
|---------------------------|------------------------------|------------------------------|
|                           | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
| Foreign Exchange Earnings | 3,14,873.88                  | 3,12,355.18                  |
| Foreign Exchange Outgo    | 2,64,328.39                  | 2,81,798.76                  |

**2) Maintenance of Cost Record:**

Pursuant to Section 148 of the Companies Act, the Company has maintained the Cost Accounting Records for 2023-24. 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

Sd/-

**RAMPRAKASH V. BUBNA**

PLACE : MUMBAI      CHAIRMAN & MANAGING DIRECTOR  
DATE : 10 MAY, 2024      (DIN: 00136568)



# ANNEXURE - 1

**Form AOC-1**  
**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures 2023-24**  
**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A" : Subsidiaries**

| Sr. No. | Name of Subsidiary   | Reporting Period | Reporting Currency | Exchange Rate Closing | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments (Excluding investment in subsidiary) | Turnover  | Profit (Loss) before Taxation | Provision for Taxation | Profit (Loss) after Taxation | Proposed Dividend | % of Shareholding |
|---------|--|------------------|--------------------|-----------------------|---------------|--------------------|--------------|-------------------|--|-----------|-------------------------------|------------------------|------------------------------|-------------------|-------------------|
| 1       | Axis Crop Science Private Limited                                  | Apr-Mar          | ₹                  | 1.0000                | 500.00        | (112.74)           | 893.58       | 506.32            | -  | 850.34    | 49.30                         | -                      | 49.30                        | -                 | 100%              |
| 2       | Nihon Agro Service Kabushiki Kaisha                                | Apr-Mar          | JPY                | 0.5510                | 0.59          | (0.01)             | 0.97         | 0.39              | -  | -         | 0.00                          | 0.40                   | (0.40)                       | -                 | 100%              |
| 3       | Sharda Agrochem Dooel Skopje                                       | Jan-Dec          | MKD                | 1.4994                | 3.68          | 0.75               | 4.61         | 0.18              | -  | -         | 0.00                          | -                      | 0.00                         | -                 | 100%              |
| 4       | Sharda Balkan Agrochemicals Limited                                | Jan-Dec          | EURO               | 91.8084               | 2.82          | (2.81)             | 0.00         | -                 | -  | -         | -                             | -                      | -                            | -                 | 100%              |
| 5       | Sharda Costa Rica SA*  | Apr-Mar          | CRC                | 0.1560                | 0.00          | (0.00)             | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 99%               |
| 6       | Sharda Cropchem Espana, S.L.                                       | Apr-Mar          | EURO               | 89.9636               | 2.59          | 1,148.80           | 12,327.97    | 11,176.58         | -  | 27,385.27 | 431.89                        | 44.70                  | 387.19                       | -                 | 100%              |
| 7       | Sharda Cropchem Israel Limited*                                    | Jan-Dec          | NIS                | -                     | -             | -                  | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 100%              |
| 8       | Sharda Cropchem Tunisia SARL                                       | Jan-Dec          | TND                | 26.9494               | 0.76          | 4.78               | 6.10         | 0.55              | -  | -         | 3.02                          | 0.47                   | 2.55                         | -                 | 99%               |
| 9       | Sharda De Guatemala S.A.   | Jan-Dec          | GTQ                | 10.6468               | 0.34          | (0.34)             | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 98%               |
| 10      | Sharda Del Ecuador CIA. Ltda.                                      | Jan-Dec          | US\$               | 83.2050               | 0.20          | 0.09               | 2.24         | 1.95              | -  | -         | -                             | -                      | -                            | -                 | 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          | RD\$               | -                     | -             | -                  | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 99%               |
| 13      | Sharda El Salvador S.A. DE CV*                                     | Jan-Dec          | US\$               | -                     | -             | -                  | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 99%               |
| 14      | Sharda Hungary Kft   | Apr-Mar          | HUF                | 0.2283                | 7.23          | 61.17              | 2,972.43     | 2,904.03          | -  | 7,527.47  | (434.95)                      | 3.94                   | (438.90)                     | -                 | 100%              |
| 15      | Sharda International DMCC ***                                      | Apr-Mar          | US\$               | 83.4000               | 45.40         | 12,467.97          | 16,517.78    | 4,004.40          | -  | 52,608.06 | 11,907.22                     | -                      | 11,907.22                    | -                 | 100%              |
| 16      | Sharda Italia SRL  | Apr-Mar          | EURO               | 89.9636               | 7.81          | 1,378.34           | 10,520.41    | 9,134.26          | -  | 10,901.58 | 285.89                        | 82.78                  | 203.11                       | -                 | 99%               |
| 17      | Sharda Maroc SARL  | Jan-Dec          | MAD                | 8.2713                | 8.12          | 23.83              | 1,313.82     | 1,281.87          | -  | 1,663.71  | 24.20                         | 14.13                  | 10.07                        | -                 | 99.80%            |
| 18      | Sharda Peru SAC  | Jan-Dec          | PEN                | 22.4177               | 0.33          | 1.78               | 2.11         | -                 | -  | -         | 1.28                          | -                      | 1.28                         | -                 | 99.95%            |
| 19      | Sharda Poland SP ZOO.  | Apr-Mar          | PLN                | 20.9095               | 5.34          | 604.00             | 20,819.18    | 20,209.85         | -  | 17,047.68 | 246.15                        | 68.08                  | 178.07                       | -                 | 100%              |
| 20      | Sharda Spain S.L.  | Jan-Dec          | EURO               | 91.8084               | 1.96          | (1.96)             | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 100%              |
| 21      | Sharda Swiss SARL  | Jan-Dec          | CHF                | 99.2071               | 8.62          | (0.61)             | 11.53        | 3.52              | -  | -         | (0.13)                        | 0.00                   | (0.13)                       | -                 | 100%              |
| 22      | Sharda Taiwan Limited  | Jan-Dec          | TWD                | 2.7170                | 2.04          | (0.06)             | 1.98         | -                 | -  | -         | 0.01                          | -                      | 0.01                         | -                 | 100%              |
| 23      | Sharda Ukraine LLC   | Jan-Dec          | UAH                | 2.1882                | 4.25          | (4.17)             | 0.17         | 0.09              | -  | -         | (0.19)                        | -                      | (0.19)                       | -                 | 100%              |
| 24      | Sharda USA LLC   | Jan-Dec          | US\$               | 83.2050               | -             | 2.12               | 2.12         | -                 | -  | -         | 0.00                          | -                      | 0.00                         | -                 | 100%              |
| 25      | Shardacan Limited*   | Jan-Dec          | CAD                | -                     | -             | -                  | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 100%              |
| 26      | Shardaserb. DO.O.  | Jan-Dec          | RSD                | 0.7836                | 0.17          | 0.06               | 0.24         | -                 | -  | -         | 0.22                          | -                      | 0.22                         | -                 | 100%              |
| 27      | Sharzam Limited*   | Jan-Dec          | ZMW                | -                     | -             | -                  | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 99.99%            |
| 28      | Sharda Agrochem Limited  | Apr-Mar          | Pound Sterling     | -                     | -             | -                  | -            | -                 | -  | -         | -                             | -                      | -                            | -                 | 100%              |
| 29      | Eurozjiski Pesticidi d.o.o. ***                                    | Apr-Mar          | EURO               | 89.9636               | 3.04          | (13.39)            | 20.38        | 30.73             | -  | -         | (25.58)                       | -                      | (25.58)                      | -                 | 100%              |
| 30      | Sharda Benelux BVBA ***  | Jan-Dec          | EURO               | 91.8084               | 8.11          | (6.98)             | 1.90         | 0.78              | -  | -         | 0.07                          | -                      | 0.07                         | -                 | 100%              |



**ANNEXURE - 1 (CONTD.)**

| Sr. No. | Name of Subsidiary                        | Reporting Period | Reporting Currency | Exchange Rate Closing | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments (Excluding investment in subsidiary) | Turnover | Profit/ (Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation | Proposed Dividend | % of Shareholding |
|---------|---|------------------|--------------------|-----------------------|---------------|--------------------|--------------|-------------------|--|----------|--------------------------------|------------------------|-------------------------------|-------------------|-------------------|
|         |   |                  |                    |                       |               |                    |              |                   |  |          | (₹ in Lakhs)                   |                        |                               |                   |                   |
| 31      | Sharda Impex Trading LLC ***              | Apr-Mar          | AED                | 22.7057               | 68.12         | (46.86)            | 22.19        | 0.93              | -  | -        | 83.09                          | -                      | 83.09                         | -                 | 100%              |
| 32      | Sharda Bolivia SRL ***                    | Jan-Dec          | BOB                | 11.9982               | 0.17          | 1.04               | 1.53         | 0.31              | -  | -        | 0.14                           | (0.70)                 | 0.84                          | -                 | 99%               |
| 33      | Sharda Colombia S.A.S. ***                | Apr-Mar          | COP                | 0.0217                | 62.59         | 89.94              | 1,136.91     | 984.38            | -  | 1,262.18 | 59.56                          | 13.59                  | 45.96                         | -                 | 99.48%            |
| 34      | Sharda De Mexico S. De RI De Cv ***       | Apr-Mar          | MXN                | 5.0006                | 25.01         | (4.03)             | 532.63       | 511.64            | -  | 592.24   | 10.96                          | 8.73                   | 2.23                          | -                 | 99.99%            |
| 35      | Sharda Europe BVBA ***                    | Apr-Mar          | EURO               | 89.9636               | 8.20          | (7.41)             | 3.35         | 2.56              | -  | -        | (0.01)                         | -                      | (0.01)                        | -                 | 100%              |
| 36      | Sharda International Africa (PTY) Ltd *** | Apr-Mar          | ZAR                | 4.4027                | 0.00          | 471.00             | 3,335.88     | 2,864.88          | -  | 3,693.29 | 95.40                          | 24.81                  | 70.59                         | -                 | 100%              |
| 37      | Sharpar S.A. ***                          | Jan-Dec          | PYG                | 0.0116                | 3.49          | 17.63              | 32.61        | 11.49             | -  | -        | (1.77)                         | -                      | (1.77)                        | -                 | 90%               |
| 38      | Siddhivinayak International Limited ***   | Apr-Mar          | US\$               | 83.4000               | 590.53        | (29.46)            | 561.07       | -                 | -  | -        | (0.03)                         | -                      | (0.03)                        | -                 | 100%              |
| 39      | Sharda Private (Thailand) Limited **      | Apr-Mar          | THB                | 2.2868                | 41.67         | 12.49              | 130.11       | 75.94             | -  | 446.27   | (10.88)                        | -                      | (10.88)                       | -                 | 100%              |

**Notes:**

\* Sharda Costa Rica SA, Sharda Cropchem Israel Limited, Shardaean Limited, Sharzam Limited, Sharda Dominicana S.R.L., Sharda El Salvador S.A. DE CV, Sharda 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.



# 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:

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

### 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.

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

₹ 3,99,24,98,892/-

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

₹ 7,98,49,978/-

### 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):

₹ 7,98,21,210/-

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

| Total Amount Spent for the Financial Year (in ₹) |                  | Amount Unspent (in ₹)   |   |
|--|------------------|---|---|
| Amount   | Date of transfer | 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) |
| 8,10,72,446                                      |                  |   |   |
|  |                  | Name of the Fund  | Amount  |
|  |                  |   | Date of transfer  |
|  |                  | 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 Name | CSR registration number |
|---------|---|--|----------------------|--------------------------|--------------|--------------------------------------|--|-----------------------------|-------------------------|
|         |   |  |                      | State                    | District     |                                      |  |                             |                         |
| 1       | Feeding cows and maintaining Goushalas                  | Animal Welfare   | Yes                  | Rajasthan                | Jhunjhunu    | 8,51,000                             | Yes                                    | -                           | -                       |
| 2       | Sponsorship for Animal food and medical care            | Animal Welfare   | Yes                  | Rajasthan                | Sikar        | 1,19,91,490                          | Yes                                    | -                           | -                       |
| 3       | Training of Olympics & Paralympics Athletes             | Training to Promote Sports & Games                           | Yes                  | Maharashtra              | Mumbai       | 5,00,000                             | Yes                                    | -                           | -                       |
| 4       | Sponsorship for promoting education in slum area        | Promoting Education  | Yes                  | Maharashtra              | Mumbai       | 20,00,000                            | Yes                                    | -                           | -                       |
| 5       | Sponsorship for Education of Tribal Students            | Promoting Education  | Yes                  | Gujarat                  | Navsari      | 20,00,000                            | Yes                                    | -                           | -                       |
| 6       | Providing Financial Assistance to poor and needy people | Promoting Livelihood Enhancement Projects                    | Yes                  | Gujarat                  | Ahmedabad    | 20,00,000                            | Yes                                    | -                           | -                       |
| 7       | Sponsorship of fees for education                       | Promoting Education  | Yes                  | Odisha                   | Bhubaneshwar | 19,90,000                            | 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       | Protection and Welfare of Animals  | Animal welfare   | Yes                    | Maharashtra              | Mumbai    | 15,00,000                            | Yes                                    | -                      | -                       |
| 9       | Providing Education and Medical benefit to needy Students                | Promoting Education and Health Care                          | Yes                    | West Bengal              | Kolkata   | 14,00,000                            | Yes                                    | -                      | -                       |
| 10      | Organising eye camp for needy and poor people                            | Promoting Health Care  | Yes                    | Rajasthan                | Jhunjhunu | 9,58,928                             | Yes                                    | -                      | -                       |
| 11      | Sponsorship for upliftment of the meditational value                     | Promoting Health Care  | Yes                    | Maharashtra              | Mumbai    | 7,80,000                             | Yes                                    | -                      | -                       |
| 12      | Medical Relief   | Promoting Health Care  | Yes                    | Maharashtra              | Mumbai    | 6,92,500                             | Yes                                    | -                      | -                       |
| 13      | Distribution of food   | Eradicating Hunger   | Yes                    | Maharashtra              | Mumbai    | 1,51,000                             | Yes                                    | -                      | -                       |
| 14      | Upliftment of needy people   | Promoting Health Care  | Yes                    | Maharashtra              | Mumbai    | 1,00,000                             | Yes                                    | -                      | -                       |
| 15      | Sponsorship for distribution of Notebooks to poor and needy Children     | Promoting Education  | Yes                    | Maharashtra              | Mumbai    | 1,11,528                             | Yes                                    | -                      | -                       |
| 16      | Providing Education by distributing Notebooks to poor and needy Children | Promoting Education  | Yes                    | Maharashtra              | Mumbai    | 2,00,000                             | Yes                                    | -                      | -                       |
| 17      | Promoting Education  | Promoting Education  | Yes                    | Maharashtra              | Mumbai    | 1,56,000                             | Yes                                    | -                      | -                       |
| 18      | Providing Education facilities to needy people                           | Promoting Education  | Yes                    | Maharashtra              | Mumbai    | 51,000                               | Yes                                    | -                      | -                       |
| 19      | Payment of school fees, medical help and financial assistance            | Promoting Education and Health Care                          | Yes                    | Maharashtra              | Mumbai    | 28,00,000                            | Yes                                    | -                      | -                       |
| 20      | Distribution of education material and medical help                      | Promoting Education and Health Care                          | Yes                    | Maharashtra              | Mumbai    | 40,000                               | Yes                                    | -                      | -                       |
| 21      | Upliftment & Education of tribals  | Promoting Education  | Yes                    | Maharashtra              | Mumbai    | 52,00,000                            | Yes                                    | -                      | -                       |
| 22      | Sponsorship for Sports and Healthcare benefits                           | Promoting Health Care and Education                          | Yes                    | Maharashtra              | Mumbai    | 75,00,000                            | Yes                                    | -                      | -                       |
| 23      | Providing Food and Medical benefit to needy and poor people              | Eradicating Hunger   | Yes                    | Maharashtra              | Mumbai    | 2,00,000                             | 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      | Sponsoring school & college fees of students                | Promoting Education  | Yes                    | Rajasthan                | Jhunjhunu  | 11,00,000                            | Yes                                    | -                      | -                       |
| 25      | Payment of School fees of Economically backward Students    | Promoting Education  | Yes                    | Rajasthan                | Jhunjhunu  | 23,00,000                            | Yes                                    | -                      | -                       |
| 26      | Promoting Education by felicitating talented girls          | Promoting Education  | Yes                    | Maharashtra              | Mumbai     | 1,00,000                             | Yes                                    | -                      | -                       |
| 27      | Food & Clothing distribution to needy people                | Eradicating Hunger   | Yes                    | Maharashtra              | Mumbai     | 1,00,000                             | Yes                                    | -                      | -                       |
| 28      | School & collage fees of students                           | Promoting Education  | Yes                    | Maharashtra              | Mumbai     | 21,50,000                            | Yes                                    | -                      | -                       |
| 29      | Education & Medical welfare to weaker section of society    | Promoting Education and Health Care                          | Yes                    | Maharashtra              | Mumbai     | 5,51,000                             | Yes                                    | -                      | -                       |
| 30      | Environmental and Cultural Upliftment                       | Protection of Environment and Culture                        | Yes                    | Uttar Pradesh            | Lucknow    | 5,00,000                             | Yes                                    | -                      | -                       |
| 31      | Providing Education facilities to tribal students           | Promoting Education  | Yes                    | Rajasthan                | Kota       | 6,00,000                             | Yes                                    | -                      | -                       |
| 32      | Promoting Education and Social Activities                   | Promoting Education  | Yes                    | Maharashtra              | Mumbai     | 1,01,000                             | Yes                                    | -                      | -                       |
| 33      | Distribution of food  | Women empowerment  | Yes                    | Maharashtra              | Thane      | 3,22,000                             | Yes                                    | -                      | -                       |
| 34      | Providing Education and food to poor and needy people       | Promoting Education  | Yes                    | Maharashtra              | Mumbai     | 1,00,000                             | Yes                                    | -                      | -                       |
| 35      | Providing Food and Medical benefit to needy and poor people | Eradicating hunger   | Yes                    | Maharashtra              | Mumbai     | 12,00,000                            | Yes                                    | -                      | -                       |
| 36      | Distribution of food to needy and poor people               | Eradicating hunger   | Yes                    | Maharashtra              | Mumbai     | 51,000                               | Yes                                    | -                      | -                       |
| 37      | Distribution of food to needy and poor people               | Eradicating hunger   | Yes                    | Maharashtra              | Mumbai     | 5,00,000                             | Yes                                    | -                      | -                       |
| 38      | Distribution of food to needy and poor people               | Eradicating hunger   | Yes                    | Uttar Pradesh            | Chitrakoot | 22,00,000                            | 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 |      |
|---------|--|--|------------------------|----|--------------------------|-----------|--------------------------------------|------------------------|------|
|         |  |  | Yes                    | No | State                    | District  |                                      | Direct (Yes/No)        | Name |
| 39      | Providing Education and Medical facilities to needy people | Promoting Education  | Yes                    |    | Maharashtra              | Thane     | 51,000                               | Yes                    | -    |
| 40      | Providing Education facilities to poor and needy children  | Promoting Education  | Yes                    |    | Madhya Pradesh           | Satna     | 71,000                               | Yes                    | -    |
| 41      | Organising Medical Camp for poor and needy people          | Promoting Health Care  | Yes                    |    | Maharashtra              | Mumbai    | 1,00,000                             | Yes                    | -    |
| 42      | Medical Relief   | Promoting Health Care  | Yes                    |    | Gujarat                  | Ahmedabad | 50,00,000                            | Yes                    | -    |
| 43      | Providing Education and Medical facilities                 | Promoting Education  | Yes                    |    | Maharashtra              | Mumbai    | 4,02,000                             | Yes                    | -    |
| 44      | Providing Education and Medical facilities                 | Promoting Education  | Yes                    |    | Maharashtra              | Mumbai    | 2,00,000                             | Yes                    | -    |
| 45      | Sponsorship for promoting Education                        | Promoting Education  | Yes                    |    | Maharashtra              | Mumbai    | 2,00,00,000                          | Yes                    | -    |
| 46      | Organising Cultural Programme                              | Protection of Culture  | Yes                    |    | Maharashtra              | Mumbai    | 2,00,000                             | Yes                    | -    |
|         | <b>Total</b>   |  |                        |    |                          |           | <b>8,10,72,446</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): ₹ 8,10,72,446/-.

(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)                                      | 7,98,49,978/- |
| ii.     | Total amount spent for the Financial Year   | 8,10,72,446/- |
| iii.    | Excess amount spent for the financial year [(i) - (ii)]   | 12,22,468/-   |
| 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)]                                     | 12,22,468/-   |

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

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

PLACE : MUMBAI  
 DATE : 10 May, 2024

Sd/-  
**SHAILESH ANANT MEHENDALE**  
 CHIEF FINANCIAL OFFICER

PLACE : MUMBAI  
 DATE : 10 May, 2024



## ANNEXURE 3

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024.**

[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, 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 31st March 2024, 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) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company for the year under review**;

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting



## ANNEXURE - 3 (CONTD.)

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 except:

1. **The absence of the Chairman of the audit committee at the annual general meeting was due to his unavoidable reasons, presence of chairman of audit committee is mandated under regulation 18(1)(d) of LODR regulations, in conjunction with standard 4.1.1 of secretarial standard 2 issued by the Institute of Company Secretaries of India (ICSI). However, other member of the audit committee was authorized to address shareholders' queries in his absence.**
2. **The publication of unaudited financial results in the newspaper (both standalone and consolidated) for the quarter and half year ended 30th September 2023, on 24th October 2023, was delayed beyond the stipulated period of 48 hours following the conclusion of the board of directors' meeting held on 21st October 2023 as required by regulation 47(3) of LODR regulations. However, the financial results were uploaded on the Stock Exchange within the stipulated time frame.**
3. **The appointment of the Chief Financial Officer (CFO) as on 6th December 2023, pursuant to regulation 26(A)(2) of the LODR regulations effective from 15th July 2023, was delayed beyond the stipulated period of three months of the resignation of the previous Chief Financial Officer as on 7th June 2023. Further, due to the vacancy, the Company was unable to obtain the required certification from the Chief Financial Officer under regulation 33(2)(a) of LODR regulations for the quarters ending June 2023 and September 2023.**

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. There was no change in the composition of the Board of Directors
2. Adequate notice 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, the Company has identified and complied with the various applicable laws applicable to the Company inter-alia:

- 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  
FCS No.: 12908  
C P No.: 20120  
UDIN: F012908F000350311

Date: Vaishakh 20, 1946 / May 10, 2024  
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.



Sharda Cropchem Limited

## 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

FCS No.: 12908

C P No.: 20120

UDIN: F012908F000350311

Date: Vaishakh 20, 1946 / May 10, 2024

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 |
|--------------------------------|------------------------------|
| <b>Executive Directors</b>     |                              |
| Mr Ramprakash V. Bubna         | 101.22                       |
| Mrs Sharda R. Bubna            | 5.04                         |
| Mr Ashish R. Bubna             | 72.75                        |
| Mr Manish R. Bubna             | 72.75                        |
| <b>Non-Executive Directors</b> |                              |
| Mr M. S. Sundara Rajan         | 0.92                         |
| Mr Shitin Desai                | 1.00                         |
| Mr Shobhan Thakore             | 0.43                         |
| Ms Sonal Desai                 | 1.14                         |

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   | 5.90   |
| Mrs Sharda R. Bubna  | 6.25   |
| Mr Ashish R. Bubna   | 5.93   |
| Mr Manish R. Bubna   | 5.03   |
| Mr M. S. Sundara Rajan   | 95.00  |
| Mr Shitin Desai  | 110.00   |
| Mr Shobhan Thakore   | 63.64  |
| Ms Sonal Desai   | 37.14  |

| Name of the Directors, Chief Financial Officer and Company Secretary | % increase in remuneration in the Financial Year |
|--|--|
| Mr Shailesh A. Mehendale, Chief Financial Officer                    | -  |
| Mr Jetkin Gudhka, Company Secretary                                  | 10.20  |

Note: Mr Shailesh A. Mehendale has joined as Chief Financial Officer from 6 December, 2023 onwards and hence his numbers are not comparable.

**3. The percentage increase in the median remuneration of employees during the Financial Year: 9.61%**

**4. The number of permanent employees on rolls of the Company: 186**

**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 9.83% as against increase of 5.90% 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 | 6,40,74,476                  | Contractual          | B-Tech., (Chemical Engineering) | 56         | 12 March, 2004  | 77  | NIL             | 15.5759                        |
| 2       | Mr Ashish R. Bubna     | Executive Director           | 4,60,53,649                  | Contractual          | B.Com                           | 34         | 12 March, 2004  | 51  | NIL             | 16.8254                        |
| 3       | Mr Manish R. Bubna     | Executive Director           | 4,60,53,649                  | Contractual          | B.E (Chemical Engineering)      | 32         | 12 March, 2004  | 49  | 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 2022-23 is paid in the year 2023-24.

# CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is prepared for the financial year ended 31 March, 2024 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, 2024, 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, 2024 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)      | 2  | -  | 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<br>Prism Johnson Limited | Non-Executive, Independent Director<br>Non-Executive, Independent Director, Chairperson |
| 8       | Ms Sonal Desai (Non-Executive, Independent Director)              | 2  | -  | 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 Ashish R. Bubna (DIN: 00945147), at Annual General Meeting dated 8 August, 2023 as he was retiring by rotation and being eligible, offered himself for re-appointment.

During the year, the Company has re-appointed Mr Ramprakash V. Bubna (DIN: 00136568) as Chairman & Managing Director of the Company, Mrs Sharda R. Bubna (DIN: 00136760), Mr Ashish R. Bubna (DIN: 00945147) & Mr Manish R. Bubna (DIN: 00137394) as Whole-time Directors of the Company, at the Annual General Meeting of the Company held on 8 August, 2023.

During the year, the Company has re-appointed Ms Sonal Desai (DIN: 08095343) as Independent Director of the Company with effect from 1 April, 2024 via Postal Ballot dated 15 January, 2024.

**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 of the Company was held on 24 January, 2024. All the Independent Directors has attended the meeting.

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 2023-24, none of the Independent Directors resigned from the Company's Board.

### 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 2023-24 | Attendance at the AGM held on 8 August, 2023 |
|------------------------|---|--|
| Mr Ramprakash V. Bubna | 5   | Yes  |
| Mrs Sharda R. Bubna    | 5   | Yes  |
| Mr Ashish R. Bubna     | 4   | Yes  |
| Mr Manish R. Bubna     | 4   | Yes  |
| Mr M. S. Sundara Rajan | 5   | Yes  |
| Mr Shitin Desai        | 5   | No   |
| Mr Shobhan Thakore     | 4   | Yes  |
| Ms Sonal Desai         | 5   | Yes  |

The Board of Directors met 5 times during the Financial Year 2023-24 on 12 May, 2023, 24 July, 2023, 21 October, 2023, 6 December, 2023 and 24 January, 2024.

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



## CORPORATE GOVERNANCE REPORT (CONTD.)

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

### Code of Conduct for Insider Trading:

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

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



## CORPORATE GOVERNANCE REPORT (CONTD.)

- Reviewing with the management the performance of Statutory Auditor and Internal Auditor and the adequacy of internal control systems;
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- Discussion with Internal Auditor on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussing with Statutory Auditor before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in payments to Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blowing mechanism;
- Approval of appointment of the chief financial officer 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 1 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:

| <b>Name of the Director</b> | <b>Position</b> | <b>Category</b>              | <b>No. of Meetings attended</b> |
|-----------------------------|-----------------|------------------------------|---------------------------------|
| Mr Shitin Desai             | Chairman        | Independent Director         | 5                               |
| Mr M. S. Sundara Rajan      | Member          | Independent Director         | 5                               |
| Mr Ramprakash V. Bubna      | Member          | Chairman & Managing Director | 5                               |
| Ms Sonal Desai              | Member          | Independent Director         | 5                               |

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 5 times during the Financial Year 2023-24 on 12 May, 2023, 24 July, 2023, 21 October, 2023, 6 December, 2023 and 24 January, 2024.

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



## CORPORATE GOVERNANCE REPORT (CONTD.)

The Chairman of the Audit Committee, Mr Shitin Desai was unable to attend the 20th Annual General Meeting of the Company held on 8 August, 2023 due to his pre-occupation. In his absence, Ms Sonal Desai acted as Chairperson of the Audit Committee to address the shareholders.

### 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:
  - ◆ 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.
  - ◆ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - ◆ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - ◆ 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;

## CORPORATE GOVERNANCE REPORT (CONTD.)

- To devise a policy on Board diversity;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report; and
- To 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:

| <b>Name of the Director</b> | <b>Position</b> | <b>Category</b>              | <b>No. of Meeting attended</b> |
|-----------------------------|-----------------|------------------------------|--------------------------------|
| Mr Shitin Desai             | Chairman        | Independent Director         | 2                              |
| Mr M. S. Sundara Rajan      | Member          | Independent Director         | 2                              |
| Mr Ramprakash V. Bubna      | Member          | Chairman & Managing Director | 2                              |
| Ms Sonal Desai              | Member          | Independent Director         | 2                              |

The Nomination and Remuneration Committee met twice during the Financial Year 2023-24. The necessary quorum was present for the meeting held on 12 May, 2023 & 6 December, 2023.

The Chairman of the Nomination & Remuneration Committee, Mr Shitin Desai was unable to attend the 20th Annual General Meeting of the Company held on 8 August, 2023 due to his pre-occupation. In his absence, Ms Sonal Desai acted as Chairperson of the Nomination & Remuneration Committee to address the shareholders.

### **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.



## CORPORATE GOVERNANCE REPORT (CONTD.)

- If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.
- 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.
- 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 2023-24.
- 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.

### 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 Company does not have any Employee Stock Option Scheme.

### Details of Remuneration paid to Directors for the year ended 31 March, 2024.

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 (₹)                              | 1,91,25,000                    | 31,87,500         | 1,59,37,500       | 1,59,37,500       |
| Commission for the 2022-23, paid in 2023-24 (₹) | 4,49,49,476                    | -                 | 3,01,16,149       | 3,01,16,149       |
| Date of Agreement                               | 1 January, 2024                | 1 January, 2024   | 1 January, 2024   | 1 January, 2024   |
| No. of Years                                    | 5                              | 5                 | 5                 | 5                 |
| Period of Agreement                             | 31 December, 2028              | 31 December, 2028 | 31 December, 2028 | 31 December, 2028 |
| Notice Period                                   | 3 months                       | 3 months          | 3 months          | 3 months          |
| Stock Options                                   | -                              | -                 | -                 | -                 |

\* Note: Gross Salary is amended w.e.f. 1 January, 2024.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Details of Sitting Fees paid to the Independent Directors for the year ended 31 March, 2024:

| Name of the Director   | Sitting fees (₹) |
|------------------------|------------------|
| Mr M. S. Sundara Rajan | 5,85,000         |
| Mr Shitin Desai        | 6,30,000         |
| Mr Shobhan Thakore     | 2,70,000         |
| Ms Sonal Desai         | 7,20,000         |

### 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 2023-24. The necessary

quorum was present for the meeting held on 24 January, 2024.

The Chairman of the Stakeholders Relationship Committee, Mr Shobhan Thakore was present at the 20th Annual General Meeting of the Company held on 8 August, 2023.

#### 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

No complaints were received from the Shareholders during the Financial Year 2023-24 and as on 31 March, 2024, no complaints are pending with the Company.

No request for transfer or dematerialisation of shares was received or pending as on 31 March, 2024.

### 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



## CORPORATE GOVERNANCE REPORT (CONTD.)

of respective companies are in a position to report separately 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 2023-24. The necessary quorum was present for the meeting held on 24 January, 2024.

### 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 | 2                       |
| Ms Sonal Desai         | Member   | Independent Director         | 2                       |
| Mr Manish Bubna        | Member   | Executive Director           | 1                       |

## CORPORATE GOVERNANCE REPORT (CONTD.)

Note: Mr Ashok Vashisht resigned as Member of the Risk Management Committee and Mr Manish R. Bubna was appointed as Member of the Risk Management Committee during the financial year 2023-24.

The Risk Management Committee met twice during the Financial Year 2023-24. The necessary quorum was present for the meetings held on 19 July, 2023, and 6 December, 2023.

### 8. SENIOR MANAGEMENT:

**Particulars of senior management including the changes therein since the close of the previous financial year.**

| Sr. No. | Name                        | Designation                            | Changes (If any)                  |
|---------|-----------------------------|--|-----------------------------------|
| 1.      | Mr Ramprakash V. Bubna      | Chairman & Managing Director           | --                                |
| 2.      | Mrs Sharda R. Bubna         | Executive Director                     | --                                |
| 3.      | Mr Ashish R. Bubna          | Executive Director                     | --                                |
| 4.      | Mr Manish R. Bubna          | Executive Director                     | --                                |
| 5.      | Mr M. S. Sundara Rajan      | Independent Director                   | --                                |
| 6.      | Mr Shitin Desai             | Independent Director                   | --                                |
| 7.      | Mr Shobhan Thakore          | Independent Director                   | --                                |
| 8.      | Ms Sonal Desai              | Independent Director                   | --                                |
| 9.      | Mr Shailesh Anant Mehendale | Chief Financial Officer                | Appointed w.e.f. 6 December, 2023 |
| 10.     | Mr Ashok Vashisht           | Chief Financial Officer                | Resigned w.e.f. 7 June, 2023      |
| 11.     | Mr Jetkin Gudhka            | Company Secretary & Compliance Officer | -                                 |

### GENERAL BODY MEETINGS:

#### Details of Last Three Annual General Meetings (AGM):

| Financial Year | Date           | Time       | Venue  |
|----------------|----------------|------------|--|
| 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 |
| 2022-23        | 8 August, 2023 | 02.30 PM   | 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  |
|----------------|----------------|---------------------------|--|
| 2020-21        | 29 July, 2021  | NIL                       | NA   |
| 2021-22        | 2 August, 2022 | NIL                       | NA   |
| 2022-23        | 8 August, 2023 | 2                         | <ol style="list-style-type: none"> <li>To re-appoint Mr Ramprakash V. Bubna (DIN: 00136568) as Chairman &amp; Managing Director of the Company.</li> <li>To re-appoint Mrs Sharda R. Bubna (DIN: 00136760) as Whole-Time Director of the Company.</li> </ol> |

#### Extra Ordinary General Meeting:

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

#### Postal Ballot:

No Special Resolution passed through Postal Ballot during the last financial year 2022-23.

Further, Special Resolution passed through Postal Ballot during the financial year 2023-24 is as follows:



## CORPORATE GOVERNANCE REPORT (CONTD.)

### **Re-appointment of Ms Sonal Desai (DIN: 08095343) as an Independent Director of the Company.**

Approval of the Shareholders was sought vide Special Resolution for appointment of Ms Sonal Desai (DIN: 08095343) as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from 1 April, 2024 to 31 March, 2029.

Mr Mayur D. Parmar (Membership No.: 44894, COP. 18299), Practicing Company Secretaries, was appointed as the Scrutiniser for carrying out the Postal Ballot voting process through electronic means in a fair and transparent manner.

### **Procedure adopted for Postal Ballot**

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provided electronic voting facility to all its members.

The Company engaged the services of Kfin Technologies Limited (KFinTech), our Registrar as the agency for the purpose of providing electronic voting facility to all its members.

The Postal Ballot Notice was sent to the members in electronic form at their email addresses registered with the depositories, Company's Registrar and Share Transfer Agent. The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date.

The Scrutiniser submitted his report to the Chairman of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot was then announced by the Chairman & the Company Secretary on Tuesday, 16 January, 2024, as authorised by the Board of Directors of the Company. 99.9245% of votes were cast in favour and 0.0755% of votes were cast against the said resolution.

The results were displayed at the registered office of the Company and on the Company's website at [www.shardacropchem.com](http://www.shardacropchem.com) and were available on the website of the Stock Exchanges and Registrar.

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 2021-22, 2022-23 & 2023-24 respectively except the following:
  - a. The absence of the Chairman of the audit committee at the annual general meeting was due to his unavoidable reasons, presence of chairman of audit committee is mandated under regulation 18(1)(d) of LODR



## CORPORATE GOVERNANCE REPORT (CONTD.)

- regulations, in conjunction with standard 4.1.1 of secretarial standard 2 issued by the Institute of Company Secretaries of India (ICSI). However, other member of the audit committee was authorised to address shareholders' queries in his absence.
- b. The publication of unaudited financial results in the newspaper (both standalone and consolidated) for the quarter and half year ended 30 September, 2023, on 24 October, 2023, was delayed beyond the stipulated period of 48 hours following the conclusion of the board of directors' meeting held on 21 October, 2023 as required by regulation 47(3) of LODR regulations. However, the financial results were uploaded on the Stock Exchange within the stipulated time frame.
  - c. The appointment of the Chief Financial Officer (CFO) as on 6 December, 2023, pursuant to regulation 26(A)(2) of the LODR regulations effective from 15 July 2023, was delayed beyond the stipulated period of three months of the resignation of the previous Chief Financial Officer as on 7 June 2023. Further, due to the vacancy, the Company was unable to obtain the required certification from the Chief Financial Officer under regulation 33(2) (a) of LODR regulations for the quarters ending June 2023 and September 2023.
- 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 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, 2024.
  - 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 ₹ 87,73,433/- was paid by the Company and its subsidiaries, on a consolidated



## CORPORATE GOVERNANCE REPORT (CONTD.)

basis, for all the services to 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 2023-24 and there are no pending complaints as on 31 March, 2024. 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 2023-24. 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 and its subsidiaries have not given any loans or advances to any of the Firms / Companies in which any of the directors are interested during 2023-24.

### 11. MEANS OF COMMUNICATION:

- The quarterly and half yearly financial results of the Company are announced within 45 days of the closure of the relevant quarter and the audited annual results are announced within 60 days from the closure of the Financial Year as required under Regulation 33 of the SEBI Regulations.
- The quarterly, half yearly and annual results of the Company are published in English Edition of The Economic Times and in Marathi Edition

of The Maharashtra Times. The results are displayed on the website of the Company (<http://shardacropchem.com/financials.html>).

- The Company does not publish any official news releases. However, the presentations made to the Institutional Investors and analysts after the declaration of the quarterly, half-yearly and annual results are displayed on the Company's website (<http://www.shardacropchem.com/investor-presentation.html>).
- The Company also files its results with The National Stock Exchange of India 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 2023-24:

|                        |  |
|------------------------|--|
| Date                   | : Friday, 9 August, 2024                       |
| Time                   | : 1:00 PM IST                                  |
| Venue                  | : Meeting is being conducted through VC / OAVM |
| Financial Year         | : 1 April to 31 March                          |
| Final Dividend         | : 10 August, 2023                              |
| Payment Date (2022-23) |  |

## CORPORATE GOVERNANCE REPORT (CONTD.)

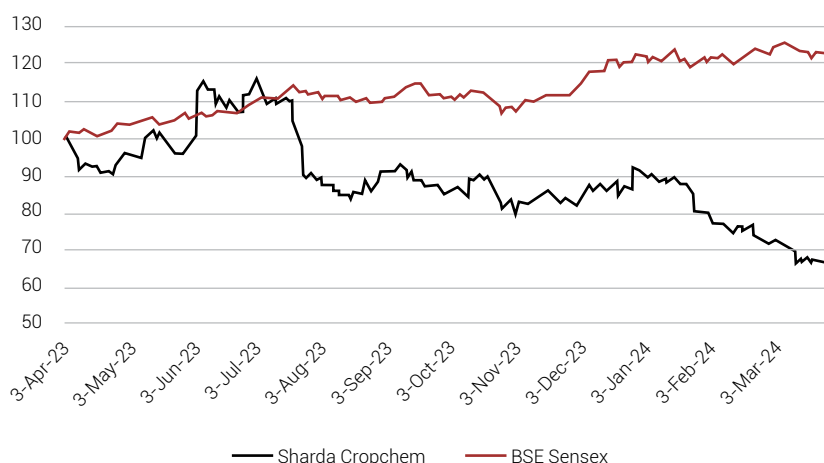
|  |   |
|--|---|
| Listing on Stock Exchanges : <b>The National Stock Exchange of India Limited</b><br>Exchange Plaza, 5 Floor<br>Plot No. C/1, G Block<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai – 400 051<br><b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai – 400 001 | Stock Code<br>NSE : SHARDACROP EQ<br>BSE : 538666<br>Demat International : INE221J01015<br>Security Identification Number (ISIN)<br>In NSDL and CDSL<br>for equity shares<br>The Company has paid Annual Listing Fees for the Financial Year 2023-24. |
|--|---|

### 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-2023 | 502.80     | 439.90    | 94,857                | 503.00     | 416.95    | 15,41,967             |
| May-2023 | 519.65     | 461.95    | 2,39,174              | 519.90     | 461.00    | 30,06,856             |
| Jun-2023 | 580.00     | 474.30    | 6,41,139              | 580.00     | 481.10    | 1,07,66,212           |
| Jul-2023 | 578.15     | 434.60    | 5,14,924              | 578.00     | 436.00    | 69,74,076             |
| Aug-2023 | 454.90     | 413.20    | 2,66,685              | 455.00     | 412.05    | 26,67,016             |
| Sep-2023 | 465.00     | 417.75    | 1,52,225              | 464.95     | 417.60    | 18,52,502             |
| Oct-2023 | 458.00     | 388.40    | 1,59,185              | 459.10     | 388.35    | 36,41,367             |
| Nov-2023 | 427.45     | 391.60    | 88,125                | 428.35     | 391.45    | 15,02,838             |
| Dec-2023 | 466.00     | 403.85    | 3,52,210              | 466.00     | 404.40    | 54,93,809             |
| Jan-2024 | 456.00     | 394.05    | 2,24,418              | 455.95     | 395.00    | 30,67,198             |
| Feb-2024 | 404.85     | 351.00    | 2,64,696              | 402.40     | 349.95    | 35,59,458             |
| Mar-2024 | 363.00     | 318.00    | 2,55,900              | 363.95     | 318.05    | 25,66,379             |

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





CORPORATE GOVERNANCE REPORT (CONTD.)

**Share Registrar and Transfer Agent:**

**KFin Technologies Limited**

Karvy Selenium Tower B, 6 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 1 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.

**Distribution of shareholding as on 31 March, 2024:**

| Sr. No | Category         | No. of Cases  | % of cases    | Amount              | % of Amount   |
|--------|------------------|---------------|---------------|---------------------|---------------|
| 1      | 1- 5000          | 58,182        | 95.31         | 3,93,68,460         | 4.36          |
| 2      | 5001 – 10000     | 1,606         | 2.63          | 1,21,33,840         | 1.34          |
| 3      | 10001 – 20000    | 703           | 1.15          | 1,03,64,190         | 1.15          |
| 4      | 20001 – 30000    | 214           | 0.35          | 54,37,220           | 0.60          |
| 5      | 30001 – 40000    | 94            | 0.15          | 33,70,010           | 0.37          |
| 6      | 40001 – 50000    | 56            | 0.09          | 25,77,720           | 0.29          |
| 7      | 50001 – 100000   | 110           | 0.18          | 78,78,880           | 0.87          |
| 8      | 100001 and above | 83            | 0.14          | 82,10,74,630        | 91.02         |
|        | <b>Total</b>     | <b>61,048</b> | <b>100.00</b> | <b>90,22,04,950</b> | <b>100.00</b> |

**Shareholding pattern as on 31 March, 2024:**

| Sr. No | Category of Shareholders                      | Total Holding      | % to Total Holding |
|--------|---|--------------------|--------------------|
| 1      | Alternative Investment Fund                   | 44,600             | 0.05               |
| 2      | Bodies Corporates                             | 11,51,974          | 1.28               |
| 3      | Clearing Members                              | 632                | 0.00               |
| 4      | Foreign Portfolio - Corp                      | 19,28,614          | 2.14               |
| 5      | Foreign Portfolio Investors                   | 130                | 0.00               |
| 6      | H U F   | 3,62,440           | 0.40               |
| 7      | Mutual Funds                                  | 1,11,54,249        | 12.36              |
| 8      | Non Resident Indian Non Repatriable           | 1,91,606           | 0.21               |
| 9      | Non Resident Indians                          | 4,53,936           | 0.50               |
| 10     | Promoters Individuals                         | 6,75,03,833        | 74.82              |
| 11     | Resident Individuals                          | 74,26,727          | 8.24               |
| 12     | Trusts  | 1,257              | 0.00               |
| 13     | Investor Education and Protection Fund (IEPF) | 497                | 0.00               |
|        | <b>Total</b>                                  | <b>9,02,20,495</b> | <b>100.00</b>      |

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Top ten equity shareholders of the Company as on 31 March, 2024:

| Sr. No. | Name of the Shareholder                   | Number of equity shares held | Percentage of holding |
|---------|---|------------------------------|-----------------------|
| 1       | ASHISH RAMPRAKASH BUBNA                   | 1,51,79,990                  | 16.83                 |
| 2       | MANISH 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                       | 54,06,610                    | 5.99                  |
| 6       | SEEMA ASHISH BUBNA                        | 45,00,000                    | 4.99                  |
| 7       | ANISHA MANISH BUBNA                       | 45,00,000                    | 4.99                  |
| 8       | DSP SMALL CAP FUND                        | 35,87,791                    | 3.98                  |
| 9       | HDFC MUTUAL FUND - HDFC HYBRID EQUITYFUND | 19,77,870                    | 2.19                  |
| 10      | ARC INTERNATIONAL PRIVATE LIMITED         | 5,06,112                     | 0.56                  |

#### 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, 2024, 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, 2024, 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.



CORPORATE GOVERNANCE REPORT (CONTD.)

The details of unclaimed dividends and shares transferred to IEPF during 2023-24 are as follows:

| Financial year | Amount of unclaimed dividend transferred (Amt in ₹) | Number of shares transferred |
|----------------|---|------------------------------|
| 2015-16        | 1,13,391  | 6                            |
| 2016-17        | 46,174  | 24                           |
| <b>Total</b>   | <b>1,59,565</b>                                     | <b>30</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 |
|----------------|---|--|
| 2017-18        | 3 December, 2017                            | 2 December, 2024                       |
|                | 7 October, 2018                             | 6 October, 2025                        |
| 2018-19        | 3 March, 2019                               | 2 March, 2026                          |
|                | 4 October, 2019                             | 3 October, 2026                        |
| 2019-20        | 1 March, 2020                               | 28 February, 2027                      |
|                | 2 April, 2020                               | 1 April, 2027                          |
| 2020-21        | 5 December, 2020                            | 4 December, 2027                       |
| 2021-22        | 4 September, 2021                           | 3 September, 2028                      |
|                | 1 March, 2022                               | 28 February, 2029                      |
| 2022-23        | 9 September, 2022                           | 8 September, 2029                      |
|                | 3 March, 2023                               | 2 March, 2030                          |
| 2023-24        | 15 September, 2023                          | 14 September, 2030                     |

**Credit Rating:**

CRISIL has given the credit rating of "CRISIL A1+" on the short-term banking facilities of the Company as per their Interim report dated 14 February, 2024.

**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.

During the year, there were no agreements entered as mentioned under Clause 5A of Paragraph A of Part A of Schedule III 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, 2024, 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**

Date: 10 MAY, 2024    CHAIRMAN & MANAGING DIRECTOR  
 Place : MUMBAI    (DIN: 00136568)

## CORPORATE GOVERNANCE REPORT (CONTD.)

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

We, Mr Ramprakash V. Bubna, Chairman & Managing Director and Mr Shailesh Anant Mehendale, Chief Financial Officer do hereby certify to the Board that in respect to the Financial Year ended on 31 March, 2024.

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

Date : 10 MAY, 2024

Place : MUMBAI

Sd/-

**SHAILESH ANANT MEHENDALE**

CHIEF FINANCIAL OFFICER

Date : 10 MAY, 2024

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, 2024, 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

FCS No.: 12908

C P No.: 20120

UDIN: F012908F000350388

Date: Vaishakh 20, 1946 / 10 May, 2024

Place: Vadodara



# Business Responsibility



## Sustainability Report





# Section A: GENERAL DISCLOSURES

## I. Details of the listed entity:

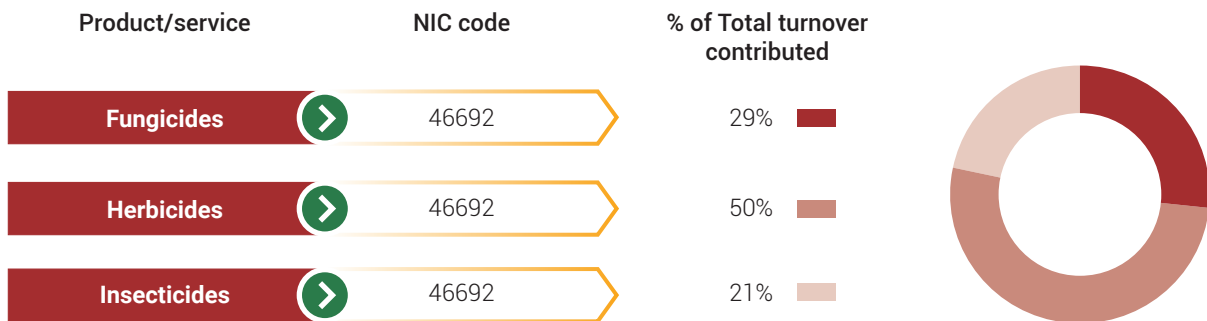
|     |   |   |
|-----|---|---|
| 1.  | Corporate Identity Number (CIN) of the listed entity  | L51909MH2004PLC145007   |
| 2.  | Name of the listed entity   | Sharda Cropchem Limited   |
| 3.  | Year of incorporation   | 12 March, 2004  |
| 4.  | Registered office address   | Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056  |
| 5.  | Corporate office address  |   |
| 6.  | E-mail  | <a href="mailto:co.sec@shardaintl.com">co.sec@shardaintl.com</a>  |
| 7.  | Telephone   | 022-66782800  |
| 8.  | Website   | <a href="http://www.shardacropchem.com">www.shardacropchem.com</a>  |
| 9.  | Financial year for which reporting is being done  | 2023-24   |
| 10. | Name of the Stock Exchange(s) where shares are listed   | BSE Ltd.<br>National Stock Exchange of India Ltd.   |
| 11. | Paid-up capital   | ₹ 90.22 Cr  |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report  | Mr Jetkin Gudhka<br>Telephone: 022-66782800<br>E-mail: <a href="mailto:co.sec@shardaintl.com">co.sec@shardaintl.com</a> |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Standalone  |
| 14. | Name of assurance provider  | NA  |
| 15. | Type of assurance obtained  | NA  |

## II. Products/services

### 16. Details of business activities (accounting for 90% of the turnover)

| Description of main activity | Description of business activity | % of turnover of the entity |
|------------------------------|----------------------------------|-----------------------------|
| Agrochemicals                | Deals/trading in agrochemicals   | 99.99%                      |

### 17. Products/services sold by the entity (accounting for 90% of the entity's turnover)



## III. Operations

### 18. Number of locations where plants and/or operations/offices of the entity are situated

#### National

| Plants | Offices | Total |
|--------|---------|-------|
| Nil    | 1       | 1     |



#### International

| Plants | Offices | Total |
|--------|---------|-------|
| Nil    | Nil     | Nil   |





19. Markets served by the entity:

a. Number of locations

| Locations         |                           | Numbers |     |
|-------------------|---------------------------|---------|-----|
| National (States) | International (Countries) | 01      | 80+ |

b. What is the contribution of exports as a percentage of the total turnover of the entity?  
100%

c. A brief on types of customers

With a network spanning 80+ countries, Sharda Cropchem has developed strong connections with a diverse range of customers and business partners. Apart from its existing markets, the Company has significantly expanded into emerging markets, substantially broadening its geographical reach in recent years. Offering a variety of products in both the agrochemical and non-agrochemical sectors, Sharda Cropchem credits its ongoing growth and success to the enduring relationships it maintains with its customers globally.

## IV Employees

20. Details as at the end of financial year

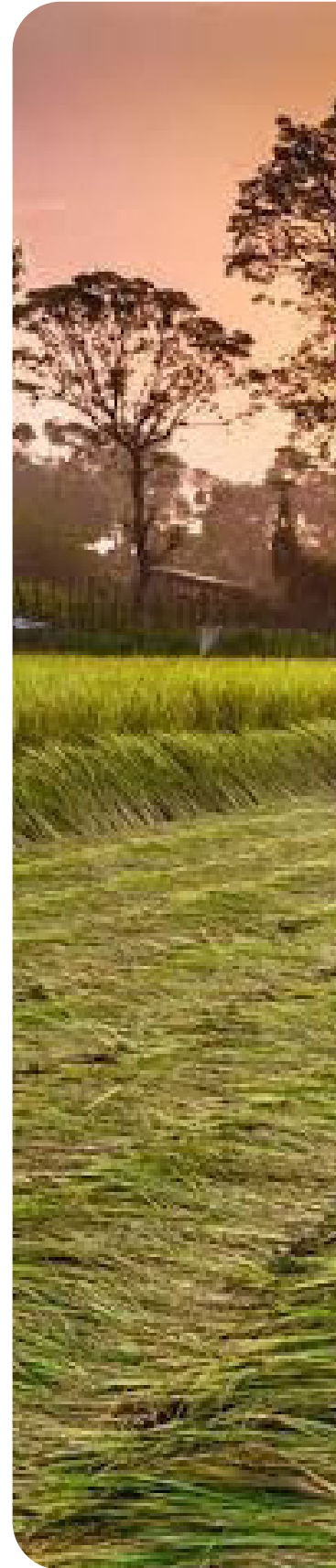
| Sr. No. | Particulars | Total (A) | Male    |         | Female  |         |
|---------|-------------|-----------|---------|---------|---------|---------|
|         |             |           | No. (B) | % (B/A) | No. (C) | % (C/A) |

a. Employees and workers (including differently abled)

| EMPLOYEES |                                |            |           |              |            |              |
|-----------|--------------------------------|------------|-----------|--------------|------------|--------------|
| 1.        | Permanent (D)                  | 186        | 85        | 45.70        | 101        | 54.30        |
| 2.        | Other than permanent (E)       |            |           | NA           |            |              |
| 3.        | <b>Total employees (D + E)</b> | <b>186</b> | <b>85</b> | <b>45.70</b> | <b>101</b> | <b>54.30</b> |
| WORKERS   |                                |            |           |              |            |              |
| 4.        | Permanent (F)                  |            |           |              |            |              |
| 5.        | Other than permanent (G)       |            |           | NA           |            |              |
| 6.        | <b>Total workers (F + G)</b>   |            |           |              |            |              |

b. Differently-abled employees and workers:

| DIFFERENTLY-ABLED EMPLOYEES |  |          |          |            |            |           |
|-----------------------------|--|----------|----------|------------|------------|-----------|
| 1.                          | Permanent (D)                                    | 1        | 1        | 100        | Nil        | NA        |
| 2.                          | Other than permanent (E)                         |          |          | NA         |            |           |
| 3.                          | <b>Total differently-abled employees (D + E)</b> | <b>1</b> | <b>1</b> | <b>100</b> | <b>Nil</b> | <b>NA</b> |
| DIFFERENTLY-ABLED WORKERS   |  |          |          |            |            |           |
| 4.                          | Permanent (F)                                    |          |          |            |            |           |
| 5.                          | Other than permanent (G)                         |          |          | NA         |            |           |
| 6.                          | <b>Total differently-abled workers (F + G)</b>   |          |          |            |            |           |



21. 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     |

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

|           | 2023-24<br>(Turnover rate in current FY) |        |       | 2022-23<br>(Turnover rate in previous FY) |        |       | 2021-22<br>(Turnover rate in the year prior to the previous FY) |        |       |
|-----------|--|--------|-------|---|--------|-------|---|--------|-------|
|           | Male                                     | Female | Total | Male                                      | Female | Total | Male  | Female | Total |
| Employees | 12%                                      | 14%    | 13%   | 14%                                       | 17%    | 16%   | 13%   | 18%    | 16%   |
| Workers   | Nil                                      | Nil    | Nil   | Nil                                       | Nil    | Nil   | Nil   | Nil    | Nil   |

## V. Holding, subsidiary and associate companies (including joint ventures)

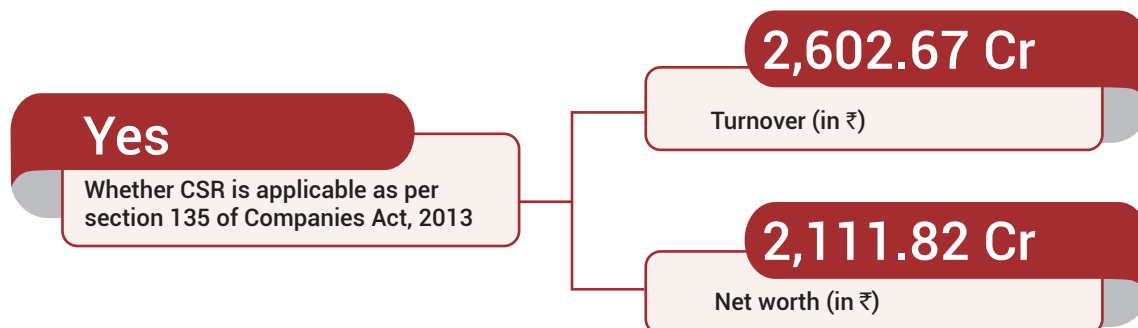
23. (a) Names of holding/subsidiary/associate companies/joint ventures

| Sr. no. | Name of the holding/subsidiary/associate companies/joint ventures (A) | Indicate whether holding/subsidiary/associate/joint venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No) |
|---------|---|---|-----------------------------------|--|
|---------|---|---|-----------------------------------|--|

Please refer to the Board's Report on Page No. 76 & 77

## CSR Details

24.





## VI. Transparency and Disclosures Compliances







### 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

| Stakeholder group from whom complaint was received | Grievance redressal mechanism in place (Yes/No) (If yes, then provide a weblink to the grievance redress policy) | 2023-24<br>(Current financial year)        |   |         | 2022-23<br>(Previous financial year)       |   |  |
|--|--|--|---|---------|--|---|--|
|  |  | Number of complaints filed during the year | Number of complaints with pending resolution at the close of the year | Remarks | Number of complaints filed during the year | Number of complaints with pending resolution at the close of the year | Remarks  |
| Communities  | Yes.<br>- CSR Policy<br>- <a href="mailto:Co.sec@shardaintl.com">Co.sec@shardaintl.com</a>                       | Nil  | Nil   | Nil     | Nil  | Nil   | Nil  |
| Investors (other than shareholders)                | Yes.<br><a href="http://www.scores.gov.in/">http://www.scores.gov.in/</a>  | Nil  | Nil   | Nil     | 2  | Nil   | Throughout the year, all received complaints have been successfully resolved |
| Shareholders                                       | Yes.   | Nil  | Nil   | Nil     | Nil  | Nil   | Nil  |
| Employees and workers                              | Yes.<br>- Policy on Prevention of Sexual Harassment at Workplace<br>- Whistle Blower Policy (Vigil Mechanism)    | Nil  | Nil   | Nil     | Nil  | Nil   | Nil  |
| Customers  | Yes.<br><a href="mailto:Co.sec@shardaintl.com">Co.sec@shardaintl.com</a>   | Nil  | Nil   | Nil     | Nil  | Nil   | Nil  |
| Value chain partners                               | Yes.<br><a href="mailto:Co.sec@shardaintl.com">Co.sec@shardaintl.com</a>   | Nil  | Nil   | Nil     | Nil  | Nil   | Nil  |
| Others (please specify)                            | NA   | Nil  | Nil   | Nil     | Nil  | Nil   | Nil  |

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format

 Risk  Opportunity

| 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)                                      |
|--|---|---|--|---|
| <b>Environmental impact</b>                        |    | Operations and product use can contribute to pollution, resource depletion, and climate change.   | <ul style="list-style-type: none"> <li>Implementing sustainable practices</li> <li>Reducing energy and water consumption</li> <li>Investing in cleaner technologies</li> </ul>   | <b>Negative</b><br>Initial investment costs, and potentially higher production costs.   |
| <b>Supply chain transparency</b>                   |    | Lack of transparency can lead to reputational damage, ethical concerns, and supply chain disruptions.   | <ul style="list-style-type: none"> <li>Implementing traceability systems for goods</li> <li>Conducting audits of suppliers for ethical practices</li> <li>Engaging with suppliers on sustainability initiatives</li> </ul>                           | <b>Negative</b><br>Costs associated with audits and traceability systems.   |
| <b>Regulatory compliance</b>                       |   | Non-compliance can lead to legal penalties, market restrictions, and reputational damage.   | <ul style="list-style-type: none"> <li>Staying updated with local and international regulations</li> <li>Investing in compliance monitoring and reporting systems</li> <li>Engaging with regulatory bodies proactively</li> </ul>                    | <b>Negative</b><br>Costs associated with compliance efforts and potential legal penalties.  |
| <b>Community engagement</b>                        |  | Positive relationships with local communities can lead to a social license to operate and provide support.  | <ul style="list-style-type: none"> <li>Engaging with local communities on their needs and concerns</li> <li>Supporting local agriculture, education, or healthcare initiatives</li> <li>Communicating openly about operations and impacts</li> </ul> | <b>Positive</b><br>Enhanced reputation, reduced risks of community opposition, and potential long-term customer loyalty.            |
| <b>Customer communication</b>                      |  | Consistently delivering high-quality products and services to customers and implementing feedback received from them is essential to ensuring customer loyalty.   | <ul style="list-style-type: none"> <li>Enhancing quality across all aspects, implementing best practices to ensure customer satisfaction</li> </ul>  | <b>Positive</b><br>Maintenance of customer satisfaction and loyalty can lead to business growth.                                    |
| <b>Delay in product registration &amp; license</b> |  | Product registration and license delays can impede the initiation of business operations. Variations in formulations and generic active ingredients across different countries due to separate legal obligations pose elevated risks for Sharda Cropchem. | <ul style="list-style-type: none"> <li>Incorporating measures to mitigate the risk of product registration and license delays by pursuing multiple registrations across various geographical regions</li> </ul>                                      | <b>Negative</b><br>Costs associated with delays and potential limitations in market entry include a potential loss of market share. |



# 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 your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)  | ✓   | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  |
| b. Has the policy been approved by the Board? (Yes/No)   | ✓   | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  |
| c. Weblink of the policies, if available   | <a href="https://www.shardacropchem.com/policy.html">https://www.shardacropchem.com/policy.html</a>   |    |    |    |    |    |    |    |    |
| 2 Whether the entity has translated the policy into procedures. (Yes/No)   | ✓   | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  |
| 3 Do the enlisted policies extend to your value chain partners? (Yes/No)   | ✓   | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  | ✓  |
| 4 Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <ul style="list-style-type: none"> <li>• ISO 9001:2015 for 'The Quality Management System'.</li> <li>• ISO 14001:2015 for 'The Environmental Management Systems'.</li> <li>• Certificate of Recognition' for three Star Export House, which is certified by the Directorate General of Foreign Trade.</li> <li>• Registration-Cum-Membership-Certificate' from the Federation of Indian Export Organisations. This certificate showcases the quality of the product.</li> <li>• Certificate of membership of Chamber of Commerce &amp; Industry</li> <li>• Registration-Cum-Membership-Certificate' from the Basic Chemicals Cosmetics &amp; Dyes Export Promotion Council.</li> <li>• Confederation of Indian Industry (CII) Membership Certificate</li> </ul> |    |    |    |    |    |    |    |    |
| 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 alongwith reasons in case the same are not met.   | NA  |    |    |    |    |    |    |    |    |



## 7. Governance, leadership and oversight

### 7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (Listed entity has flexibility regarding the placement of this disclosure)

Sharda Cropchem's commitment to Environmental, Social, and Governance (ESG) principles shapes every aspect of its operations. The Company is dedicated to ethical business practices that benefit the community and its workforce, while also prioritising clean, safe, and equitable working conditions for employees and business partners. In addition to this commitment, Sharda Cropchem proudly offers affordable, high-quality products on a global scale.

### 8. Details of the highest authority responsible for implementing and overseeing 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 Company has an established Risk Management Committee responsible for overseeing ESG risks & opportunities and taking decisions relating to sustainability matters

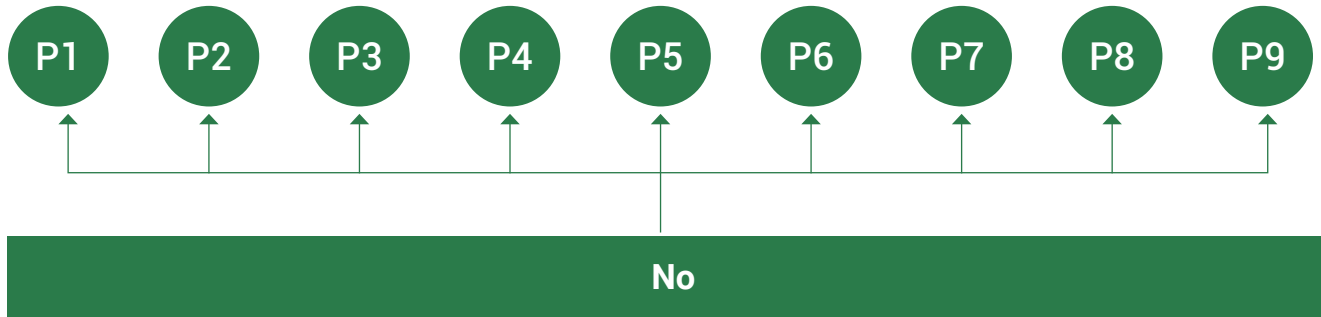


### 10. Details of Review of NGRBCs by the Company:

| Subject for review   | Indicate whether the review was undertaken by Director/Committee of the Board/Any other Committee  |     |     |     |     |     |     |     |     | Frequency (Annually/half yearly/quarterly/any other – please specify) |     |     |     |     |     |     |     |     |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|
|  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against the above policies and follow-up action  | Board of Directors   |     |     |     |     |     |     |     |     | Annually  |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | Sharda Cropchem complies with applicable regulations, and a Statutory Compliance Certificate on relevant laws is provided by the Managing Director & Chief Executive Officer/ Chief Financial Officer & Company Secretary to the Board of Directors. |     |     |     |     |     |     |     |     | Annually  |     |     |     |     |     |     |     |     |



11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.



12. If the 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)                         |     |     |     |     |     |     |     |     | NA  |
| It is planned to be done in the next financial year (Yes/No)  |     |     |     |     |     |     |     |     |     |
| Any other reason (please specify)   |     |     |     |     |     |     |     |     |     |



## Section C:

### PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

#### PRINCIPLE 1

Business should conduct and govern itself with ethics, transparency, and accountability.

#### PRINCIPLE 2

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

#### PRINCIPLE 3

Business should respect promote the well-being of all employees.

#### PRINCIPLE 4

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

#### PRINCIPLE 5

Business should respect and promote human rights.

#### PRINCIPLE 6

Business should respect, protect, and make efforts to restore environment.

#### PRINCIPLE 7

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

#### PRINCIPLE 8

Business should promote inclusive growth and equitable development.

#### PRINCIPLE 9

Business 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 no of training and awareness programmes held | Topics/principles covered under the training and impact      | % age of persons in respective category covered by the awareness programme |
|---------------------------------|--|--|--|
| Board of Directors              | 4  | Code of Conduct, POSH, Corporate Governance & its amendments | 100%   |
| Key Managerial Personnel        | 4  | Code of Conduct, POSH, Corporate Governance & its amendments | 100%   |
| Employees Other than BOD & KMPs | 1  | Code of Conduct & POSH                                       | 100%   |
| Workers                         | NA   |  |  |

### 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, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

#### 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    |       |   |               |                   |                                       |
| Settlement      | NA    | NA  | Nil           | NA                | NA                                    |
| Compounding fee |       |   |               |                   |                                       |

#### Non-Monetary

| NGRBC principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the case | Has an appeal been preferred (Yes/No) |
|-----------------|---|-------------------|---------------------------------------|
| Imprisonment    |   |                   |                                       |
| Punishment      |   | NA                |                                       |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case details | Name of the regulatory/enforcement agencies/judicial institutions |
|--------------|---|
|--------------|---|

NA

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. Sharda Cropchem has implemented an Anti-Bribery & Anti-Corruption (ABAC) policy, emphasising the Company's zero-tolerance stance against bribery and corruption, and prioritising fair and integrity-driven business practices. All business operations comply with statutory and regulatory mandates. Moreover, any instances of policy violations or non-adherence are promptly reported to management.

Link to the policy: <https://www.shardacropchem.com/policy.html>

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

|                  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|------------------|-------------------------------------|--------------------------------------|
| <b>Directors</b> | Nil                                 | Nil                                  |
| <b>KMPs</b>      | Nil                                 | Nil                                  |
| <b>Employees</b> | Nil                                 | Nil                                  |
| <b>Workers</b>   | Nil                                 | Nil                                  |

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

|   | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| <b>Number of complaints received in relation to issues of Conflict of Interest of the Directors</b> | Nil                                 | Nil                                  |
| <b>Number of complaints received in relation to issues of Conflict of Interest of the KMPs</b>      |                                     |                                      |





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.  
NA

8. Number of days of accounts payables ((accounts payable \*365)/cost of goods/services procured) in the following format:

| <b>2023-24</b><br><b>(Current financial year)</b> | <b>2022-23</b><br><b>(Previous financial year)</b> |
|---|--|
| <b>163</b>  | <b>203</b>   |

**Number of days of  
accounts payables**

9. Open-ness of business  
Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter                         | Metrics  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|-----------------------------------|--|-------------------------------------|--------------------------------------|
| <b>Concentration of purchases</b> | a. Purchases from trading houses as % of total purchases                               | NA                                  | NA                                   |
|                                   | b. Number of trading houses where purchases are made from                              | NA                                  | NA                                   |
|                                   | c. Purchases from top 10 trading houses as % of total purchases from trading houses    | NA                                  | NA                                   |
| <b>Concentration of sales</b>     | a. Sales to dealers/distributors as % of total sales                                   | 99.90%                              | 97.80%                               |
|                                   | b. Number of dealers/distributors to whom sales are made                               | 525+                                | 525+                                 |
|                                   | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors    | 17.00%                              | 23.20%                               |
| <b>Shares of RPT in</b>           | a. Purchases (purchases with related parties/total purchases)                          | 0.32%                               | 0.19%                                |
|                                   | b. Sales (sales to related parties/total sales)  | 28.87%                              | 26.92%                               |
|                                   | c. Loans & advances (loans & advances given to related parties/total loans & advances) | 100.00%                             | 100.00%                              |
|                                   | d. Investments (investments in related parties/total Investments made)                 | 0.70%                               | 3.38%                                |

## Leadership Indicators

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

| Total no of awareness campaign held | Topics/principles covered under the training | % age of value chain programme partners covered (By value of business done with such partners) under the awareness programmes |
|-------------------------------------|--|---|
| Nil                                 |  |   |

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.

According to the Code of Conduct and Ethics for Board Members and Senior Management Personnel, every Director of Sharda Cropchem is obligated to disclose their concerns or affiliations with the Company, other businesses, corporate bodies, partnerships, or associations of individuals. These include any alterations to such associations or shareholdings, annually or as they occur.

Link to the policy:

<https://www.shardacropchem.com/images/pdf/CodeofBusinessConductandEthicsforBoardMembersandSeniorManagement.pdf>





## PRINCIPLE 2

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

### Essential Indicators

1. 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.

|  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) | Details of improvements in<br>environmental and social impacts |
|--|-------------------------------------|--------------------------------------|--|
|  R&D*   | Nil                                 | Nil                                  | NA   |
|  Capex* | Nil                                 | Nil                                  | NA   |

\* 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 of dossiers and marketing & distribution of agrochemical products. The Company does not have its own manufacturing facilities and R&D.

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

Sharda Cropchem trades in a wide range of agrochemical and non-agrochemical products. The Company prioritises sourcing its resources from manufacturers who adhere to sustainability guidelines.

3. 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 core business involves product registrations, marketing, and distributing agrochemical products to its customers. Unlike manufacturers, the Company does not produce any products internally, resulting in minimal generation of plastics, e-waste, hazardous waste, and other materials. To manage waste responsibly, the Company sells it to local vendors for recycling or proper disposal. Additionally, Sharda Cropchem emphasises using recyclable paper and minimising paper consumption whenever feasible. However, waste reclamation is not applicable to the Company, considering the nature of its business.



4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/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.

No

## 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?

| NIC code | Name of product/service | % of total turnover contributed | Boundary for which the Life Cycle Perspective/Assessment was conducted | Whether conducted by an independent external agency (Yes/No) | Results communicated in the public domain (Yes/No)<br>If yes, provide the weblink |
|----------|-------------------------|---------------------------------|--|--|---|
| NA       |                         |                                 |  |  |   |

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.

| Name of the product/service | Description of the risk/concern | Action taken |
|-----------------------------|---------------------------------|--------------|
| NA                          |                                 |              |

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).

| Indicate input material | Recycled or reused input material to total material |                                      |
|-------------------------|---|--------------------------------------|
|                         | 2023-24<br>(Current financial year)                 | 2022-23<br>(Previous financial year) |
| Nil                     |   |                                      |



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:

|   | 2023-24<br>(Current financial year) |         |                 | 2022-23<br>(Previous financial year) |         |                 |
|---|-------------------------------------|---------|-----------------|--------------------------------------|---------|-----------------|
|   | Reused                              | Recycle | Safely disposed | Reused                               | Recycle | Safely disposed |
| <b>Plastics (including packaging)</b>             | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>E-waste</b>                                    | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Others - bio-medical waste</b>                 | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Others - construction and demolition waste</b> | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Others - battery waste</b>                     | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Others - radioactive waste</b>                 | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Hazardous waste</b>                            | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Other non-hazardous waste</b>                  | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |
| <b>Total</b>                                      | Nil                                 | Nil     | Nil             | Nil                                  | Nil     | Nil             |

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

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in the respective category |
|---------------------------|---|
|                           | NA  |

## 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 facilities |         |
|                                       |                           | 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                                  | 85                        | -                | -       | -                  | -       | -                  | -          | -                  | -       | -                   | -       |
| Female                                | 101                       | -                | -       | -                  | -       | 101                | 100        | -                  | -       | -                   | -       |
| <b>Total</b>                          | <b>186</b>                | -                | -       | -                  | -       | <b>101</b>         | <b>100</b> | -                  | -       | -                   | -       |
| <b>Other than permanent employees</b> |                           |                  |         |                    |         |                    |            |                    |         |                     |         |
| Male                                  | NA                        |                  |         |                    |         |                    |            |                    |         |                     |         |
| Female                                | NA                        |                  |         |                    |         |                    |            |                    |         |                     |         |
| <b>Total</b>                          | NA                        |                  |         |                    |         |                    |            |                    |         |                     |         |

#### 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 facilities |       |
|                                     |                         | 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                                | NA                      |                  |       |                    |       |                    |       |                    |       |                     |       |
| Female                              | NA                      |                  |       |                    |       |                    |       |                    |       |                     |       |
| <b>Total</b>                        | NA                      |                  |       |                    |       |                    |       |                    |       |                     |       |
| <b>Other than permanent workers</b> |                         |                  |       |                    |       |                    |       |                    |       |                     |       |
| Male                                | NA                      |                  |       |                    |       |                    |       |                    |       |                     |       |
| Female                              | NA                      |                  |       |                    |       |                    |       |                    |       |                     |       |
| <b>Total</b>                        | NA                      |                  |       |                    |       |                    |       |                    |       |                     |       |



c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

|   | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | Nil                                 | Nil                                  |

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

| Benefits                | 2023-24<br>(Current financial year)                |  |  | 2022-23<br>(Previous financial year)               |  |  |
|-------------------------|--|--|--|--|--|--|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with authority (Y/N/NA) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with authority (Y/N/NA) |
| PF                      | 7  | NA   | Yes  | 10   | NA   | Yes  |
| Gratuity                | 100  | NA   | Yes  | 100  | NA   | Yes  |
| ESI                     | 12   | NA   | Yes  | 15   | NA   | Yes  |
| Others – please specify | Nil  | Nil  | NA   | Nil  | Nil  | NA   |

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, Sharda Cropchem's leadership and management team are in discussions to improve the workplace environment for differently abled individuals by making arrangements for it.

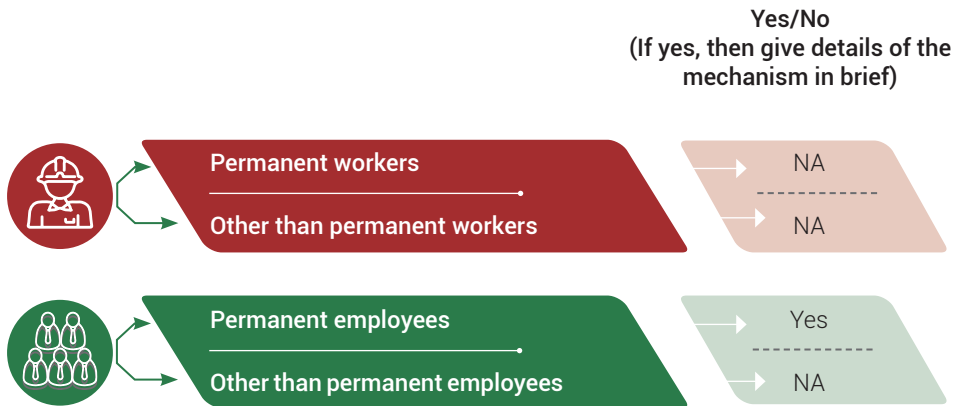
4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Sharda Cropchem is dedicated to being an equal opportunity employer. In alignment with this principle, the Company actively seeks, recruits, trains, and promotes the most qualified candidates for all career positions, irrespective of marital status, race, gender, ethnic or social background, 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   | NA                  | NA             | NA                  |                |
| Female | 80%                 | 80%            |                     |                |
| Total  | 80%                 | 80%            |                     |                |

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.



Yes.

Operating under an open-door policy, Sharda Cropchem ensures that all employees, irrespective of their position in the hierarchy, have unrestricted access to key personnel, such as business heads, HR, legal & compliance, senior management, and other relevant individuals. Moreover, the Company has instituted a Whistle-Blower Policy, empowering employees, and Directors to report concerns regarding unethical behaviour, suspected fraud, or violations of the organisation's Code of Business Conduct and Ethics Policy.

With a zero-tolerance approach to workplace sexual harassment, Sharda Cropchem fully complies with the provisions outlined in the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. This includes the formation of an Internal Complaints Committee dedicated to addressing such matters. Moreover, the Company regularly conducts training and awareness programmes to sensitise employees on these critical issues.

Additionally, Sharda Cropchem is firmly dedicated to addressing every employee grievance with fairness and justice. To achieve this, the Company provides multiple channels for grievance redressal, ensuring that employees are protected against any form of victimisation.

Links to the policies:

- Whistle-Blower Policy  
<https://www.shardacropchem.com/images/pdf/Policy/Whistle%20Blower%20Policy.pdf>
- Policy on the Prevention of Sexual Harassment at Workplace  
<https://www.shardacropchem.com/images/pdf/Policy/Policy%20on%20Prevention%20of%20Sexual%20Harassment%20at%20Workplace.pdf>



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

| Category                         | 2023-24<br>(Current financial year)                     |  |         | 2022-23<br>(Previous financial year)  |   |         |
|----------------------------------|---|--|---------|---|---|---------|
|                                  | Total employees/ workers in the respective category (A) | No. of employees/ workers in the respective category who are part of association(s) or Union (B) | % (B/A) | Total employees/ workers in the respective category (C)   | No. of employees/ workers in the respective category who are part of association(s) or Union(D) | % (D/C) |
| <b>Total permanent employees</b> | NA  |  |         | Although Sharda Cropchem does not have any employee associations, it fully respects and acknowledges the rights of its employees to peacefully associate and engage in collective bargaining. |   |         |
| - Male                           |   |  |         |   |   |         |
| - Female                         |   |  |         |   |   |         |
| <b>Total permanent workers</b>   | NA  |  |         | NA  |   |         |
| - Male                           |   |  |         |   |   |         |
| - Female                         |   |  |         |   |   |         |

8. Details of training given to employees and workers:

Sharda Cropchem implements various initiatives to enhance employee training in health & safety protocols. Additionally, the Company plans to introduce programmes aimed at upgrading employees' skills.

| Category | 2023-24<br>(Current financial year) |                               |         |                      |         | 2022-23<br>(Previous financial year) |                               |         |                      |         |
|----------|-------------------------------------|-------------------------------|---------|----------------------|---------|--------------------------------------|-------------------------------|---------|----------------------|---------|
|          | Total (A)                           | On health and safety measures |         | On skill upgradation |         | Total (D)                            | On health and safety measures |         | On skill upgradation |         |
|          |                                     | No (B)                        | % (B/A) | No (C)               | % (C/A) |                                      | No. (E)                       | % (E/D) | No. (F)              | % (F/D) |

**Employees**

|              |     |     |  |     |  |     |     |  |     |  |
|--------------|-----|-----|--|-----|--|-----|-----|--|-----|--|
| Male         | 85  |     |  |     |  | 81  |     |  |     |  |
| Female       | 101 | Nil |  | Nil |  | 101 | Nil |  | Nil |  |
| <b>Total</b> | 186 |     |  |     |  | 182 |     |  |     |  |

**Workers**

|              |    |  |  |  |  |    |  |  |  |  |
|--------------|----|--|--|--|--|----|--|--|--|--|
| Male         |    |  |  |  |  |    |  |  |  |  |
| Female       | NA |  |  |  |  | NA |  |  |  |  |
| <b>Total</b> |    |  |  |  |  |    |  |  |  |  |

















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

| Category         | 2023-24<br>(Current financial year) |         |         | 2022-23<br>(Previous financial year) |         |         |
|------------------|-------------------------------------|---------|---------|--------------------------------------|---------|---------|
|                  | Total (A)                           | No. (B) | % (B/A) | Total (C)                            | No. (D) | % (D/C) |
| <b>Employees</b> |                                     |         |         |                                      |         |         |
| Male             | 85                                  | Nil     |         | 81                                   | Nil     |         |
| Female           | 101                                 |         |         | 101                                  |         |         |
| <b>Total</b>     | 186                                 |         |         | 182                                  |         |         |
| <b>Workers</b>   |                                     |         |         |                                      |         |         |
| Male             | NA                                  |         |         | NA                                   |         |         |
| Female           | NA                                  |         |         | NA                                   |         |         |
| <b>Total</b>     |                                     |         |         |                                      |         |         |

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

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**  
While the nature of the business poses no occupational health and safety risks, Sharda Cropchem maintains its dedication to prioritising the well-being and psychological needs of its employees.
- 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.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**  
NA
- 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:**

| Safety Incident/Number  | Category  | Employees                           |                                      | Workers   |                                      |
|---|---|-------------------------------------|--------------------------------------|---|--------------------------------------|
|   |   | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) | 2023-24<br>(Current financial year)   | 2022-23<br>(Previous financial year) |
| Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked) |  | Nil                                 | Nil                                  |  | Nil                                  |
|   |  | NA                                  | NA                                   |  | NA                                   |
| Total recordable work-related injuries  |  | NA                                  | NA                                   |  | NA                                   |
|   |  | NA                                  | NA                                   |  | NA                                   |
| No. of fatalities   |  | NA                                  | NA                                   |  | NA                                   |
|   |  | NA                                  | NA                                   |  | NA                                   |
| High-consequence work-related injury or ill-health (excluding fatalities)     |  | Nil                                 | Nil                                  |  | Nil                                  |
|   |  | NA                                  | NA                                   |  | NA                                   |



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

Ensuring the safety and well-being of its employees is a top priority at Sharda Cropchem. Some of the measures the Company takes include:

- a. Installing fire and burglar alarms with smoke sensors, along with fire extinguishers
- b. Implementing earthing pits and lightning conductors across all branches
- c. Displaying prominent contact numbers for emergency services at branches/offices
- d. Establishing a public address system on the premises
- e. Providing floor plans and exit paths for easy reference
- f. Monitoring activities through CCTV surveillance
- g. Ensuring availability of fully stocked first aid kits
- h. Maintaining all fire and safety equipment regularly
- i. Conducting periodic mock drills for training and verifying safety measures

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

| Particulars        | 2023-24<br>(Current financial year) |   |         | 2022-23<br>(Previous financial year) |   |         |
|--------------------|-------------------------------------|---|---------|--------------------------------------|---|---------|
|                    | Filed during the year               | Pending resolution at the end of the year | Remarks | Filed during the year                | Pending resolution at the end of the year | Remarks |
| Working conditions | Nil                                 | NA  | NA      | Nil                                  | NA  | NA      |
| Health & safety    |                                     |   |         |                                      |   |         |

**14. Assessments for the year:**

% of your plants and offices that were assessed  
(by entity or statutory authorities or third parties)



**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



1. Does the entity extend any life insurance or any compensatory package in the event of the death of

- (A) Employees - No  
(B) Workers - NA

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

Sharda Cropchem is deeply committed to business responsibility, emphasising accountability and transparency across its value chain. All stakeholders are expected to uphold these principles, including promptly withholding and depositing all relevant statutory dues as required by law. To reinforce this commitment, the organisation has appointed an auditor to conduct regular audits of statutory dues to ensure compliance.

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 |                                      |
|--|---|--------------------------------------|---|--------------------------------------|
|  | 2023-24<br>(Current financial year)     | 2022-23<br>(Previous financial year) | 2023-24<br>(Current financial year)   | 2022-23<br>(Previous financial year) |
| <b>Employees</b>  | Nil                                     | Nil                                  | Nil   | Nil                                  |
| <b>Workers</b>    | NA                                      | NA                                   | NA  | NA                                   |

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:

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

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.

None



## PRINCIPLE 4

Businesses should respect the interests of and be responsive to all their stakeholders.

### Essential Indicators

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

Sharda Cropchem acknowledges the significance of all entities, groups, or institutions involved in its business chain or impacted by its operations as key stakeholders. These stakeholders are categorised as follows:

- i) Individuals directly dependent on the organisation's activities, products, services or essentials for its operations
- ii) For whom the entity bears legal, commercial, operational, or moral responsibilities

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder group            | Whether identified as vulnerable & marginalised Group (Yes/No) | Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other  | Frequency of engagement (annually/ half yearly/ quarterly/ others – please specify) | Purpose and scope of engagement, including key topics and concerns raised during such engagement   |
|------------------------------|--|---|---|--|
| <b>Shareholders</b>          | No   | Annual General Meeting, shareholder meetings, E-mails, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, Annual Report, quarterly results, media releases, and Company/SE website. | Ongoing   | <ul style="list-style-type: none"> <li>• Notifying stakeholders about ongoing developments within the organisation, including its performance, addressing their concerns/grievances, and updating on business risks</li> </ul>   |
| <b>Employees</b>             | No   | Conference calls, video conferencing, group discussions, one-on-one interactions, and performance review.   | Ongoing   | <ul style="list-style-type: none"> <li>• Conducting performance appraisals and rewarding employees</li> <li>• Improving operational efficiencies continuously through training and awareness programmes on health, safety, and other engagement initiatives</li> </ul> |
| <b>Vendors and suppliers</b> | No   | E-mails, letters, personal meetings, telephone, and conferences, among others.  | Ongoing   | <ul style="list-style-type: none"> <li>• Communicating regularly involves updates on materials, services, and gathering feedback</li> </ul>  |
| <b>Government</b>            | No   | E-mails, letters, representations, and meetings, among others.  | Ongoing   | <ul style="list-style-type: none"> <li>• Providing timely recommendations and feedback on draft policies and various statutory approvals</li> </ul>  |
| <b>Community</b>             | Yes  | Letters, and newspaper advertisement, among others.   | Ongoing   | <ul style="list-style-type: none"> <li>• Promoting social welfare activities for inclusive growth, fair and equitable development, and the well-being of the community through the organisation's business operations</li> </ul>                                       |

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

To initiate dialogue, the Business Head collaborates with the designated stakeholders, providing key updates to the Board. In terms of Corporate Social Responsibility (CSR) endeavours, the Board is briefed on inputs from NGOs and assorted initiatives in line with the CSR Policy.

2. **Whether stakeholder consultation is used to support identifying and managing environmental and social topics (Yes/No). 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. Environmental and social topics are thoroughly deliberated and assessed in adherence to standard operating procedures.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Company's CSR policy has launched numerous programmes aimed at benefitting diverse segments of society, focussing on marginalised, impoverished, needy, deprived, underprivileged, and differently abled individuals.



## PRINCIPLE 5

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

### 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**

At Sharda Cropchem, fairness and transparency are integral to its business values. This commitment is reflected in the Company's policy, which guarantees equal opportunities for all employees without any discrimination. Guided by this principle, it carefully develops policies and a managerial framework to uphold the fundamental human rights of every individual within the organisation.

| Category               | 2023-24 (Current financial year) |                                      |         | 2022-23 (Previous financial year) |                                      |         |
|------------------------|----------------------------------|--------------------------------------|---------|-----------------------------------|--------------------------------------|---------|
|                        | Total (A)                        | No. of employees/workers covered (B) | % (B/A) | Total (C)                         | No. of employees/workers covered (D) | % (D/C) |
| <b>Employees</b>       |                                  |                                      |         |                                   |                                      |         |
| Permanent              | 186                              | 186                                  | 100     | 182                               | 182                                  | 100     |
| Other than permanent   | Nil                              | Nil                                  | NA      | Nil                               | Nil                                  | NA      |
| <b>Total employees</b> | 186                              | 186                                  | 100     | 182                               | 182                                  | 100     |
| <b>Workers</b>         |                                  |                                      |         |                                   |                                      |         |
| Permanent              |                                  |                                      |         |                                   |                                      |         |
| Other than permanent   | NA                               |                                      |         | NA                                |                                      |         |
| <b>Total workers</b>   |                                  |                                      |         |                                   |                                      |         |

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

| Category                    | 2023-24 (Current financial year) |                       |         |                        | 2022-23 (Previous financial year) |           |                       |         |                        |         |
|-----------------------------|----------------------------------|-----------------------|---------|------------------------|-----------------------------------|-----------|-----------------------|---------|------------------------|---------|
|                             | 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>            | 186                              |                       |         | 186                    | 100                               | 182       |                       |         | 182                    | 100     |
| Male                        | 85                               | Nil                   |         | 85                     | 100                               | 81        | Nil                   |         | 81                     | 100     |
| Female                      | 101                              |                       |         | 101                    | 100                               | 101       |                       |         | 101                    | 100     |
| <b>Other than permanent</b> |                                  |                       |         |                        |                                   |           |                       |         |                        |         |
| Male                        | NA                               |                       |         |                        | NA                                |           |                       |         |                        |         |
| Female                      |                                  |                       |         |                        |                                   |           |                       |         |                        |         |

| Category                    | 2023-24<br>(Current financial year) |                          |            |                           | 2022-23<br>(Previous financial year) |              |                          |            |                           |            |
|-----------------------------|-------------------------------------|--------------------------|------------|---------------------------|--------------------------------------|--------------|--------------------------|------------|---------------------------|------------|
|                             | Total<br>(A)                        | Equal to<br>minimum wage |            | More than<br>minimum wage |                                      | Total<br>(D) | Equal to<br>minimum wage |            | More than<br>minimum wage |            |
|                             |                                     | No. (B)                  | %<br>(B/A) | No. (C)                   | %<br>(C/A)                           |              | No. (E)                  | %<br>(E/D) | No. (F)                   | %<br>(F/D) |
| <b>Workers</b>              |                                     |                          |            |                           |                                      |              |                          |            |                           |            |
| <b>Permanent</b>            |                                     |                          |            |                           |                                      |              |                          |            |                           |            |
| Male                        | NA                                  |                          |            |                           | NA                                   |              |                          |            |                           |            |
| Female                      |                                     |                          |            |                           |                                      |              |                          |            |                           |            |
| <b>Other than permanent</b> |                                     |                          |            |                           |                                      |              |                          |            |                           |            |
| Male                        | NA                                  |                          |            |                           | NA                                   |              |                          |            |                           |            |
| Female                      |                                     |                          |            |                           |                                      |              |                          |            |                           |            |

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

a. Median remuneration/wages:

| Particulars                             | Male   |   | Female |   |
|---|--------|---|--------|---|
|   | Number | Median remuneration/<br>salary/wages of<br>respective category (in ₹) | Number | Median remuneration/<br>salary/wages of<br>respective category (in ₹) |
| <b>*Board of Directors (BOD)</b>        | 6      | 1,59,37,500   | 2      | 31,87,500   |
| <b>Key Managerial Personnel</b>         | 2      | 52,74,800   | Nil    | Nil   |
| <b>Employees other than BOD and KMP</b> | 83     | 6,60,000  | 101    | 6,49,800  |
| <b>Workers</b>                          | Nil    | Nil   | Nil    | Nil   |
| <b>Contractual workers</b>              | Nil    | Nil   | Nil    | Nil   |

\* Remuneration includes payments made to Whole-Time Directors and excludes sitting fees.



b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| Particulars                                     | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Gross wages paid to females as % of total wages | 48%                                 | 50%                                  |

4. 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

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The protocol for addressing human rights grievances mirrors that of other concerns. Upon receiving any issue via E-mail, letter, web helpline, or verbally, employees are urged to promptly report any instances of improper behaviour, senior-level harassment, sexual harassment, and unethical conduct, among others, directly to their supervisors, escalating the matter up to the CMD/Director level if necessary. In cases deemed significant, the CMD/Director and the relevant department will conduct a thorough investigation.

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

| Particulars                       | 2023-24<br>(Current financial year) |                                       |         | 2022-23<br>(Previous financial year) |                                       |         |
|-----------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
|                                   | 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                 |                                     |                                       |         |                                      |                                       |         |
| Discrimination at workplace       |                                     |                                       |         |                                      |                                       |         |
| Child labour                      |                                     |                                       |         |                                      |                                       |         |
| Forced labour/involuntary labour  |                                     | Nil                                   |         |                                      | Nil                                   |         |
| Wages                             |                                     |                                       |         |                                      |                                       |         |
| Other human rights-related issues |                                     |                                       |         |                                      |                                       |         |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| Particulars   | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil                                 | Nil                                  |
| Complaints on POSH as a % of female employees/workers   | NA                                  | NA                                   |
| Complaints on POSH upheld   | NA                                  | NA                                   |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

NA

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

No

**10. Assessments for the year:**

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

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

NA



## 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 your plants and offices that were assessed<br>(By the entity or statutory authorities or third parties) |
|----------------------------------|--|
| Sexual harassment                | Nil  |
| Discrimination at workplace      |  |
| Child labour                     |  |
| Forced labour/involuntary labour |  |
| Wages                            |  |
| Others – Please specify          |  |

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



## PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

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

| Parameter  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| <b>From renewable sources</b>  |                                     |                                      |
| Total electricity consumption (A)  | Nil                                 | Nil                                  |
| Total fuel consumption (B)   | Nil                                 | Nil                                  |
| Energy consumption through other sources (C)   | Nil                                 | Nil                                  |
| <b>Total energy consumed from renewable sources (A+B+C)</b>  | Nil                                 | Nil                                  |
| <b>From non-renewable sources (in GJ)</b>  |                                     |                                      |
| Total electricity consumption (D)  | 761.57 GJ                           | 736.75 GJ                            |
| Total fuel consumption (E)   | NA                                  | NA                                   |
| Energy consumption through other sources (F)   | NA                                  | NA                                   |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>  | 761.57 GJ                           | 736.75 GJ                            |
| <b>Total energy consumed (A+B+C+D+E+F)</b>   | 761.57 GJ                           | 736.75 GJ                            |
| <b>Energy intensity per rupee of turnover</b><br>(total energy consumption/revenue from operations)  | 0.29 GJ/Cr                          | 0.22 GJ/Cr                           |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total energy consumed/revenue from operations adjusted for PPP) | 0.08 GJ/Cr                          | 0.06 GJ/Cr                           |
| <b>Energy intensity in terms of physical output</b>  | 4.09 GJ/Employee                    | 4.05 GJ/Employee                     |
| Energy intensity (optional) – the relevant metric may be selected by the entity  | Nil                                 | Nil                                  |

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

*Note:* Sharda Cropchem's business activities encompass product registrations, which entail field trials, data compilation, procurement of lab reports from accredited laboratories, dossier preparation, as well as marketing and distribution of agrochemical products. The Company does not possess its own manufacturing facilities or conduct research and development.



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.

NA

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

| Parameter   | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| <b>Water withdrawal by source (in kiloliters)</b>   |                                     |                                      |
| (i) Surface water   | Nil                                 | Nil                                  |
| (ii) Groundwater  | Nil                                 | Nil                                  |
| (iii) Third-party water   | 3,588 KL                            | 2,548.73 KL                          |
| (iv) Seawater/desalinated water   | Nil                                 | Nil                                  |
| (v) Others - Recycled water   | Nil                                 | Nil                                  |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>   | Nil                                 | Nil                                  |
| <b>Total volume of water consumption (in kilolitres)</b>  | 3,588 KL                            | 2,548.73 KL                          |
| <b>Water intensity per rupee of turnover (water consumed/turnover)</b>  | 1.38 KL/Cr                          | 0.77 KL/Cr                           |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total water consumption/revenue from operations adjusted for PPP) | 0.37 KL/Cr                          | 0.21 KL/Cr                           |
| <b>Water intensity in terms of physical output</b>  | 19.29 KL/Employee                   | 14.00 KL/Employee                    |
| <b>Water intensity (optional) – the entity may select the relevant metric</b>   | Nil                                 | Nil                                  |

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

4. Provide the following details related to water discharged:

| Parameter  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                                     |                                      |
| <b>(i) To surface water</b>  | Nil                                 | Nil                                  |
| No treatment   | Nil                                 | Nil                                  |
| With treatment – please specify level of treatment                           | Nil                                 | Nil                                  |
| <b>(ii) To groundwater</b>   | Nil                                 | Nil                                  |
| No treatment   | Nil                                 | Nil                                  |
| With treatment – please specify level of treatment                           | Nil                                 | Nil                                  |
| <b>(iii) To seawater</b>   | Nil                                 | Nil                                  |
| No treatment   | Nil                                 | Nil                                  |
| With treatment – please specify level of treatment                           | Nil                                 | Nil                                  |
| <b>(iv) Sent to third-parties</b>  | Nil                                 | Nil                                  |
| No treatment   | Nil                                 | Nil                                  |
| With treatment – please specify level of treatment                           | Nil                                 | Nil                                  |
| <b>(v) Others</b>  | Nil                                 | Nil                                  |
| No treatment   | Nil                                 | Nil                                  |
| With treatment – please specify level of treatment                           | Nil                                 | Nil                                  |
| <b>Total water discharged (in kilolitres)</b>                                | Nil                                 | Nil                                  |

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

NA

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

| Parameter                           | Please specify unit | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|-------------------------------------|---------------------|-------------------------------------|--------------------------------------|
| NOx                                 |                     |                                     |                                      |
| SOx                                 |                     |                                     |                                      |
| Particulate matter (PM)             |                     |                                     |                                      |
| Persistent organic pollutants (POP) | NA                  | NA                                  | NA                                   |
| Volatile organic compounds (VOC)    |                     |                                     |                                      |
| Hazardous air pollutants (HAP)      |                     |                                     |                                      |
| Others – please specify             |                     |                                     |                                      |

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



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

| Parameter  | Unit  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|--|---|-------------------------------------|--------------------------------------|
| <b>Total Scope 1 emissions</b><br>(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><br>(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 | 151.47 tCO <sub>2</sub> e           | 146.53 tCO <sub>2</sub> e            |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>   | tCO <sub>2</sub> e/Cr                       | 0.06 tCO <sub>2</sub> e/Cr          | 0.04 tCO <sub>2</sub> e/Cr           |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total Scope 1 and Scope 2 GHG emissions/revenue from operations adjusted for PPP) | tCO <sub>2</sub> e/Cr                       | 0.02 tCO <sub>2</sub> e/Cr          | 0.01 tCO <sub>2</sub> e/Cr           |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>  | tCO <sub>2</sub> e/Employee                 | 0.81 tCO <sub>2</sub> e/Employee    | 0.81 tCO <sub>2</sub> e/Employee     |
| Total Scope 1 and Scope 2 emission intensity (optional) – the entity may select the relevant metric  | -   | -                                   | -                                    |

Note: There has been a restatement in the calculation of CO<sub>2</sub> emissions for 2022-23 as the emission factor has been updated from 0.82 to 0.716 based on the new factors released by CEA.

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

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

NA

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

| Parameter  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| <b>Total waste generated (in metric tonnes)</b>  |                                     |                                      |
| Plastic waste (A)  | NA                                  | NA                                   |
| 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.<br>(Break-up by composition i.e. by materials relevant to the sector) |                                     |                                      |
| <b>Total (A+B + C + D + E + F + G + H)</b>   |                                     |                                      |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

|                                 |    |    |
|---------------------------------|----|----|
| <b>Category of waste</b>        | NA | NA |
| (i) Recycled                    |    |    |
| (ii) Re-used                    |    |    |
| (iii) Other recovery operations |    |    |
| <b>Total</b>                    |    |    |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

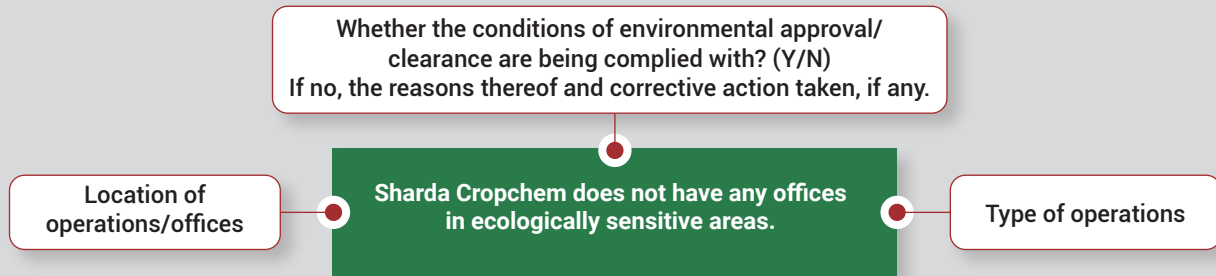
|                                 |    |    |
|---------------------------------|----|----|
| <b>Category of waste</b>        | NA | NA |
| (i) Incineration                |    |    |
| (ii) Landfilling                |    |    |
| (iii) Other disposal operations |    |    |
| <b>Total</b>                    |    |    |

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

10. 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 mainly trades agricultural and non-agro commodities, it does not necessitate the use of hazardous or toxic chemicals. Furthermore, Sharda Cropchem's e-waste management procedures are validated by an external agency, and the Company adheres to the relevant processes outlined by regulatory authorities.

11. 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:



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

| Date | Name and brief details of project | EIA notification no. | Whether conducted by an independent external agency (Yes/No) | Relevant weblink | Results communicated in the public domain (Yes/No) |
|------|-----------------------------------|----------------------|--|------------------|--|
| NA   |                                   |                      |  |                  |  |

13. 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: - NA

| Specify the law/regulation/guidelines which were 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 |
|--|---------------------------------------|---|--------------------------------|
| NA   |                                       |   |                                |



## Leadership Indicators

### 1. 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   | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                             |                                     |                                      |
| (i) Surface water   | NA                                  | NA                                   |
| (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>                      |                                     |                                      |
| <b>Water intensity per rupee of turnover</b> (Water consumed/turnover)        |                                     |                                      |
| <b>Water intensity</b> (optional) – the entity may select the relevant metric |                                     |                                      |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>  |                                     |                                      |
| <b>(i) Into surface water</b>   | NA                                  | NA                                   |
| No treatment  |                                     |                                      |
| With treatment – please specify the level of treatment                        |                                     |                                      |
| <b>(ii) Into groundwater</b>  |                                     |                                      |
| No treatment  |                                     |                                      |
| With treatment – please specify the level of treatment                        |                                     |                                      |
| <b>(iii) Into seawater</b>  |                                     |                                      |
| No treatment  |                                     |                                      |
| With treatment – please specify the level of treatment                        |                                     |                                      |
| <b>(iv) Sent to third-parties</b>   |                                     |                                      |
| No treatment  |                                     |                                      |
| With treatment – please specify the level of treatment                        |                                     |                                      |
| <b>(v) Others</b>   |                                     |                                      |
| No treatment  |                                     |                                      |
| With treatment – please specify the level of treatment                        |                                     |                                      |
| <b>Total water discharged (in kilolitres)</b>                                 |                                     |                                      |

Note: Indicate if any independent assessment/evaluation/assurance carried out by an external agency? (Y/N) If yes, the name of the external agency. - NA



2. Please provide details of total Scope 3 emissions & their intensity in the following format:

| Parameter   | Unit  | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|---|-------------------------------------|--------------------------------------|
| <b>Total Scope 3 emissions</b><br>(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 | NA                                  | NA                                   |
| <b>Total Scope 3 emissions per rupee of turnover</b>  | NA  | NA                                  | NA                                   |
| <b>Total Scope 3 emission intensity</b> (optional) – the entity may select the relevant metric  | NA  |                                     |                                      |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. - NA

3. 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.

NA

4. 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:

| Initiative undertaken | Details of the initiative (weblink, if any, may be provided alongwith summary) | Outcome of the initiative |
|-----------------------|--|---------------------------|
|                       |  | NA                        |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.

NA

6. 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.

NA

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA



## PRINCIPLE 7

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. 6
- 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.

| Name of the trade and industry chambers/associations       | Reach of trade and industry chambers/associations (State/National) |
|--|--|
| Certificate of ISO Registration                            | International  |
| Three Star Export House                                    |  |
| Indian Merchant Chamber of Commerce & Industry             | Domestic   |
| Confederation of Indian Industry (CII)                     |  |
| Federation of Indian Export Organisation                   |  |
| Basic Chemicals, Cosmetics & Dyes Export Promotion Council |  |

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                     |

No actions are being taken against Sharda Cropchem as there are no issues related to anti-competitive conduct.

### Leadership Indicators

| S. no. | Public policy advocated | Method resorted for such advocacy | Whether information available in the public domain? (Yes/No) | Frequency of review by board (annually/half yearly/quarterly/ others – please specify) | Weblink, if available |
|--------|-------------------------|-----------------------------------|--|--|-----------------------|
| NA     |                         |                                   |  |  |                       |

**PRINCIPLE 8**

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 the project   | SIA notification no. | Date of notification | Whether conducted by an independent external agency (Yes/No) | Results communicated in the public domain (Yes/No) | Relevant weblink |
|---|----------------------|----------------------|--|--|------------------|
| As per the governing provisions of CSR activities, none of Sharda Cropchem's projects were SIA candidates during 2023-24. |                      |                      |  |  |                  |

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

| Name of the 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 the (in ₹) |
|--|-------|----------|---|--------------------------|------------------------------------|
| None   |       |          |   |                          |                                    |

3. Describe the mechanisms to receive and redress grievances of the community

Sharda Cropchem does not have manufacturing facilities; it solely operates from a corporate office. However, the organisation actively engages with communities and various stakeholders on a regular basis.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Particulars                                 | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Directly sourced from MSMEs/small producers | 1,690.26 Lakhs (1.03%)              | ₹ 1,558.92 Lakhs (0.74%)             |
| Sourced directly from within India          | Nil                                 | Nil                                  |

The Company's resource planning structure does not distinguish between sourcing from within or outside a specific area, district, or locality. Moreover, Sharda Cropchem remains indomitable in its commitment to societal betterment and supports MSMEs within and around its operational environment.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

| Location     | 2023-24<br>(Current financial year) | 2022-23<br>(Previous financial year) |
|--------------|-------------------------------------|--------------------------------------|
| Rural        | NA                                  | NA                                   |
| Semi-urban   | NA                                  | NA                                   |
| Urban        | NA                                  | NA                                   |
| Metropolitan | 100                                 | 100                                  |

(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

|  |     |                         |
|--|-----|-------------------------|
| Details of negative social impact identified | Nil | Corrective action taken |
|--|-----|-------------------------|

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

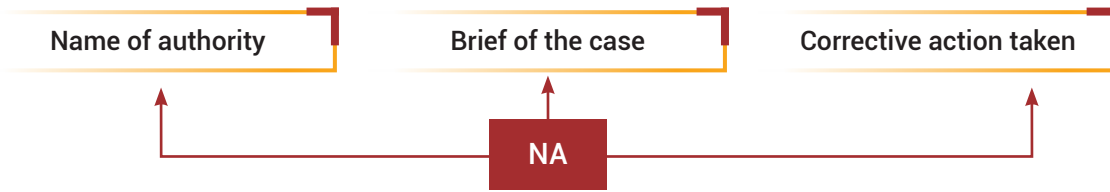
| S. no | State | Aspirational district | Amount spent (in ₹) |
|-------|-------|-----------------------|---------------------|
|       |       | NA                    |                     |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)  
Although Sharda Cropchem does not enforce preferential procurement policies, it actively supports and places orders to foster growth opportunities for entrepreneurs from marginalised or vulnerable groups or communities, wherever feasible.
- (b) From which marginalised/vulnerable groups do you procure? NA
- (c) What percentage of total procurement (by value) does it constitute? NA

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

| S. no | Intellectual Property based on traditional knowledge | Owned/acquired<br>(Yes/No) | Benefit shared<br>(Yes/No) | Basis of calculating benefit share |
|-------|--|----------------------------|----------------------------|------------------------------------|
|       |  | NA                         |                            |                                    |

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein traditional knowledge is used.



6. Details of beneficiaries of CSR Projects

| CSR project                  | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|------------------------------|---|--|
| Animal welfare               | 500+ animals                                | NA   |
| Promoting education          | 17,000+ students                            | 100%   |
| Eradicating hunger & poverty | 1,000+ people                               | 100%   |
| Medical welfare              | 200+ people                                 | 100%   |
| Rural development            | 500+ people                                 | 100%   |
| Women empowerment            | 1,800+ women                                | 100%   |

## PRINCIPLE 9

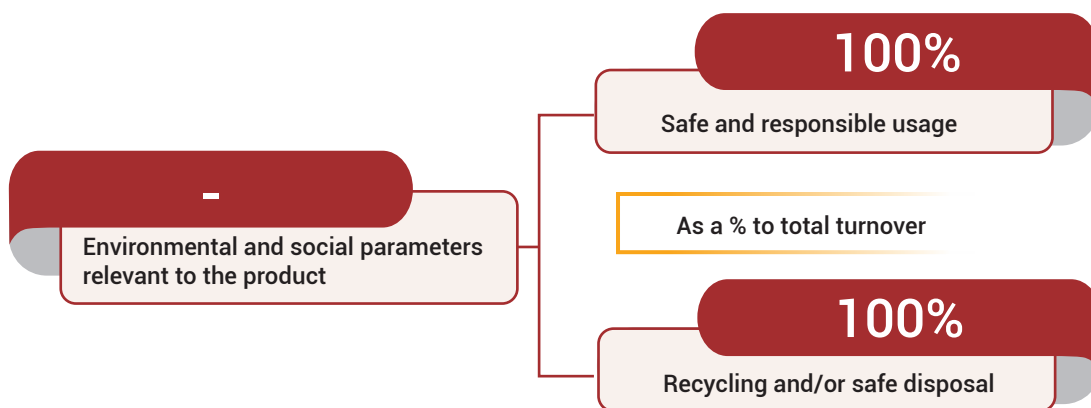
Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Upon receiving complaints, Sharda Cropchem promptly initiates necessary actions via E-mail, tailored to the nature of the issue. Once the underlying cause is resolved, customers are informed about the corrective and preventive measures. Feedback received from customers, whether via telephone or E-mail, prompts the closure of the complaint, followed by a review with management.

**2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about**



**3. Number of consumer complaints in respect of the following:**

| Particulars | 2023-24<br>(Current financial year) |   | Remarks | 2022-23<br>(Previous financial year) |   | 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                   |     |     |    |     |     | As part of its routine operations, Sharda Cropchem receives and resolves all queries promptly |
| Advertising                    |     |     |    |     |     |   |
| Cyber-security                 | Nil | Nil | NA | Nil | Nil |   |
| Delivery of essential services |     |     |    |     |     |   |
| Restrictive trade practices    |     |     |    |     |     |   |
| Other                          |     |     |    |     |     |   |



4. Details of instances of product recalls on account of safety issues

| Location          | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil    | NA                 |
| Forced recalls    | Nil    | NA                 |

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy.

Currently, Sharda Cropchem lacks a dedicated framework for managing cybersecurity and data privacy risks. Nevertheless, the Company has implemented a Preservation of Documents Archival Policy aimed at data privacy and preventing breaches in the workplace. This policy includes secure data storage and archival procedures. Furthermore, the organisation has forged partnerships with third-party providers for data backup, enhancing data security against potential cyber attacks.

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 the safety of products/services.

No cyber attacks have been reported during the year and therefore, no corrective measures have been undertaken by the Company.

7. 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: Nil
- c. Impact, if any, of the data breaches: NA

## Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

Product-related information is available at: <http://www.shardacropchem.com>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Sharda Cropchem disseminates information about the benefits of its products with customers through conferences and meetings. Additionally, all safety precautions for the products are clearly outlined on the labels.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In case of potential disruptions arising from various reasons, consumers are notified about the associated risks through E-mails and virtual meetings.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Sharda Cropchem ensures compliance with legal requirements by prominently displaying all mandated information on its packaging across various geographical regions. This includes essential details like the product name, gross weight, usage instructions, and statutory warnings as prescribed by law, among other pertinent aspects.

# 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 2024, 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 material 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 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### REVENUE RECOGNITION

See Note 2.8 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 MATTERS

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

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>Revenue Recognition</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 Ind AS.</li> <li>- Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end.</li> <li>- For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions of the customer orders including the shipping terms and transporter documents.</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>- Selected revenue transactions on a sample basis recorded during specified period around the year end and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents.</li> <li>- Tested 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, 4A and 4B to standalone financial statements

| The key audit matter   | How the matter was addressed in our audit  |
|--|--|
| <p>Assessment of impairment of intangible assets and intangible assets under development</p> <p>As disclosed in Note 2.12 and 4A, the Company's intangible assets comprise product registrations and licenses.</p> <p>The carrying amount of the intangible assets and intangible assets under development represents 25% of the Company's total assets. The Company applies for product registrations in different countries to sell its products. As disclosed in Note 2.12, 4A and 4B to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations.</p> <p>The impairment assessment is performed, based on value in use of product registrations for the specific regions. 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 assessment of impairment of intangible assets and intangible assets under development as a key audit matter.</p> | <p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the Company's process for determining likelihood of product registration, future benefits expected from product registrations in the specific regions using discounted future cash flows.</li> <li>- 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>- We compared 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> <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>- We assessed 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.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### MANAGEMENT'S AND BOARD OF DIRECTORS' 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.

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



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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.

### OTHER MATTER

- a. The standalone financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor who had expressed an unmodified opinion on 12 May 2023.

### 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 except for the matters stated in the paragraph 2A(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. 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".

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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 2024 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, 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.
  - 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.  
 As stated in Note 14 to the standalone financial statements, the Board of Directors of the Company has 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. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility. For the accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- In the absence of independent auditor's report for the aforesaid accounting software, we are unable to comment whether audit trail was not enabled at the database level to log any direct data changes.
  - The Company has also used an accounting software for maintaining its books of account related to payroll process which does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.
- 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 & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Burjis Pardiwala**

Partner

Place: Mumbai

Membership No.: 103595

Date: 10 May 2024

ICAI UDIN:24103595BKFWFF8198

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROP CHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(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 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,



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

- 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 2024 is INR 210 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 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.
- 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 2024 for a period of more than six months from the date they became payable.

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROP CHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)**

- (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:

| <b>Name of the statute</b> | <b>Nature of the dues</b> | <b>Amount Demanded (INR in lakhs)</b> | <b>Amount not deposited under dispute (INR in lakhs)</b> | <b>Period to which the amount relates</b> | <b>Forum where dispute is pending</b> |
|----------------------------|---------------------------|---------------------------------------|--|---|---------------------------------------|
| Income Tax Act, 1961       | Income-tax                | 565.94                                | 565.94   | 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                              | 5,454.17   | AY 2020-21                                | Assessing Officer of Income Tax       |
| Income Tax Act, 1961       | Income-tax                | 7,856.28                              | 7,856.28   | AY 2022-23                                | Commissioner of Income Tax (Appeals)  |

- (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 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



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)**

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.
- (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



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS  
OF SHARDA CROPCHEM LIMITED  
FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

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 & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Burjis Pardiwala**

Partner

Place: Mumbai

Membership No.: 103595

Date: 10 May 2024

ICAI UDIN:24103595BKFWFF8198



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024

**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)(g) 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 2024 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 2024, 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS  
OF SHARDA CROP CHEM LIMITED  
FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)**

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Burjis Pardiwala**

Partner

Place: Mumbai

Date: 10 May 2024

Membership No.: 103595

ICAI UDIN: 24103595BKFWFF8198



Sharda Cropchem Limited

# STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2024

(₹ Lakhs)

|  | Note | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|------|-------------------------|-------------------------|
| <b>ASSETS</b>  |      |                         |                         |
| <b>Non-current assets</b>  |      |                         |                         |
| Property, plant and equipment  | 3A   | 369.98                  | 486.70                  |
| Right of use assets  | 3B   | 1,436.03                | -                       |
| Intangible assets  | 4A   | 68,968.86               | 66,299.75               |
| Intangible assets under development  | 4B   | 28,286.31               | 20,386.94               |
| Financial assets   |      |                         |                         |
| Investments  | 5    | 111.68                  | 111.68                  |
| Loans  | 6    | 210.00                  | 220.00                  |
| Other financial assets   | 7    | 507.70                  | 12,053.19               |
| Other non-current assets   | 7A   | 1,471.46                | 1,477.49                |
| Income tax assets (net)  | 8A   | 7,028.92                | 7,084.51                |
| <b>Total non-current assets</b>  |      | <b>1,08,390.94</b>      | <b>1,08,120.26</b>      |
| <b>Current assets</b>  |      |                         |                         |
| Inventories  | 10   | 89,422.68               | 1,06,002.14             |
| Financial assets   |      |                         |                         |
| Investments  | 5    | 15,889.87               | 3,190.29                |
| Trade receivables  | 11   | 1,46,264.91             | 1,67,455.98             |
| Cash and cash equivalents  | 12   | 3,282.17                | 8,393.03                |
| Bank balance other than cash and cash equivalents                                      | 13   | 57.53                   | 31.35                   |
| Other financial assets   | 7    | 12,249.61               | 23.58                   |
| Other current assets   | 7A   | 6,962.65                | 7,570.70                |
| <b>Total current assets</b>  |      | <b>2,74,129.42</b>      | <b>2,92,666.73</b>      |
| <b>Total Assets</b>  |      | <b>3,82,520.36</b>      | <b>4,00,786.99</b>      |
| <b>EQUITY AND LIABILITIES</b>  |      |                         |                         |
| <b>Equity</b>  |      |                         |                         |
| Equity share capital   | 14   | 9,022.05                | 9,022.05                |
| Other equity   | 15   | 2,02,160.39             | 1,91,201.97             |
| <b>Total equity</b>  |      | <b>2,11,182.44</b>      | <b>2,00,224.02</b>      |
| <b>Liabilities</b>   |      |                         |                         |
| <b>Non-current liabilities</b>   |      |                         |                         |
| Financial liabilities  |      |                         |                         |
| Lease liabilities  | 15A  | 775.97                  | -                       |
| Other financial liabilities  | 17   | 5,838.00                | 172.56                  |
| Provisions   | 18   | 114.46                  | 252.93                  |
| Deferred tax liabilities (net)   | 9    | 15,278.51               | 14,342.98               |
| <b>Total non-current liabilities</b>   |      | <b>22,006.94</b>        | <b>14,768.47</b>        |
| <b>Current liabilities</b>   |      |                         |                         |
| Financial liabilities  |      |                         |                         |
| Lease liabilities  | 15A  | 716.50                  | -                       |
| Trade payables   | 16   |                         |                         |
| total outstanding dues of micro enterprises and small enterprises                      |      | 694.66                  | 101.10                  |
| total outstanding dues of creditors other than micro enterprises and small enterprises |      | 86,280.97               | 1,30,112.07             |
| Other financial liabilities  | 17   | 50,175.43               | 43,063.12               |
| Other current liabilities  | 19   | 4,147.71                | 5,115.09                |
| Provisions   | 18   | 7,315.71                | 5,846.08                |
| Current tax liabilities (net)  | 8B   | -                       | 1,557.04                |
| <b>Total current liabilities</b>   |      | <b>1,49,330.98</b>      | <b>1,85,794.50</b>      |
| <b>Total Equity and Liabilities</b>  |      | <b>3,82,520.36</b>      | <b>4,00,786.99</b>      |

Summary of material 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 & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No.: 103595

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai  
Date: 10 May, 2024

Place: Mumbai  
Date: 10 May, 2024

Place: Mumbai  
Date: 10 May, 2024

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ Lakhs)

|   | Note | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------|------------------------------|------------------------------|
| <b>INCOME</b>   |      |                              |                              |
| Revenue from operations   | 20   | 2,60,266.68                  | 3,31,273.30                  |
| Other income  | 21   | 27,078.59                    | 17,356.76                    |
| <b>Total Income</b>   |      | <b>2,87,345.27</b>           | <b>3,48,630.06</b>           |
| <b>EXPENSES</b>   |      |                              |                              |
| Cost of materials consumed  | 22   | 1,48,373.50                  | 1,55,169.35                  |
| Purchase of stock in trade  | 22   | 39,667.93                    | 1,08,913.01                  |
| Changes in Inventories of finished goods and stock in trade                   | 23   | 7,236.73                     | (30,332.68)                  |
| Employee benefits expenses  | 24   | 3,364.52                     | 3,713.00                     |
| Finance costs   | 25   | 169.58                       | 386.91                       |
| Depreciation and amortisation expense   | 26   | 26,707.83                    | 24,806.46                    |
| Other expenses  | 27   | 44,320.29                    | 44,843.83                    |
| <b>Total expenses</b>   |      | <b>2,69,840.38</b>           | <b>3,07,499.88</b>           |
| <b>Profit before tax</b>  |      | <b>17,504.89</b>             | <b>41,130.18</b>             |
| <b>Tax expense</b>  |      |                              |                              |
| Current tax   | 8B   | 2,525.05                     | 6,972.90                     |
| Adjustment of tax relating to earlier years                                   | 8B   | 364.23                       | 227.83                       |
| Deferred tax charge   | 8B   | 939.32                       | 1,455.20                     |
| <b>Total tax expense</b>  |      | <b>3,828.60</b>              | <b>8,655.93</b>              |
| <b>Profit for the year</b>  |      | <b>13,676.29</b>             | <b>32,474.25</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   | (15.05)                      | 5.42                         |
| Income tax relating to items that will not be reclassified to profit or loss  | 8B   | 3.79                         | (1.36)                       |
| <b>Total other comprehensive income</b>                                       |      | <b>(11.26)</b>               | <b>4.06</b>                  |
| <b>Total comprehensive income for the year</b>                                |      | <b>13,665.03</b>             | <b>32,478.31</b>             |
| <b>Earnings per share (₹ per share)</b>                                       |      |                              |                              |
| Basic and diluted (Face value per share of ₹ 10 each)                         | 28   | <b>15.16</b>                 | <b>35.99</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 & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No.: 103595

Place: Mumbai

Date: 10 May, 2024

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May, 2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May, 2024



# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| <b>Cash flows from operating activities</b>  |                              |                              |
| <b>Profit before tax</b>   | <b>17,504.89</b>             | <b>41,130.18</b>             |
| <b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>        |                              |                              |
| Depreciation and amortisation expense  | 26,707.83                    | 24,806.46                    |
| Provision for diminution in shares   | -                            | 2.82                         |
| (Profit) / loss on disposal of property, plant and equipment                                       | -                            | (5.45)                       |
| Unrealised exchange loss (net)   | 1,839.34                     | 338.82                       |
| Discard / Write-off of intangible assets and intangible assets under development                   | 3,486.36                     | 1,194.12                     |
| Profit on sale of mutual funds   | (15.53)                      | (1,582.11)                   |
| Fair valuation loss / (gain) on current investments  | (384.04)                     | 1,368.55                     |
| Allowances for doubtful debts (net)  | (1,254.28)                   | 1,784.96                     |
| Bad debts  | 24.69                        | 663.19                       |
| Liabilities / provisions no longer required written back   | (2,123.82)                   | (1,185.29)                   |
| Liabilities of capital creditors no longer required written back                                   | (475.59)                     | (203.70)                     |
| Finance costs  | 169.58                       | 386.91                       |
| Interest income  | (1,346.37)                   | (494.93)                     |
| Dividend income  | (21,478.96)                  | (13,885.28)                  |
| Loss on sale of Bond   | -                            | 7.50                         |
| <b>Operating profit before working capital changes</b>   | <b>22,654.10</b>             | <b>54,326.75</b>             |
| Movements in working capital:  |                              |                              |
| Decrease / (increase) in trade receivables   | 20,462.91                    | (35,664.06)                  |
| Decrease / (increase) in inventories   | 16,579.46                    | (23,010.34)                  |
| Decrease / (increase) in loan  | -                            | 51.47                        |
| Decrease / (increase) in other assets  | 607.71                       | 1,529.28                     |
| Decrease / (increase) in other financial assets  | 14.80                        | 856.62                       |
| (Decrease) / increase in trade payables  | (40,060.32)                  | 23,056.43                    |
| (Decrease) / increase in provisions  | 1,316.11                     | (2,435.36)                   |
| (Decrease) / increase in other financial liabilities and other liabilities                         | (932.60)                     | 1,100.83                     |
| <b>Cash generated from operations</b>  | <b>20,642.17</b>             | <b>19,811.62</b>             |
| Income taxes paid (net of refunds)   | (4,390.73)                   | (5,793.57)                   |
| <b>Net cash flows from operating activities (A)</b>  | <b>16,251.44</b>             | <b>14,018.05</b>             |
| <b>Cash flows from investing activities</b>  |                              |                              |
| Purchase of property, plant and equipment (including capital work in progress)                     | (43.14)                      | (60.78)                      |
| Purchase of intangible assets (including intangible assets under development and capital advances) | (27,134.95)                  | (23,994.59)                  |
| Proceeds from sale of property, plant and equipment  | -                            | 12.28                        |
| Purchase of current investments  | (12,800.00)                  | (10,499.48)                  |
| Proceeds from sale of current investments  | 500.00                       | 20,954.75                    |
| Interest received on bond  | -                            | 37.92                        |
| Bank deposits placed   | (835.92)                     | (8,381.49)                   |
| Redemption of bank deposits / other bank balances  | 7.72                         | 7,373.55                     |
| Interest from fixed deposit  | 995.68                       | 435.04                       |
| Loans to subsidiaries - principal received   | 10.00                        | 52.00                        |
| Loans to subsidiaries - interest received  | 9.59                         | 10.77                        |

STANDALONE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Dividends received from subsidiary   | 21,478.96                            | 13,885.28                            |
| <b>Net cash flows (used in) investing activities (B)</b>                               | <b>(17,812.06)</b>                   | <b>(174.75)</b>                      |
| <b>Cash flows from financing activities</b>  |                                      |                                      |
| Proceeds from borrowings   | -                                    | 8,650.43                             |
| Repayment of borrowings  | -                                    | (12,425.08)                          |
| Repayment of principal towards lease liability   | (661.58)                             | (513.69)                             |
| Interest paid on lease liability   | (148.41)                             | (50.31)                              |
| Finance costs paid   | (12.95)                              | (75.95)                              |
| Dividend paid on equity shares   | (2,672.96)                           | (5,395.70)                           |
| <b>Net cash flows (used in) financing activities (C)</b>                               | <b>(3,495.90)</b>                    | <b>(9,810.30)</b>                    |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>                           | <b>(5,056.52)</b>                    | <b>4,033.00</b>                      |
| Cash and cash equivalents at the beginning of the year                                 | 8,393.03                             | 4,292.03                             |
| Exchange differences on translation of foreign currency cash and cash equivalents      | (54.33)                              | 68.00                                |
| <b>Cash and cash equivalents at the end of the period</b>                              | <b>3,282.18</b>                      | <b>8,393.03</b>                      |
| <b>Components of cash and cash equivalents</b>   |                                      |                                      |
| Cash on hand   | 0.51                                 | 0.72                                 |
| Balance with banks   | 3,281.66                             | 8,392.31                             |
| <b>Total cash and cash equivalents as per the cash flows statement (refer note 12)</b> | <b>3,282.17</b>                      | <b>8,393.03</b>                      |

**Note:**

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

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

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No.: 103595

Place: Mumbai

Date: 10 May, 2024

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May, 2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May, 2024



Sharda Cropchem Limited

# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2024

## A. EQUITY SHARE CAPITAL (NOTE 14)

|                                 | (₹ Lakhs)       |
|---------------------------------|-----------------|
| <b>As at 01 April, 2022</b>     | <b>9,022.05</b> |
| Changes in equity share capital | -               |
| <b>As at 31 March, 2023</b>     | <b>9,022.05</b> |
| Changes in equity share capital | -               |
| <b>As at 31 March, 2024</b>     | <b>9,022.05</b> |

## B. OTHER EQUITY

|                                   | Reserves and surplus       |                             |                           |                           | Other comprehensive income                     | Total              |
|-----------------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|--|--------------------|
|                                   | Security premium (Note 15) | Retained earnings (Note 15) | Capital reserve (Note 15) | General reserve (Note 15) | Re-measurement of the net defined benefit plan |                    |
| <b>As at 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 at 31 March, 2023</b>       | <b>2,148.55</b>            | <b>1,86,892.90</b>          | <b>1,491.29</b>           | <b>664.93</b>             | <b>4.30</b>                                    | <b>1,91,201.97</b> |

|                                   | Reserves and surplus       |                             |                           |                           | Other comprehensive income                     | Total              |
|-----------------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|--|--------------------|
|                                   | Security premium (Note 15) | Retained earnings (Note 15) | Capital reserve (Note 15) | General reserve (Note 15) | Re-measurement of the net defined benefit plan |                    |
| <b>As at 01 April, 2023</b>       | <b>2,148.55</b>            | <b>1,86,892.90</b>          | <b>1,491.29</b>           | <b>664.93</b>             | <b>4.30</b>                                    | <b>1,91,201.97</b> |
| Profit for the year               | -                          | 13,676.29                   | -                         | -                         | -  | 13,676.29          |
| Other comprehensive Income        | -                          | -                           | -                         | -                         | (11.26)  | (11.26)            |
| <b>Total comprehensive Income</b> | <b>-</b>                   | <b>13,676.29</b>            | <b>-</b>                  | <b>-</b>                  | <b>(11.26)</b>                                 | <b>13,665.03</b>   |
| Payments of dividends             | -                          | (2,706.61)                  | -                         | -                         | -  | (2,706.61)         |
| <b>As at 31 March, 2024</b>       | <b>2,148.55</b>            | <b>1,97,862.58</b>          | <b>1,491.29</b>           | <b>664.93</b>             | <b>(6.96)</b>                                  | <b>2,02,160.39</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 & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No.: 103595

Place: Mumbai

Date: 10 May, 2024

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May, 2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May, 2024



# NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

Currency in Indian ₹ in Lakhs

## 1. CORPORATE INFORMATION

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

The Company is principally engaged in export of agro-chemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes & 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. MATERIAL 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, as amended from time to time, notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act.

The standalone financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on 10 May, 2024.

### 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

Based on the time involved between the acquisition of assets for processing and their realisation in cash



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

and cash equivalents, the Company has identified 12 months as its operating cycle for determining current and non-current classification of assets and liabilities in the Balance Sheet.

### 2.5 Trade Receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect Company's unconditional right to consideration (that is payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

### 2.6 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.

### 2.7 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.

### 2.8 Revenue Recognition

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

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

#### Sale of goods

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

## 2.9 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 is not recognised for- temporary differences on the initial recognition of assets or liabilities in a transaction that:

1. Is not a business combination.
2. At the time of the transaction (i) affects neither accounting nor taxable profit or (loss) and (ii) does not give rise to equal taxable and deductible temporary difference.

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, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

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

#### Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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. 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

### 2.11 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.

| <b>Asset Class</b>                | <b>Years</b> |
|-----------------------------------|--------------|
| 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.

#### Subsequent expenditure-

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably.

#### 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.

### 2.12 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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 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.

### 2.13 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

### 2.14 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.

### 2.15 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.

### 2.16 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.

### 2.17 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

## **2.18 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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

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

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

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

### **Impairment of financial assets**

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

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

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

- Trade receivables and
- Other receivables

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

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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 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.

### **2.19 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

### 2.20 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.

### 2.21 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 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.

### 2.22 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 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

are disclosed in the notes but are not provided for in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

### (ii) Key sources of estimation uncertainty

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

#### Taxes

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

#### Defined benefit plans (gratuity benefits)

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

#### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### Impairment of non- financial assets

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

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

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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, 2024 (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, 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>   |

(₹ Lakhs)

|                                     | Office equipments | Furniture and fixtures | Motor cars    | Computers    | Leasehold improvements | Electrical installation | Total           |
|-------------------------------------|-------------------|------------------------|---------------|--------------|------------------------|-------------------------|-----------------|
| <b>Cost</b>                         |                   |                        |               |              |                        |                         |                 |
| At 01 April, 2023                   | 220.38            | 597.71                 | 75.49         | 33.87        | 497.16                 | 199.27                  | 1,623.88        |
| Additions                           | 2.86              | 0.31                   | 35.25         | 4.72         | -                      | -                       | 43.14           |
| Disposals                           | -                 | -                      | -             | (6.57)       | -                      | -                       | (6.57)          |
| <b>At 31 March, 2024</b>            | <b>223.24</b>     | <b>598.02</b>          | <b>110.74</b> | <b>32.02</b> | <b>497.16</b>          | <b>199.27</b>           | <b>1,660.45</b> |
| <b>Accumulated depreciation</b>     |                   |                        |               |              |                        |                         |                 |
| At 01 April, 2023                   | 213.43            | 291.19                 | 5.78          | 8.28         | 442.48                 | 176.02                  | 1,137.18        |
| Depreciation charge during the year | 6.71              | 65.16                  | 11.23         | 14.04        | 44.20                  | 18.52                   | 159.86          |
| Disposals                           | -                 | -                      | -             | (6.57)       | -                      | -                       | (6.57)          |
| <b>At 31 March, 2024</b>            | <b>220.14</b>     | <b>356.35</b>          | <b>17.01</b>  | <b>15.75</b> | <b>486.68</b>          | <b>194.54</b>           | <b>1,290.47</b> |
| <b>Net carrying value</b>           |                   |                        |               |              |                        |                         |                 |
| At 01 April, 2023                   | 6.95              | 306.52                 | 69.71         | 25.59        | 54.68                  | 23.25                   | 486.70          |
| <b>At 31 March, 2024</b>            | <b>3.10</b>       | <b>241.67</b>          | <b>93.73</b>  | <b>16.27</b> | <b>10.48</b>           | <b>4.73</b>             | <b>369.98</b>   |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**3B. RIGHT OF USE ASSET**

(₹ Lakhs)

|                                     | Leasehold premises |
|-------------------------------------|--------------------|
| <b>Cost</b>                         |                    |
| At 01 April, 2022                   | 2,139.87           |
| Additions                           | -                  |
| Disposals                           | (2,139.87)         |
| <b>At 31 March, 2023</b>            | -                  |
| <b>Accumulated depreciation</b>     |                    |
| At 01 April, 2022                   | 1,370.51           |
| Depreciation charge during the year | 769.36             |
| Disposals                           | (2,139.87)         |
| <b>At 31 March, 2023</b>            | -                  |
| <b>Net carrying value</b>           |                    |
| At 01 April, 2022                   | 769.36             |
| <b>At 31 March, 2023</b>            | -                  |

(₹ Lakhs)

|                                     | Leasehold premises |
|-------------------------------------|--------------------|
| <b>Cost</b>                         |                    |
| At 01 April, 2023                   | -                  |
| Additions                           | 2,154.05           |
| Disposals                           | -                  |
| <b>At 31 March, 2024</b>            | <b>2,154.05</b>    |
| <b>Accumulated depreciation</b>     |                    |
| At 01 April, 2023                   | -                  |
| Depreciation charge during the year | 718.02             |
| Disposals                           | -                  |
| <b>At 31 March, 2024</b>            | <b>718.02</b>      |
| <b>Net carrying value</b>           |                    |
| At 01 April, 2023                   | -                  |
| <b>At 31 March, 2024</b>            | <b>1,436.03</b>    |

The Company's leases 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, 2024 (CONTD.)

**4A. INTANGIBLE ASSETS**

(₹ 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>   |

(₹ Lakhs)

|                                 | Computer software | Product registration and licences | Total              |
|---------------------------------|-------------------|-----------------------------------|--------------------|
| <b>Cost</b>                     |                   |                                   |                    |
| At 01 April, 2023               | 112.48            | 1,63,478.38                       | 1,63,590.86        |
| Additions*                      | -                 | 30,600.20                         | 30,600.20          |
| Disposals #                     | -                 | (4,865.22)                        | (4,865.22)         |
| <b>At 31 March, 2024</b>        | <b>112.48</b>     | <b>1,89,213.36</b>                | <b>1,89,325.84</b> |
| <b>Accumulated amortisation</b> |                   |                                   |                    |
| At 01 April, 2023               | 93.47             | 97,197.64                         | 97,291.11          |
| Amortisation during the year    | 13.66             | 25,816.29                         | 25,829.95          |
| Disposals #                     | -                 | (2,764.08)                        | (2,764.08)         |
| <b>At 31 March, 2024</b>        | <b>107.13</b>     | <b>1,20,249.85</b>                | <b>1,20,356.98</b> |
| <b>Net carrying value</b>       |                   |                                   |                    |
| At 01 April, 2023               | 19.01             | 66,280.74                         | 66,299.75          |
| <b>At 31 March, 2024</b>        | <b>5.35</b>       | <b>68,963.51</b>                  | <b>68,968.86</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 ₹ 1,821.99 Lakhs (31 March, 2023: ₹ 2,696.29.25 Lakhs)

# The Company has written off certain assets during the current year having net written down value of ₹ 279.15 Lakhs (31 March, 2023: ₹ 94.34 Lakhs) based on internal assessment.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**4B. INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ 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>                           |

(₹ Lakhs)

|                          | <b>Intangible assets under development</b> |
|--------------------------|--|
| At 01 April, 2023        | 20,386.94                                  |
| Additions                | 42,127.82                                  |
| Disposals                | (3,628.25)                                 |
| Capitalised              | (30,600.20)                                |
| <b>At 31 March, 2024</b> | <b>28,286.31</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.

**4C. INTANGIBLE ASSETS UNDER DEVELOPMENT**

(i) 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        |
|                      | <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> |

(ii) Intangible assets under development ageing schedule as on 31 March, 2024

(₹ 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 | 9,408.52  | 6,625.83        | 5,323.90        | 6,928.06          | 28,286.31        |
|                      | <b>9,408.52</b>   | <b>6,625.83</b> | <b>5,323.90</b> | <b>6,928.06</b>   | <b>28,286.31</b> |

a) For Intangible assets under development, there are no such projects where activity has been temporarily suspended

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

- 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, 2024, there are 1,095 (31 March, 2023: 1143) product registrations (numbers) in pipeline across geographies.

### 5. INVESTMENTS

#### Non-current investments

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
|   |                         | (₹ Lakhs)               |
| <b>Investment in equity instruments</b>   |                         |                         |
| <b>Investment in subsidiaries (Unquoted), carried at cost</b>   |                         |                         |
| -Axis Crop Science Private Limited<br>50,00,000 (31 March, 2023: 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<br>10 (31 March, 2023: 10) equity shares of JPY 10,000 each fully paid                                       | 0.59                    | 0.59                    |
| -Sharda Ukraine LLC<br>62,500 (31 March, 2023: 62,500) equity shares of UAH 1 each fully paid-up  | 4.25                    | 4.25                    |
| -Sharda Del Ecuador CIA. LTDA.<br>398 (31 March, 2023: 398) equity shares of US\$ 1 each fully paid-up  | 0.20                    | 0.20                    |
| -Sharda Peru SAC<br>1,999 (31 March, 2023: 1,999) equity share of PEN 1 each fully paid-up  | 0.33                    | 0.33                    |
| -Sharda Swiss SARL<br>20 (31 March, 2023: 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.<br>30,690 (31 March, 2023: 30,690) equity shares of BRL 1 each fully paid-up | 8.20                    | 8.20                    |
| -Sharda Balkan Agrochemicals Limited<br>150 (31 March, 2023: 150) equity shares of EURO 30 each fully paid-up                                     | 2.82                    | 2.82                    |
| -Shardaserb DO.O.<br>1 (31 March, 2023: 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<br>1 (31 March, 2023: 1) equity share of Euro 5,000 each fully paid-up  | 3.67                    | 3.67                    |
| -Sharda Spain, S.L.<br>3,050 (31 March, 2023: 3,050) equity shares of EURO 1 each fully paid-up   | 1.96                    | 1.96                    |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| -Sharda Costa Rica S.A. (refer note 'a' below)<br>99 (31 March, 2023: 99) equity shares of COLON 20 each fully paid-up | 0.00                    | 0.00                    |
| -Sharda De Guatemala S.A.<br>49 (31 March, 2023: 49) equity shares of GTQ 100 each fully paid-up                       | 0.34                    | 0.34                    |
| -Sharda International DMCC<br>2 (31 March, 2023: 2) equity shares of AED 1,00,000 each fully paid-up                   | 27.68                   | 27.68                   |
| -Sharda Italia SRL<br>9,900 (31 March, 2023: 9,900) equity shares of EURO 1 each fully paid-up                         | 7.74                    | 7.74                    |
| -Sharda Hungary Kft<br>1 (31 March, 2023: 1) equity share of HUF 30,00,000 each fully paid-up                          | 7.23                    | 7.23                    |
| -Sharda Cropchem Espana, S.L.<br>61 (31 March, 2023: 61) equity shares of EURO 50 each fully paid                      | 2.59                    | 2.59                    |
| -Sharda Poland SP. ZO.O.<br>588 (31 March, 2023: 588) equity shares of PLN 50 each fully paid                          | 3.97                    | 3.97                    |
| -Sharda Taiwan Limited<br>10,000 (31 March, 2023: 10,000) equity shares of US\$ 10 each fully paid                     | 2.04                    | 2.04                    |
| Sharda Private (Thailand) Limited<br>8,300 (31 March, 2023: 8,300) equity shares of THB 100 each fully paid            | 17.29                   | 17.29                   |
| Sharda Private (Thailand) Limited<br>1,500 (31 March, 2023: 1,500) Preferential shares of THB 100 each fully paid      | 3.13                    | 3.13                    |
| -Sharda Cropchem Tunisia SARL<br>99 (31 March, 2023: 99) equity shares of EURO 10 each fully paid                      | 0.75                    | 0.75                    |
| -Sharda Maroc SARL<br>998 (31 March, 2023: 998) equity shares of EURO 10 each fully paid                               | 8.11                    | 8.11                    |
| <b>Total</b>   | <b>111.68</b>           | <b>111.68</b>           |

**Notes:**

a. Amount rounded off in Lakhs. The actual amount of investment is ₹ 206 (31 March, 2023: ₹ 206).

**Current investments**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Investments carried at fair value through statement of profit or loss (FVTPL)</b>                                      |                         |                         |
| <b>Investments in mutual funds (Unquoted)</b>   |                         |                         |
| -Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan<br>8,94,860 (31 March, 2023: 4,45,280) units of ₹ 10 each | 3,015.32                | 1,393.85                |
| Kotak Money Market Fund -Growth (Regular Plan)<br>65,567 (31 March, 2023: 14,729) units of ₹ 1,000 each                   | 2,682.24                | 560.18                  |
| Nippon India Money Market Fund (Growth Plan)<br>29,227 (31 March, 2023: 16,433) units of ₹ 1000 each                      | 1,104.55                | 577.23                  |
| -Union Corporate Bond Fund Regular Plan - Growth<br>24,72,526 (31 March, 2023: 24,72,526) units of ₹ 10 each              | 341.01                  | 318.53                  |
| -Union Medium Duration Fund - Regular Plan - Growth *<br>19,99,900 (31 March, 2023: 19,99,900) units of ₹ 10 each         | 233.74                  | 218.31                  |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| -Union Hybrid Equity Fund - Regular Plan - Growth<br>9,99,940 (31 March, 2023: 9,99,940) units of ₹ 10 each    | 158.89                  | 122.19                  |
| -Bandhan Ultra Short term Fund - Regular Plan - Growth<br>1,63,78,391 (31 March, 2023: Nil) units of ₹ 10 each | 2,278.32                | -                       |
| -ICICI Prudential - Equity Arbitrage - Growth<br>96,61,346 (31 March, 2023: Nil) units of ₹ 10 each            | 3,038.01                | -                       |
| -SBI Arbitrage Opportunities Fund GR<br>98,02,932 (31 March, 2023: Nil) units of ₹ 10 each                     | 3,037.79                | -                       |
| <b>Total</b>   | <b>15,889.87</b>        | <b>3,190.29</b>         |

\* Lien marked on the units of:

-Union Medium Duration Fund - Regular Plan - Growth for ₹ Nil (31 March, 2023: ₹ 218.31 Lakhs) and in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| Aggregate amount of unquoted investments                                      | 16,001.55               | 3,301.97                |
| Aggregate amount of quoted investments  | -                       | -                       |
| Investments carried at cost   | 111.68                  | 111.68                  |
| Investments carried at fair value through statement of profit or loss (FVTPL) | 15,889.87               | 3,190.29                |
| Investments impaired  | 544.00                  | 544.00                  |

## 6. LOANS

### Non-current

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>           |                         |                         |
| Loans to related party (Refer note 34 & 39) | 210.00                  | 220.00                  |
| <b>Total</b>                                | <b>210.00</b>           | <b>220.00</b>           |

## 7. OTHER FINANCIAL ASSETS

### Non-current

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>   |                         |                         |
| Security deposit  | 507.70                  | 507.70                  |
| 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>507.70</b>   | <b>507.70</b>           | <b>12,053.19</b>        |

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ Nil (31 March, 2023: ₹ 11,344.50 Lakhs) against credit facilities availed by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**Current**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>In fixed deposit accounts</b>   |                         |                         |
| with original maturity of more than three months but less than twelve months * | 12,235.41               | -                       |
| <b>Unsecured, considered good</b>  |                         |                         |
| Derivative instrument - foreign currency forward contracts (refer note 35)     | 14.20                   | 23.54                   |
| Interest accrued on fixed deposits with bank *                                 | -                       | 0.04                    |
| <b>Total</b>   | <b>12,249.61</b>        | <b>23.58</b>            |

\* Fixed Deposit includes accrued Interest of ₹ 688.63 Lakhs (31 March, 2023: ₹ Nil)

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 12,021.44 Lakhs (31 March, 2023: ₹ 0.04 Lakhs) against credit facilities availed by the Company.

**7A. OTHER ASSETS****Non-current**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                     |                         |                         |
| Goods and service tax receivable                      | 826.21                  | 838.75                  |
| Statutory dues receivable from government authorities | 384.35                  | 314.71                  |
| Export incentive receivable                           | 260.91                  | 324.03                  |
| <b>Total</b>  | <b>1,471.46</b>         | <b>1,477.49</b>         |

**Current**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                     |                         |                         |
| Advance to vendors for supply of goods and services   | 61.95                   | 204.32                  |
| Advance to subsidiary companies                       | -                       | 458.62                  |
| Right of recoveries against expected sales return     | 5,087.15                | 3,933.15                |
| Goods and service tax receivable                      | 1,141.63                | 2,084.60                |
| Statutory dues receivable from government authorities | 483.01                  | 564.12                  |
| Prepaid expenses                                      | 188.91                  | 325.55                  |
| <b>Total</b>  | <b>6,962.65</b>         | <b>7,570.36</b>         |

**8A. INCOME TAX ASSETS (NET)**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Advance tax [Net of provision for income tax of ₹ 46,230.93 Lakhs (31 March, 2023: ₹ 47,630.80 Lakhs)] | 7,028.92                | 7,084.51                |
| <b>Total</b>   | <b>7,028.92</b>         | <b>7,084.51</b>         |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**8B. TAX EXPENSE**

The major components of income tax expense for the years ended 31 March, 2024 and 31 March, 2023 are:

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

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| <b>Current income tax:</b>   |                                      |                                      |
| Current income tax charge  | 2,525.05                             | 6,972.90                             |
| Adjustments in respect of current income tax of earlier years            | 364.23                               | 227.83                               |
| <b>Deferred taxes:</b>   |                                      |                                      |
| Relating to origination and reversal of temporary differences            | 939.32                               | 1,455.20                             |
| <b>Income tax expense reported in the statement of Profit &amp; Loss</b> | <b>3,828.60</b>                      | <b>8,655.93</b>                      |

**Income tax (expense) / benefit recognised in OCI**

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

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Net (gain) / loss on remeasurement of defined employee benefit plans | 3.79                                 | (1.36)                               |
| <b>Total</b>   | <b>3.79</b>                          | <b>(1.36)</b>                        |

**Reconciliation of effective tax rate (ETR)**

|   | (₹ Lakhs)                            |                                      |
|---|--------------------------------------|--------------------------------------|
|   | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Profit from operations before income taxes                                    | 17,504.89                            | 41,130.18                            |
| Tax @ 25.168% (31 March, 2023: 25.168%) (Indian statutory income tax rate)    | 4,405.63                             | 10,351.64                            |
| Tax effect on income not taxable/taxable at different rates for tax purposes: |                                      |                                      |
| Adjustment of tax of earlier years  | (364.23)                             | (227.83)                             |
| Effect of deduction with respect to dividend income                           | 681.20                               | 1,362.40                             |
| Others  | 465.64                               | 884.89                               |
|   | <b>782.61</b>                        | <b>2,019.46</b>                      |
| Tax effect on non-deductible expenses for tax purposes:                       |                                      |                                      |
| Corporate social responsibility (CSR) expenditure                             | 204.65                               | 218.17                               |
| Others  | 0.93                                 | 105.58                               |
|   | <b>205.58</b>                        | <b>323.75</b>                        |
| <b>Income tax expense</b>   | <b>3,828.60</b>                      | <b>8,655.93</b>                      |

**Current tax liabilities (net)**

|   | (₹ Lakhs)                       |                                 |
|---|---------------------------------|---------------------------------|
|   | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
| <b>Other provisions</b>   |                                 |                                 |
| Provision for income tax [Net of advance tax ₹ 2,861.39 Lakhs (31 March, 2023: ₹ 5,590.99 Lakhs)] | -                               | 1,557.04                        |
| <b>Total</b>  | <b>-</b>                        | <b>1,557.04</b>                 |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**9. DEFERRED TAX LIABILITIES (NET)**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>Deferred tax assets on:</b>   |                         |                         |
| Provision for gratuity   | 38.96                   | 72.07                   |
| Provision for investment in subsidiary   | 124.47                  | 124.47                  |
| Lease liability  | 375.62                  | -                       |
| Provision for doubtful debts   | 570.13                  | 885.81                  |
| Provision for inventories  | 471.04                  | 403.82                  |
| Provision for Sales Return & Purchase Return (Net)   | 532.30                  | 459.54                  |
| Provision for Deferred Sales   | 255.74                  | 222.91                  |
| Others   | 24.65                   | 38.44                   |
| <b>Gross deferred tax assets</b>   | <b>2,392.91</b>         | <b>2,207.06</b>         |
| <b>Deferred tax liabilities on:</b>  |                         |                         |
| Tangible and intangible assets   | 17,180.06               | 16,510.82               |
| Lease assets   | 361.42                  | -                       |
| Unrealised gain / loss on investment carried at fair value through statement of profit and loss  | 129.94                  | 33.29                   |
| Unrealised gain / loss on derivative contract at fair value through statement of profit and loss | -                       | 5.93                    |
| <b>Gross deferred tax liabilities</b>  | <b>17,671.42</b>        | <b>16,550.04</b>        |
| <b>Net deferred tax (liabilities)</b>  | <b>(15,278.51)</b>      | <b>(14,342.98)</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, 2024 and 31 March, 2023**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>Net deferred tax (liabilities) at the beginning of the year</b> | (14,342.98)             | (12,886.42)             |
| (Charge) relating to temporary differences                         | (939.32)                | (1,455.20)              |
| Temporary differences on other comprehensive Income                | 3.79                    | (1.36)                  |
| <b>Net deferred tax (liabilities) at the end of the year</b>       | <b>(15,278.51)</b>      | <b>(14,342.98)</b>      |

**10. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Raw materials including packing materials [Stock in transit ₹ 2,243.95 Lakhs (31 March, 2023: ₹ 4,919.58 Lakhs)] | 27,777.53               | 37,120.27               |
| Finished Goods [Stock in transit ₹ 9,914.15 Lakhs (31 March, 2023: ₹ 4,946.21 Lakhs)]                            | 58,766.55               | 65,255.02               |
| Traded goods [Stock in transit ₹ 159.28 Lakhs (31 March, 2023: ₹ 285.15 Lakhs)]                                  | 2,878.59                | 3,626.85                |
| <b>Total</b>   | <b>89,422.68</b>        | <b>1,06,002.14</b>      |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

### 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 ₹ 12,220.54 Lakhs (31 March, 2023: ₹ 4,038.61 Lakhs)
- ii) Fund and non-fund based credit facilities availed by the Company from bank is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and trade receivables.

### 11. TRADE RECEIVABLES

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
|   |                         | (₹ Lakhs)               |
| - considered good - Unsecured             | 1,46,264.91             | 1,67,455.98             |
| - significant increase in credit risk     | 2,559.16                | 3,643.31                |
|   | 1,48,824.07             | 1,71,099.29             |
| Less: Allowances for credit losses        | (2,559.16)              | (3,643.31)              |
| <b>Total</b>                              | <b>1,46,264.91</b>      | <b>1,67,455.98</b>      |
| <b>Trade receivables includes :</b>       |                         |                         |
| Dues from related parties (refer note 34) | 51,443.83               | 46,572.30               |
| Others                                    | 94,821.08               | 1,20,883.68             |
| <b>Total</b>                              | <b>1,46,264.91</b>      | <b>1,67,455.98</b>      |

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

Fund and non-fund based credit facilities availed by the Company from bank is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and trade receivables.

### 12. CASH AND CASH EQUIVALENTS

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
|  |                         | (₹ Lakhs)               |
| Balances with banks<br>in current accounts | 3,281.66                | 8,392.31                |
| Cash on hand                               | 0.51                    | 0.72                    |
| <b>Total</b>                               | <b>3,282.17</b>         | <b>8,393.03</b>         |

### 13. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
|  |                         | (₹ Lakhs)               |
| <b>In fixed deposit accounts</b>   |                         |                         |
| with original maturity of more than three months but less than twelve months * | -                       | 7.48                    |
| In earmarked accounts  |                         |                         |
| Unpaid dividend accounts   | 57.53                   | 23.87                   |
| <b>Total</b>   | <b>57.53</b>            | <b>31.35</b>            |

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ Nil (31 March, 2023: ₹ 7.48 Lakhs) against credit facilities availed by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**14. EQUITY SHARE CAPITAL**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>Authorised share capital</b>  |                         |                         |
| 10,50,00,000 (31 March, 2023: 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, 2023: 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, 2024 |                 | As at 31 March, 2023 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | 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> |

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

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

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

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

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

| Name of the shareholder | As at 31 March, 2024 |                           | As at 31 March, 2023 |                           |
|-------------------------|----------------------|---------------------------|----------------------|---------------------------|
|                         | No. of Shares        | % holding<br>in the class | No. of Shares        | % holding<br>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 Mutual Fund        | 73,84,480            | 8.18%                     | 80,48,935            | 8.92%                     |
| <b>Total</b>            | <b>6,58,88,313</b>   | <b>73.04%</b>             | <b>6,65,52,768</b>   | <b>73.78%</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.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(d) Shareholding of Promoters:

| Shares held by promoters at the end of the year<br>Promoter's Name | As at 31 March, 2024 |                   | As at 31 March, 2023 |                   | % Change |
|--|----------------------|-------------------|----------------------|-------------------|----------|
|  | No. of Shares        | % of total shares | No. of Shares        | % of total shares |          |
| 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 M Bubna   | 45,00,000            | 4.99%             | 45,00,000            | 4.99%             | -        |

(e) In the period of five years, immediately preceding March, 2024

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<br>31 March, 2024 | Year ended<br>31 March, 2023 |
| <b>Cash dividend on equity shares declared:</b>   |                              |                              |
| Interim dividend on equity shares for the year ended 31 March, 2024: Nil (31 March, 2023: 3.00) per share | -                            | 2,706.61                     |
| <b>Proposed dividend on equity shares:</b>  |                              |                              |
| Final cash dividend for the year ended 31 March, 2024: 3.00 (31 March, 2023: 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, 2024: Nil (31 March, 2023: 3.00) per share | -                            | 2,706.61                     |
| Final 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                     |

15. OTHER EQUITY

|  | (₹ Lakhs)               |                         |
|--|-------------------------|-------------------------|
|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
| <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               | 1,86,897.20             | 1,59,832.12             |
| Add: Profit for the year                           | 13,676.29               | 32,474.25               |
| Add: Other comprehensive income / (loss)           | (11.26)                 | 4.06                    |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|                                       | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Less: Payment of dividends            | 2,706.61                | 5,413.23                |
| <b>Balance at the end of the year</b> | <b>1,97,855.62</b>      | <b>1,86,897.20</b>      |
| <b>Total</b>                          | <b>2,02,160.39</b>      | <b>1,91,201.97</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.

**16. TRADE PAYABLES**

**Current**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 41)*       | 694.66                  | 101.10                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises * |                         |                         |
| Related parties (refer note 34)  | 23.98                   | 15.71                   |
| Others   | 86,256.99               | 1,30,096.36             |
| <b>Total</b>   | <b>86,975.63</b>        | <b>1,30,213.17</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 revised schedule III for 31 March, 2024

(₹ Lakhs)

|                       | Not Yet Due | Upto 1 year | 1-2 years | 2-3 years | more than<br>3 years | Total            |
|-----------------------|-------------|-------------|-----------|-----------|----------------------|------------------|
| <b>Trade payables</b> |             |             |           |           |                      |                  |
| MSME                  | 114.30      | 575.74      | 4.62      | -         | -                    | 694.66           |
| Other                 | 59,238.88   | 26,490.14   | 548.33    | 3.61      | -                    | 86,280.96        |
| Disputed dues - MSME  | -           | -           | -         | -         | -                    | -                |
| Disputed Dues- Others | -           | -           | -         | -         | -                    | -                |
| <b>Total</b>          |             |             |           |           |                      | <b>86,975.63</b> |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (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                  | -           | 101.10      | -         | -         | -                 | 101.10             |
| Other                 | 85,233.42   | 44,077.17   | 456.84    | 40.08     | 304.56            | 1,30,112.07        |
| Disputed dues - MSME  | -           | -           | -         | -         | -                 | -                  |
| Disputed Dues- Others | -           | -           | -         | -         | -                 | -                  |
| <b>Total</b>          |             |             |           |           |                   | <b>1,30,213.17</b> |

**17. OTHER FINANCIAL LIABILITIES**

**Non-current**

(₹ Lakhs)

|                                 | As at 31 March, 2024 | As at 31 March, 2023 |
|---------------------------------|----------------------|----------------------|
| Creditors for capital purchases | 5,838.00             | 172.56               |
| <b>Total</b>                    | <b>5,838.00</b>      | <b>172.56</b>        |

**Current**

(₹ Lakhs)

|                                   | As at 31 March, 2024 | As at 31 March, 2023 |
|-----------------------------------|----------------------|----------------------|
| Unclaimed dividend*               | 57.53                | 23.87                |
| Creditors for capital purchases # | 49,193.24            | 42,035.63            |
| Directors commission              | 493.76               | 602.23               |
| Salaries and bonus                | 430.90               | 401.39               |
| <b>Total</b>                      | <b>50,175.43</b>     | <b>43,063.12</b>     |

\*An amount of ₹ 1.13 lakhs & 0.46 lakhs (31 March, 2023: ₹ 0.25 lakhs) has been transferred on 10 April, 2023 & December 06, 2023 to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013.

# Includes principal amount ₹ 1,122.83 Lakhs (31 March, 2023: ₹ 993.42 Lakhs) and interest due thereon ₹ Nil (31 March, 2023: ₹ 52.13 Lakhs) remaining unpaid to micro enterprises and small enterprises.

**18. PROVISIONS**

**Non-current**

(₹ Lakhs)

|  | As at 31 March, 2024 | As at 31 March, 2023 |
|--|----------------------|----------------------|
| <b>Employee benefits obligation</b>    |                      |                      |
| Provision for gratuity (refer note 29) | 114.46               | 252.93               |
| <b>Total</b>                           | <b>114.46</b>        | <b>252.93</b>        |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**Current**

(₹ Lakhs)

|  | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Provision for gratuity (refer note 29) | 40.32                           | 33.43                           |
| Provision for compensated absences     | 65.70                           | 52.62                           |
| Expected return from customers         | 7,209.69                        | 5,760.03                        |
| <b>Total</b>                           | <b>7,315.71</b>                 | <b>5,846.08</b>                 |

**19. OTHER CURRENT LIABILITIES**

(₹ Lakhs)

|   | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---|---------------------------------|---------------------------------|
| Advance from customers (refer note 33)  | 541.50                          | 283.90                          |
| Reward scheme liability   | 1,813.84                        | 1,635.47                        |
| Book overdraft  | 371.55                          | 766.61                          |
| Statutory liabilities (including provident fund, tax deducted at source and others) | 1,420.82                        | 2,429.11                        |
| <b>Total</b>  | <b>4,147.71</b>                 | <b>5,115.09</b>                 |

**20. REVENUE FROM OPERATIONS**

(₹ Lakhs)

|                               | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|-------------------------------|--------------------------------------|--------------------------------------|
| Sale of goods (refer note 33) | 2,60,001.09                          | 3,30,783.33                          |
| Other operating revenue       |                                      |                                      |
| Export incentives             | 227.54                               | 273.96                               |
| Miscellaneous receipts        | 38.05                                | 216.01                               |
| <b>Total</b>                  | <b>2,60,266.68</b>                   | <b>3,31,273.30</b>                   |

**21. OTHER INCOME**

(₹ Lakhs)

|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|--|--------------------------------------|--------------------------------------|
| Interest income on   |                                      |                                      |
| Bank deposits carried at amortised cost  | 883.58                               | 444.81                               |
| Loan to subsidiary   | 9.59                                 | 10.77                                |
| Loan to party  | -                                    | 1.43                                 |
| Delay payment from customer  | 453.20                               | -                                    |
| Bonds  | -                                    | 37.92                                |
| Reversal of doubtful debts   | 1,254.28                             | -                                    |
| Dividend received on investments   |                                      |                                      |
| On investment in subsidiary  | 21,478.96                            | 13,885.28                            |
| Profit on disposal of property, plant and equipment                            | -                                    | 5.45                                 |
| Liabilities / provisions no longer required written back                       | 2,123.82                             | 1,185.29                             |
| Liabilities no longer required written back on creditors for capital purchases | 475.59                               | 203.70                               |
| Profit on sale of mutual funds   | 15.53                                | 1,582.11                             |
| Gain on financial instruments at fair value (Mutual fund)                      | 384.04                               | -                                    |
| <b>Total</b>   | <b>27,078.59</b>                     | <b>17,356.76</b>                     |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**22. COST OF MATERIALS CONSUMED**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Inventory at the beginning of the year | 37,120.27                    | 44,442.60                    |
| Add: Purchases                         | 1,39,030.76                  | 1,47,847.02                  |
|  | 1,76,151.03                  | 1,92,289.62                  |
| Less: Inventory at the end of the year | (27,777.53)                  | (37,120.27)                  |
| <b>Total</b>                           | <b>1,48,373.50</b>           | <b>1,55,169.35</b>           |

**Purchase of traded goods**

(₹ Lakhs)

|                   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|-------------------|------------------------------|------------------------------|
| Agrochemicals     | 39,648.81                    | 1,08,913.01                  |
| Non-agrochemicals | 19.12                        | -                            |
| <b>Total</b>      | <b>39,667.93</b>             | <b>1,08,913.01</b>           |

**23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Inventories at the end of the year                                 |                              |                              |
| Stock in trade   | 2,878.59                     | 3,626.85                     |
| Finished goods   | 58,766.55                    | 65,255.02                    |
| <b>Total</b>   | <b>61,645.14</b>             | <b>68,881.87</b>             |
| Inventories at the beginning 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>             |
| <b>Changes in inventories of finished goods and stock in trade</b> | <b>7,236.73</b>              | <b>(30,332.68)</b>           |

**24. EMPLOYEE BENEFIT EXPENSES**

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus                                 | 3,298.76                     | 3,651.09                     |
| Contribution to provident and other funds (refer note 29) | 4.48                         | 4.89                         |
| Gratuity expenses (refer note 29)                         | 53.38                        | 49.16                        |
| Staff welfare expenses                                    | 7.90                         | 7.86                         |
| <b>Total</b>  | <b>3,364.52</b>              | <b>3,713.00</b>              |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**25. FINANCE COSTS**

(₹ Lakhs)

|                                   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| Interest expenses on              |                              |                              |
| Borrowing from bank               | 9.25                         | 60.43                        |
| Income tax                        | -                            | 225.50                       |
| Lease liabilities                 | 148.41                       | 50.31                        |
| Delayed payment of statutory dues | 3.70                         | 0.46                         |
| Others*                           | 8.22                         | 50.21                        |
| <b>Total</b>                      | <b>169.58</b>                | <b>386.91</b>                |

\* Finance cost - others is relating to interest to MSME vendors.

**26. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment (refer note 3A) | 159.86                       | 227.39                       |
| Depreciation of right-of-use asset (refer note 3B)            | 718.02                       | 769.36                       |
| Amortisation of intangible assets (refer note 4)              | 25,829.95                    | 23,809.71                    |
| <b>Total</b>  | <b>26,707.83</b>             | <b>24,806.46</b>             |

**27. OTHER EXPENSES**

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| Freight and forwarding expenses                         | 6,486.76                     | 7,441.97                     |
| Rates and taxes   | 726.30                       | 339.26                       |
| Insurance charges                                       | 1,436.50                     | 946.17                       |
| Repairs and maintenance                                 |                              |                              |
| Buildings   | 1.65                         | 0.48                         |
| Others  | 34.62                        | 29.87                        |
| Advertising and sales promotion                         | 1,210.13                     | 534.09                       |
| Sales commission  | 453.40                       | 830.62                       |
| Travelling and conveyance                               | 754.58                       | 570.99                       |
| Communication expenses                                  | 51.81                        | 58.69                        |
| Office expenses   | 951.97                       | 994.32                       |
| Legal and professional fees                             | 25,485.29                    | 20,471.17                    |
| Directors sitting fees                                  | 22.05                        | 12.90                        |
| Corporate social responsibility expense (refer note 42) | 810.72                       | 866.15                       |
| Donation  | 2.41                         | 0.70                         |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Payment to auditor (refer note 'a' below)  | 87.73                        | 64.85                        |
| Bad debts  | 24.69                        | 663.19                       |
| Provision for diminution in shares   | -                            | 2.82                         |
| Allowance for doubtful debts (net)   | -                            | 1,784.96                     |
| Bank charges   | 1,912.85                     | 1,436.92                     |
| Discard / write-off of intangible assets and intangible assets under development | 3,486.36                     | 1,194.12                     |
| Miscellaneous expenses   | 144.05                       | 36.53                        |
| Loss on sale of bond   | -                            | 7.50                         |
| Loss on financial instruments at fair value (Mutual fund)                        | -                            | 1,368.55                     |
| Foreign exchange (gain) / loss (net)   | 236.42                       | 5,187.01                     |
| <b>Total</b>   | <b>44,320.29</b>             | <b>44,843.83</b>             |

**Note a:**

**Details of payment to auditor :**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| As auditors  |                              |                              |
| Audit fees (₹ 11.00 Lakhs relating to previous year) | 71.87                        | 49.00                        |
| Reimbursement of expense                             | 8.20                         | 5.17                         |
| In other capacities                                  |                              |                              |
| Other services - certification                       | 7.66                         | 10.68                        |
| <b>Total</b>   | <b>87.73</b>                 | <b>64.85</b>                 |

**28. EARNINGS PER SHARE (EPS)**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Profit after tax attributable to equity shareholders (₹ lakhs)       | 13,676.29                    | 32,474.25                    |
| 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 (₹)                             | 15.16                        | 35.99                        |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**29. EMPLOYEE BENEFITS - EMPLOYMENT BENEFIT PLANS**

**a) Defined contribution plans**

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

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

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Contribution to employees provident fund | 3.03                    | 3.58                    |
| Contribution to ESI                      | 1.45                    | 1.31                    |
|  | <b>4.48</b>             | <b>4.89</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<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Changes in benefit obligations</b>                               |                         |                         |
| Benefit obligations at the beginning of the year                    | 370.27                  | 349.38                  |
| Current service cost  | 33.43                   | 33.35                   |
| Interest cost   | 24.49                   | 22.05                   |
| Actuarial (gains) / losses  | 21.08                   | (6.91)                  |
| Benefits paid   | (12.78)                 | (27.60)                 |
| <b>Benefit obligations at the end of the year</b>                   | <b>436.47</b>           | <b>370.27</b>           |
| <b>Change in plan assets</b>  |                         |                         |
| Fair value of plan assets at the beginning of the year              | 83.91                   | 106.77                  |
| Return on plan assets excluding amounts included in interest income | 10.56                   | 4.74                    |
| Contributions   | 200.00                  | -                       |
| Benefits paid   | (12.78)                 | (27.60)                 |
| <b>Fair value of plan assets at the end of the year</b>             | <b>281.69</b>           | <b>83.91</b>            |
| <b>Net benefit obligation at the end of the year</b>                | <b>154.78</b>           | <b>286.36</b>           |

(₹ Lakhs)

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

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Current service cost   | 33.43                        | 33.35                        |
| Net interest cost  | 19.95                        | 15.81                        |
| <b>Net gratuity cost charged to statement of profit and loss</b> | <b>53.38</b>                 | <b>49.16</b>                 |

(₹ Lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**Amounts recognised in Statement of Other Comprehensive Income**

(₹ Lakhs)

|   | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---|---------------------------------|---------------------------------|
| <b>Remeasurements of the net defined benefit liability / (asset)</b>          |                                 |                                 |
| Actuarial (gains) / losses  | 21.08                           | (6.91)                          |
| (Return) / loss on plan assets excluding amounts included in the net interest | (6.03)                          | 1.49                            |
|   | <b>15.05</b>                    | <b>(5.42)</b>                   |

**Plan assets comprise of the following**

|                     | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---------------------|---------------------------------|---------------------------------|
| Policy of Insurance | 100%                            | 100%                            |

**Actuarial assumptions as at the Balance Sheet date:**

|   | <b>Year ended<br/>31 March, 2024</b>           | <b>Year ended<br/>31 March, 2023</b>        |
|---|--|---|
| Discount rate                                       | 7.20%  | 7.40%                                       |
| Expected rate of salary increase (p.a.)             | 8.00%  | 6.50%                                       |
| Mortality table                                     | Indian Assured<br>Lives Mortality<br>(2006-08) | Indian Assured Lives<br>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<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--------------|---------------------------------|---------------------------------|
| Year 1       | 91.24                           | 78.74                           |
| Year 2       | 23.15                           | 26.75                           |
| Year 3       | 26.62                           | 20.22                           |
| Year 4       | 43.44                           | 22.29                           |
| Year 5       | 57.63                           | 39.28                           |
| Year 6 to 10 | 148.29                          | 150.69                          |

**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)

|  | <b>31 March, 2024</b> |                 | <b>31 March, 2023</b> |                 |
|--|-----------------------|-----------------|-----------------------|-----------------|
|  | <b>Increase</b>       | <b>Decrease</b> | <b>Increase</b>       | <b>Decrease</b> |
| Discount rate varied by 0.5%             | 420.07                | 454.17          | 356.55                | 385.05          |
| Future salary growth rate varied by 0.5% | 442.86                | 430.37          | 376.44                | 363.99          |
| Withdrawal rate varied by 10%            | 441.01                | 431.54          | 374.47                | 365.80          |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

### 30. CAPITAL AND OTHER COMMITMENTS

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account not provided for (Net of capital advances, if any) | 22,924.16               | 30,388.25               |

### 31. CONTINGENT LIABILITIES

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Income tax matters (refer note (i) below)  | 14,560.00               | 6,703.71                |
| Service tax matter (refer note (ii) below) | -                       | 785.14                  |
| <b>Total</b>                               | <b>14,560.00</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 FY 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) In respect of service tax matter, CESTAT has passed order in favour of the company in the month of July 2023, against said order the department has preferred an appeal before the High Court, Mumbai. The Company does not expect the outcome of the matter stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.

### 32. SEGMENT INFORMATION

The consolidated financial statements of the Company contains segment information as per IND AS 108 - Operating Segments accordingly separate information is not included in the Standalone financial statement.

### 33. REVENUE FROM CONTRACTS WITH CUSTOMER (IND AS 115)

The Company is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts / sheets, dyes and dye intermediates to various countries across the world. The revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The Company, however, has a policy for replacement of the damaged goods.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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

(₹ Lakhs)

|   | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---|---------------------------------|---------------------------------|
| Opening contract liability                          | 283.90                          | 392.15                          |
| Add: Addition to contract liability during the year | 4,273.60                        | 7,081.17                        |
| Less: Recognised as revenue during the year         | (3,890.71)                      | (6,668.06)                      |
| Less: Other adjustments                             | (125.29)                        | (521.36)                        |
| <b>Closing contract liability</b>                   | <b>541.50</b>                   | <b>283.90</b>                   |

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

(₹ Lakhs)

|   | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|---|--------------------------------------|--------------------------------------|
| Revenue from contract with customer as per contract price | 2,88,710.19                          | 3,57,327.02                          |
| Less: Discounts and incentives                            | (9,014.71)                           | (2,760.47)                           |
| Less: Sales returns / credits / reversals                 | (19,691.29)                          | (23,707.13)                          |
| Less: Other adjustments                                   | (3.10)                               | (76.09)                              |
| <b>Total</b>  | <b>2,60,001.09</b>                   | <b>3,30,783.33</b>                   |

**C) Disaggregation of revenue from contract with customers**

(₹ Lakhs)

|                          | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|--------------------------|--------------------------------------|--------------------------------------|
| <b>Agrochemicals</b>     |                                      |                                      |
| Europe                   | 1,47,070.36                          | 1,78,403.56                          |
| Latin America            | 15,481.79                            | 23,885.01                            |
| North America            | 81,894.57                            | 1,08,316.43                          |
| Rest of the world        | 15,525.39                            | 20,057.37                            |
| <b>Total (A)</b>         | <b>2,59,972.11</b>                   | <b>3,30,662.37</b>                   |
| <b>Non-agrochemicals</b> |                                      |                                      |
| North America            | 29.58                                | 39.37                                |
| Rest of the world        | (0.60)                               | 81.59                                |
| <b>Total (B)</b>         | <b>28.98</b>                         | <b>120.96</b>                        |
| <b>Total (A)+(B)</b>     | <b>2,60,001.09</b>                   | <b>3,30,783.33</b>                   |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**34. RELATED PARTY TRANSACTIONS**

**(A) Names of related parties and their relationship**

**(a) Name of subsidiaries**

|   | Place of business/<br>country of incorporation | Ownership interest held by the Company |                              |
|---|--|--|------------------------------|
|   |  | Year ended<br>31 March, 2024           | Year ended<br>31 March, 2023 |
|   |  | %                                      | %                            |
| Axis Crop Science Private Limited                                   | India  | 100.00                                 | 100.00                       |
| Sharda Peru SAC   | Peru   | 99.95                                  | 99.95                        |
| Sharda Del Ecuador CIA. Ltda.                                       | Ecuador  | 99.50                                  | 99.50                        |
| Sharda 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 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                        |
| 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   | UK   | 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) Ltd                               | South Africa                                   | 100.00                                 | 100.00                       |
| Sharda Bolivia SRL  | Bolivia  | 99.00                                  | 99.00                        |
| Sharda Colombia S.A.S.  | Colombia                                       | 99.48                                  | 99.48                        |
| Sharda Europe BVBA  | Belgium  | 100.00                                 | 100.00                       |
| Sharda De Mexico S. De RL DE CV                                     | Mexico   | 99.99                                  | 99.99                        |
| Sharpar S.A.  | Paraguay                                       | 90.00                                  | 90.00                        |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**

**Note:**

- a. 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.
- b. 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 March 17, 2021, the Company has gained 100% control over Sharda Impex Trading LLC as the other shareholders shall not be entitled to participate in the profits / losses of the said Company and do not have any decision making powers as well. Thus, the said Company has been treated as a subsidiary Company w.e.f. March 17, 2021 in the consolidated financial results of the Company for the year ended 31 March, 2021 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.

**(b) Key Managerial personnel and their relatives**

|  |                                 |
|--|---------------------------------|
| Mr Ramprakash V. Bubna                                       | Chairman & Managing Director    |
| Mrs Sharda R. Bubna  | Whole-time Director             |
| Mr Ashish R. Bubna   | Whole-time Director             |
| Mr Manish R. Bubna   | Whole-time Director             |
| Mrs Seema A. Bubna   | Relative of Whole-time Director |
| Mrs Anisha M. Bubna  | Relative of Whole-time Director |
| Ms Kevika A. Bubna   | Relative of Whole-time Director |
| Mr Purav M. Bubna  | Relative 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 Kumar Vashisht (till 07 June, 2023)                 | Chief Financial Officer         |
| Mr Shailesh A. Mehendale (with effect from 06 December 2023) | 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.

**(B) Transactions during the year**

**(a) Key managerial personnel compensation:**

|                               | (₹ Lakhs)                            |                                      |
|-------------------------------|--------------------------------------|--------------------------------------|
|                               | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Short- term employee benefits | 1,280.55                             | 1,722.41                             |
| Post-employment benefits      | 2.67                                 | 2.62                                 |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(b) With subsidiaries:

|   | (₹ Lakhs)                    |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
| <b>Repayment of principal</b>                     |                              |                              |
| Axis Crop Science Private Limited*                | 10.00                        | 52.00                        |
| <b>Interest received</b>                          |                              |                              |
| Axis Crop Science Private Limited*                | 9.59                         | 10.77                        |
| <b>Interest income / accrual</b>                  |                              |                              |
| Axis Crop Science Private Limited                 | 9.59                         | 10.77                        |
| <b>Sale of finished goods</b>                     |                              |                              |
| Sharda Cropchem Espana, S.L.                      | 25,589.98                    | 27,036.62                    |
| Sharda Hungary Kft                                | 6,924.09                     | 12,961.08                    |
| Sharda De Mexico S. De RL DE CV                   | 9,406.64                     | 5,071.50                     |
| Sharda Poland SP.ZO.O                             | 16,964.82                    | 27,090.53                    |
| Sharda International Africa (PTY) Ltd             | 3,495.17                     | 3,295.19                     |
| Sharda Colombia S.A.S                             | 1,118.53                     | 327.48                       |
| Sharda Italia SRL                                 | 10,546.28                    | 11,575.61                    |
| Sharda Private (Thailand) Limited                 | 539.59                       | 527.56                       |
| Sharda Maroc Sarl                                 | 468.43                       | 1,145.46                     |
| <b>Dividend received</b>                          |                              |                              |
| Sharda International DMCC                         | 21,098.48                    | 13,135.35                    |
| Sharda Cropchem Espana, S.L.                      | 380.48                       | 749.93                       |
| <b>Purchase of finished goods</b>                 |                              |                              |
| Sharda Cropchem Espana, S.L.                      | -                            | 235.14                       |
| Sharda De Mexico S. De RL DE CV                   | 564.46                       | 261.87                       |
| <b>Reimbursement of (income) / expenses (net)</b> |                              |                              |
| Sharda International DMCC                         | 86.36                        | (7.58)                       |
| <b>Custodian charges</b>                          |                              |                              |
| Shardaserb D.O.O.                                 | -                            | 14.97                        |
| Sharda Peru SAC                                   | 65.59                        | 30.19                        |
| Sharda Del Ecuador CIA. Ltda.                     | 74.15                        | 46.77                        |
| Sharda Ukraine LLC                                | -                            | 7.09                         |
| Euroazijski Pesticidi D.O.O.                      | 33.93                        | 88.90                        |
| Sharda Bolivia SRL                                | 88.58                        | 19.94                        |
| Sharda Europe BVBA                                | 3.98                         | -                            |
| Sharda Benelux SRL                                | 0.35                         | -                            |
| <b>Consultancy for registration</b>               |                              |                              |
| Shardaserb D.O.O.                                 | 16.64                        | 12.18                        |
| Sharda Peru SAC                                   | -                            | 4.61                         |
| Sharda Del Ecuador CIA. Ltda.                     | -                            | 0.95                         |
| Euroazijski Pesticidi D.O.O.                      | -                            | 32.60                        |
| <b>Office Expenses-Representative</b>             |                              |                              |
| Sharda Peru SAC                                   | -                            | 2.42                         |
| Sharda Del Ecuador CIA. Ltda.                     | -                            | 6.62                         |
| Sharda Ukraine LLC                                | 9.49                         | 2.22                         |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|                               | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|-------------------------------|------------------------------|------------------------------|
| <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. Ltda. | -                            | 1.51                         |
| <b>Bank Charges</b>           |                              |                              |
| Sharda Peru SAC               | 0.00                         | 0.06                         |

\* 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.

**(c) With Key managerial personnel and their Relatives**

(₹ Lakhs)

|                          | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--------------------------|------------------------------|------------------------------|
| Rent paid                | 810.00                       | 564.00                       |
| Remuneration             | 678.32                       | 670.59                       |
| Director's Sitting Fees  | 22.05                        | 12.90                        |
| Directors' commission    | 602.23                       | 1,051.82                     |
| Dividend paid            | 2,025.11                     | 4,050.24                     |
| Post-employment benefits | 2.67                         | 2.62                         |

**(d) With Enterprises owned or significantly influenced by key managerial personnel or their relatives**

(₹ Lakhs)

|                                | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--------------------------------|------------------------------|------------------------------|
| <b>Donations Paid to:</b>      |                              |                              |
| Jankidevi Bilasrai Bubna Trust | 28.00                        | 19.00                        |

**(C) Outstanding balance as at Balance Sheet date**

(₹ Lakhs)

|                                       | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---------------------------------------|------------------------------|------------------------------|
| <b>Loan given to subsidiaries</b>     |                              |                              |
| Axis Crop Science Private Limited     | 210.00                       | 220.00                       |
| <b>Trade receivables</b>              |                              |                              |
| Sharda De Mexico S. De RL DE CV       | 7,843.34                     | 4,999.63                     |
| Sharda Cropchem Espana, S. L.         | 10,689.51                    | 8,827.60                     |
| Sharda Colombia S.A.S                 | 961.59                       | 182.22                       |
| Sharda Poland SP.ZO.O                 | 16,985.74                    | 17,455.59                    |
| Sharda Hungary KFT                    | 2,802.20                     | 5,587.04                     |
| Sharda International Africa (PTY) Ltd | 2,590.52                     | 1,770.62                     |
| Sharda Italia SRL                     | 9,040.62                     | 7,158.79                     |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Sharda Private (Thailand) Limited                                  | 73.66                        | -                            |
| Sharda Maroc Sarl  | 456.65                       | 590.82                       |
| <b>Trade payables</b>  |                              |                              |
| Euroazijski Pesticidi D.O.O.                                       | -                            | 9.16                         |
| Sharda Del Ecuador CIA. Ltda.                                      | -                            | 5.41                         |
| Sharda Peru SAC  | 2.39                         | 1.14                         |
| Sharda Europe BVBA   | 0.89                         | -                            |
| Sharda Bolivia Srl   | 11.32                        | -                            |
| Shardaserb D.O.O.  | 9.37                         | -                            |
| <b>Advance to vendors for supply of goods and services</b>         |                              |                              |
| Sharda De Mexico S. De RL DE CV                                    | -                            | 458.62                       |
| <b>Directors commission payable</b>                                | 493.76                       | 602.23                       |
| <b>Salary Payable to KMP and their relatives</b>                   | 8.92                         | 7.44                         |
| <b>Post-employment benefits Payable to KMP and their relatives</b> | 68.01                        | 69.62                        |

**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.

**35. HEDGING ACTIVITIES AND DERIVATIVES**

**Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

| Nature of instrument   | Foreign currency | As at 31 March, 2024 |                  | As at 31 March, 2023 |                  |
|------------------------|------------------|----------------------|------------------|----------------------|------------------|
|                        |                  | Amount (FC Mn.)      | Amount (₹ Lakhs) | Amount (FC Mn.)      | Amount (₹ Lakhs) |
| Forward contract- Sell | US\$ to ₹        | 2.00                 | 1,669.49         | 4.50                 | 3,830.16         |
|                        | EUR to US\$      | 1.00                 | 929.25           | 3.80                 | 3,383.35         |
|                        | EUR to ₹         | -                    | -                | 1.50                 | 1,329.26         |
|                        | CAD to US\$      | -                    | -                | 0.20                 | 121.39           |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**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, 2024

(₹ 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, 2024    | -                | -        | 111.68             | -          | -                | 111.68             | 111.68             |
| Loans   | 31 March, 2024    | -                | -        | 210.00             | -          | -                | 210.00             | 210.00             |
| Other financial assets  | 31 March, 2024    | -                | -        | 507.70             | -          | -                | 507.70             | 507.70             |
| <b>Current</b>  |                   |                  |          |                    |            |                  |                    |                    |
| Investment in mutual funds                                    | 31 March, 2024    | 15,889.87        | -        | -                  | -          | 15,889.87        | -                  | 15,889.87          |
| Trade receivables   | 31 March, 2024    | -                | -        | 1,46,264.91        | -          | -                | 1,46,264.91        | 1,46,264.91        |
| Cash and cash equivalents                                     | 31 March, 2024    | -                | -        | 3,282.17           | -          | -                | 3,282.17           | 3,282.17           |
| Bank balance other than cash and cash equivalents             | 31 March, 2024    | -                | -        | 57.53              | -          | -                | 57.53              | 57.53              |
| Derivative financial assets                                   | 31 March, 2024    | 14.20            | -        | -                  | -          | 14.20            | -                  | 14.20              |
| Other financial assets other than derivative financial assets | 31 March, 2024    | -                | -        | 12,235.41          |            |                  | 12,235.41          | 12,235.41          |
| <b>Total Financial Assets</b>                                 |                   | <b>15,904.07</b> | <b>-</b> | <b>1,62,669.40</b> | <b>-</b>   | <b>15,904.07</b> | <b>1,62,669.40</b> | <b>1,78,573.47</b> |
| <b>Financial liabilities</b>                                  |                   |                  |          |                    |            |                  |                    |                    |
| <b>Non current</b>  |                   |                  |          |                    |            |                  |                    |                    |
| Lease liabilities   | 31 March, 2024    | -                | -        | 775.97             | -          | -                | 775.97             | 775.97             |
| Other financial liabilities other than lease liabilities      | 31 March, 2024    | -                | -        | 5,838.00           | -          | -                | 5,838.00           | 5,838.00           |
| <b>Current</b>  |                   |                  |          |                    |            |                  |                    |                    |
| Trade payables  | 31 March, 2024    | -                | -        | 86,975.63          | -          | -                | 86,975.63          | 86,975.63          |
| Lease liabilities   | 31 March, 2024    | -                | -        | 716.50             | -          | -                | 716.50             | 716.50             |
| Other financial liabilities other than lease liabilities      | 31 March, 2024    | -                | -        | 50,175.43          | -          | -                | 50,175.43          | 50,175.43          |
| <b>Total Financial liabilities</b>                            |                   | <b>-</b>         | <b>-</b> | <b>1,44,481.52</b> | <b>-</b>   | <b>-</b>         | <b>1,44,481.52</b> | <b>1,44,481.52</b> |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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             | -          | -               | 111.68             | 111.68             |
| Loans   | 31 March, 2023    | -               | -        | 220.00             | -          | -               | 220.00             | 220.00             |
| Other financial assets  | 31 March, 2023    | -               | -        | 12,053.19          | -          | -               | 12,053.19          | 12,053.19          |
| <b>Current</b>  |                   |                 |          |                    |            |                 |                    |                    |
| 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        | -          | -               | 1,67,455.98        | 1,67,455.98        |
| Cash and cash equivalents                                     | 31 March, 2023    | -               | -        | 8,393.03           | -          | -               | 8,393.03           | 8,393.03           |
| Bank balance other than cash and cash equivalents             | 31 March, 2023    | -               | -        | 31.35              | -          | -               | 31.35              | 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           | -          | -               | 2,648.76           | 2,648.76           |
| <b>Total Financial Assets</b>                                 |                   | <b>3,213.83</b> | <b>-</b> | <b>1,90,913.99</b> | <b>-</b>   | <b>3,213.83</b> | <b>1,90,913.99</b> | <b>1,94,127.82</b> |
| <b>Financial liabilities</b>                                  |                   |                 |          |                    |            |                 |                    |                    |
| <b>Non current</b>  |                   |                 |          |                    |            |                 |                    |                    |
| Other financial liabilities other than lease liabilities      | 31 March, 2023    | -               | -        | 172.56             | -          | -               | 172.56             | 172.56             |
| <b>Current</b>  |                   |                 |          |                    |            |                 |                    |                    |
| Trade payables  | 31 March, 2023    | -               | -        | 1,30,213.17        | -          | -               | 1,30,213.17        | 1,30,213.17        |
| Other financial liabilities other than lease liabilities      | 31 March, 2023    | -               | -        | 43,063.12          | -          | -               | 43,063.12          | 43,063.12          |
| <b>Total Financial liabilities</b>                            |                   | <b>-</b>        | <b>-</b> | <b>1,73,448.85</b> | <b>-</b>   | <b>-</b>        | <b>1,73,448.85</b> | <b>1,73,448.85</b> |

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial liabilities 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

### 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  |

### 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).



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Nature of instrument                   | Foreign currency | As at 31 March, 2024 |                  | As at 31 March, 2023 |                  |
|--|------------------|----------------------|------------------|----------------------|------------------|
|  |                  | Amount (FCY Mn.)     | Amount (₹ Lakhs) | Amount (FC Mn.)      | Amount (₹ Lakhs) |
| <b>Unhedged currency exposure on:-</b> |                  |                      |                  |                      |                  |
| <b>a) Receivables</b>                  | <b>US\$</b>      | 47.12                | 39,300.90        | 56.80                | 46,672.95        |
|  | <b>EUR</b>       | 97.41                | 87,637.73        | 94.69                | 84,279.53        |
|  | <b>HUF</b>       | 1,108.20             | 2,529.47         | 2,217.07             | 5,205.01         |
|  | <b>CZK</b>       | 46.46                | 1,655.26         | 76.27                | 2,894.41         |
|  | <b>PLN</b>       | 12.74                | 2,664.39         | 24.90                | 4,750.60         |
|  | <b>MXN</b>       | 70.24                | 3,524.96         | 50.04                | 2,284.22         |
|  | <b>GBP</b>       | 1.59                 | 1,670.39         | 2.92                 | 2,962.26         |
|  | <b>CAD</b>       | 7.14                 | 4,401.14         | 28.32                | 17,222.32        |
|  | <b>COP</b>       | 4,468.34             | 961.59           | 1,030.05             | 182.22           |
|  | <b>ZAR</b>       | 53.02                | 2,336.49         | 29.48                | 1,363.37         |
|  | <b>HRK</b>       | -                    | -                | 0.29                 | 34.91            |
| <b>b) Payables</b>                     | <b>US\$</b>      | 129.57               | 1,08,049.02      | 147.60               | 1,21,286.94      |
|  | <b>EUR</b>       | 27.96                | 25,150.25        | 42.11                | 37,482.17        |
|  | <b>HUF</b>       | 554.98               | 1,266.74         | 641.34               | 1,505.68         |
|  | <b>CZK</b>       | (0.08)               | (2.78)           | 0.93                 | 35.42            |
|  | <b>PLN</b>       | 1.36                 | 285.12           | 3.84                 | 732.15           |
|  | <b>CHF</b>       | 0.08                 | 72.93            | 0.09                 | 78.32            |
|  |                  | 0.43                 | 453.88           | 0.56                 | 563.03           |
|  | <b>PHP</b>       | 0.15                 | 2.29             | 0.11                 | 1.64             |
|  | <b>CAD</b>       | 0.68                 | 409.01           | 1.40                 | 848.68           |
|  | <b>ZAR</b>       | 0.86                 | 38.08            | 0.22                 | 10.18            |
|  | <b>JPY</b>       | 7.72                 | 42.53            | 4.11                 | 25.47            |
|  | <b>AUD</b>       | 0.00                 | 0.66             | -                    | -                |
|  | <b>MXN</b>       | -                    | -                | 0.05                 | 2.27             |
|  | <b>HRK</b>       | -                    | -                | 0.00                 | 0.01             |
| <b>b) Balance in EEFC Accounts</b>     | <b>US\$</b>      | 1.31                 | 1,096.58         | 3.13                 | 2,570.36         |
|  | <b>EUR</b>       | 2.29                 | 2,062.93         | 5.38                 | 4,785.95         |
|  | <b>CAD</b>       | 0.16                 | 98.70            | 1.60                 | 972.68           |
|  | <b>PLN</b>       | 0.10                 | 20.68            | 0.19                 | 35.34            |
|  | <b>GBP</b>       | 0.00                 | 2.49             | 0.00                 | 0.32             |

Further, the Company has not hedged its investments in subsidiaries outside India (For list of subsidiaries refer note 5).

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**
**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\$<br/>Rate</b> | <b>Effect on profit<br/>and loss</b> | <b>Effect on equity</b> |
|----------------|--------------------------------|--------------------------------------|-------------------------|
| March 31, 2024 | 1%                             | (687.48)                             | (537.12)                |
|                | (1%)                           | 687.48                               | 537.12                  |
| March 31, 2023 | 1%                             | (746.14)                             | (589.11)                |
|                | (1%)                           | 746.14                               | 589.11                  |

(₹ Lakhs)

|                | <b>Change in EUR<br/>Rate</b> | <b>Effect on profit<br/>and loss</b> | <b>Effect on equity</b> |
|----------------|-------------------------------|--------------------------------------|-------------------------|
| March 31, 2024 | 1%                            | 624.87                               | 488.20                  |
|                | (1%)                          | (624.87)                             | (488.20)                |
| March 31, 2023 | 1%                            | 467.97                               | 369.48                  |
|                | (1%)                          | (467.97)                             | (369.48)                |

**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 ₹ 1,46,264.91 Lakhs and ₹ 1,67,455.98 Lakhs as of 31 March, 2024 and 31 March, 2023 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, 2024:

(₹ Lakhs)

| <b>Particulars</b>   | <b>Not Yet Due</b> | <b>Less than<br/>6 months</b> | <b>6 months-1<br/>year</b> | <b>1-2 years</b> | <b>2-3 years</b> | <b>More<br/>than<br/>3 years</b> | <b>Total</b> |
|--|--------------------|-------------------------------|----------------------------|------------------|------------------|----------------------------------|--------------|
| i) Undisputed Trade Receivable - considered good                                 | 1,33,330.08        | 12,859.14                     | 75.68                      | -                | -                | -                                | 1,46,264.91  |
| ii) Undisputed Trade Receivable - which have significant increase in credit risk | -                  | -                             | 1,284.64                   | 169.55           | 16.27            | 1,088.70                         | 2,559.16     |
| iii) Undisputed Trade Receivables - credit impaired                              | -                  | -                             | -                          | -                | -                | -                                | -            |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

| Particulars  | Not Yet Due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|-------------|--------------------|-----------------|-----------|-----------|-------------------|-------|
| 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, 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          | -               | -         | -         | -                 | 1,67,455.98 |
| 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                                 | -           | -                  | -               | -         | -         | -                 | -           |

**Movement in allowances for credit losses**

(₹ Lakhs)

|                | Opening  | Addition | Reversal | Closing  |
|----------------|----------|----------|----------|----------|
| March 31, 2024 | 3,643.31 | 1,773.95 | 2,858.10 | 2,559.16 |
| March 31, 2023 | 1,725.33 | 3,116.34 | 1,198.36 | 3,643.31 |

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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

### 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, 2024, the Company had a working capital of ₹ 1,24,798.44 Lakhs including cash and cash equivalents of ₹ 3,282.17 Lakhs and current investments of ₹ 15,889.87 Lakhs. 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.

**The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2024:**

(₹ Lakhs)

|                                    | Carrying value     | Upto 1 year        | 1-2 years       | 2-3 years | Total              |
|------------------------------------|--------------------|--------------------|-----------------|-----------|--------------------|
| Lease liabilities                  | 1,492.46           | 716.50             | 775.97          | -         | 1,492.46           |
| Trade payables                     | 86,975.63          | 86,975.63          | -               | -         | 86,975.63          |
| Other financial liabilities        | 56,013.43          | 50,175.43          | 5,838.00        | -         | 56,013.43          |
| <b>Total financial liabilities</b> | <b>1,44,481.52</b> | <b>1,37,867.56</b> | <b>6,613.97</b> | <b>-</b>  | <b>1,44,481.52</b> |

**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              |
|------------------------------------|--------------------|--------------------|---------------|-----------|--------------------|
| 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> |

### 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.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

(₹ Lakhs)

| Particulars                                 | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| Total debt (bank and other borrowings)      | -                       | -                       |
| Lease Liabilities (non current and current) | 1,492.46                | -                       |
|   | 1,492.46                | -                       |
| Equity                                      | 2,11,182.44             | 2,00,224.02             |
| <b>Debt to equity (net)</b>                 | <b>0.01</b>             | <b>-</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)

| Name of subsidiary  | 2023-24            |  | 2022-23            |  |
|---|--------------------|--|--------------------|--|
|   | 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.)) | 210.00             | 220.00                                     | 220.00             | 272.00                                     |
| <b>Total</b>  | <b>210.00</b>      |  | <b>220.00</b>      |  |

Note:

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

**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, 2024                    | 544.00  | -        | 544.00    | -       |
| 31 March, 2023                    | 544.00  | -        | 544.00    | -       |

**(b) Details of Loan given:**

(₹ Lakhs)

| Name of subsidiary                | Opening | Addition | Repayment | Closing       |
|-----------------------------------|---------|----------|-----------|---------------|
| Axis Crop Science Private Limited |         |          |           |               |
| 31 March, 2024                    | 220.00  | 9.59     | 19.59     | <b>210.00</b> |
| 31 March, 2023                    | 272.00  | 10.77    | 62.77     | <b>220.00</b> |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(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, 2024 | % to Total Loans and advances | Outstanding Amount as on 31 March, 2023 | % to Total Loans and advances |
|------------------|---|-------------------------------|---|-------------------------------|
| Promoters        | -                                       | -                             | -                                       | -                             |
| Directors        | -                                       | -                             | -                                       | -                             |
| KMPs             | -                                       | -                             | -                                       | -                             |
| Related Parties  | 210.00                                  | 100%                          | 220.00                                  | 100%                          |

**41. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

(₹ Lakhs)

|   | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---------------------------|---------------------------|
| <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   | 1,811.71                  | 1,089.90                  |
| Interest due thereon remaining unpaid to any supplier at the end of the accounting year   | 5.78                      | 56.74                     |
| <b>Total</b>  | <b>1,817.49</b>           | <b>1,146.64</b>           |
| 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  | 5.78                      | 56.74                     |
| 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>5.78</b>               | <b>56.74</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 ₹ 1,122.83 Lakhs (31 March, 2023: ₹ 993.42 Lakhs) and interest due thereon ₹ Nil (31 March, 2023: ₹ 52.13 Lakhs) remaining unpaid to micro and small enterprises for capital purchases.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**42. DETAILS OF CSR EXPENDITURE (AS PER THE PROVISIONS OF SECTION 135 OF THE COMPANIES ACT, 2013):**

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| 1) Gross amount required to be spent by the Company | 798.21                       | 676.61                       |
| 2) Shortfall from previous year                     | -                            | -                            |
| <b>Total</b>  | <b>798.21</b>                | <b>676.61</b>                |
| 3) Amount spent                                     |                              |                              |
| i) Construction / acquisition of any assets         | -                            | -                            |
| ii) On purpose other than (i) above (refer note 27) | 810.72                       | 866.15                       |
| <b>Total</b>  | <b>810.72</b>                | <b>866.15</b>                |
| 4) Amount (spent in excess) / unspent               | <b>(12.51)</b>               | <b>(189.54)</b>              |

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 ₹ 798.21 Lakhs (31 March, 2023: ₹ 676.61 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent ₹ 810.72 Lakhs during the current year. Excess amount spent of ₹ 12.51 Lakhs (31 March, 2023: ₹ 189.54 Lakhs)
- For contribution made to related party refer note 34.

**43. DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES:**

During the previous year, 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 as on 31 March, 2024 | Balance outstanding as on 31 March, 2023 | 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, 2024 | Year ended 31 March, 2023 | % Variance | Reason for variance |
|----------------------|---|---------------------|---------------------------|---------------------------|------------|---------------------|
| a) Current Ratio     | Current assets                                    | Current liabilities | 1.84                      | 1.58                      | 16.46%     |                     |
| b) Debt Equity Ratio | Debt consists of borrowings and lease liabilities | Total equity        | 0.01                      | 0.00                      | 0.00%      |                     |

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

| Name of the ratio                   | Numerator                                      | Denominator  | Year ended<br>31 March,<br>2024 | Year ended<br>31 March,<br>2023 | % Variance | Reason for variance  |
|-------------------------------------|--|--|---------------------------------|---------------------------------|------------|--|
| c) Debt Service Coverage Ratio      | Profit before interest and tax                 | Debt consists of borrowings and lease liabilities  | -                               | -                               | 0.00%      |  |
| d) Net Profit Ratio                 |  | Revenue from operations  | 5.25%                           | 9.80%                           | (46.40%)   | Decrease in revenue and profitability due to challenging market conditions in the agro-chemical industry |
| e) Return on Equity                 | Profit after tax                               | Average total equity = (Opening total equity + Closing total equity)/2                                     | 6.65%                           | 17.39%                          | (61.78%)   | Decrease in revenue and profitability due to challenging market conditions in the agro-chemical industry |
| f) Return on Capital Employed       | Profit before interest and tax                 | Average capital employed* = (Opening capital employed + Closing capital employed)/2                        | 7.89%                           | 20.66%                          | (61.82%)   | Decrease in revenue and profitability due to challenging market conditions in the agro-chemical industry |
| 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 | 5.99%                           | 3.56%                           | 68.33%     | Increased due to higher interest rates on FDR and better returns on other investments                    |
| h) Net Capital Turnover Ratio       | Revenue from operations                        | Average working capital = (Opening current assets + Closing current assets)/2                              | 2.25                            | 3.23                            | (30.34%)   | Decrease in revenue and profitability due to challenging market conditions in the agro-chemical industry |
| i) Trade Receivables Turnover Ratio | Revenue from operations                        | Average trade receivables = (Opening trade receivable + Closing trade receivable)/2                        | 1.66                            | 2.21                            | (25.04%)   | Decrease in revenue due to challenging market conditions in the agro-chemical industry                   |
| j) Trade Payable Turnover Ratio     | Total purchases                                | Average trade payable = (Opening trade payable + Closing trade payable)/2                                  | 1.65                            | 2.16                            | (23.88%)   |  |
| k) Inventory Turnover Ratio         | Cost of goods sold                             | Average inventory = (Opening inventory + Closing inventory)/2  | 2.00                            | 2.47                            | (19.21%)   |  |



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**45. LEASE LIABILITY**

Following is carrying value of Lease Liability and the movements thereof :

(₹ Lakhs)

| Description   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
|   | Leasehold<br>Premises   | Leasehold<br>Premises   |
| <b>Opening Balance</b>                                | -                       | 860.87                  |
| Addition  | 2,154.05                | -                       |
| Interest Cost accrued during the year (refer note 25) | 148.41                  | 50.31                   |
| Lease liability payment                               | (810.00)                | (564.00)                |
| Deletion  | -                       | (347.18)                |
| <b>Closing Balance</b>                                | <b>1,492.46</b>         | -                       |
| Current lease liability                               | 716.50                  | -                       |
| Non - Current lease liability                         | 775.97                  | -                       |
| <b>Total lease liability</b>                          | <b>1,492.46</b>         | -                       |

**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.

**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, 2024 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.
- vii) The company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (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 & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No.: 103595

Place: Mumbai

Date: 10 May, 2024

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Date: 10 May, 2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May, 2024



# 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 2024, 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 material 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 2024, 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 MATTERS

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

### REVENUE RECOGNITION

**See Note 2.10 and 34 to the consolidated financial statements**

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>Revenue recognition</p> <p>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. 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</p> | <p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of Group's accounting policies relating to revenue recognition as per the applicable Ind AS.</li> <li>- Obtained an understanding of the Group's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end.</li> </ul> |



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

| The key audit matter   | How the matter was addressed in our audit   |
|--|---|
| <p>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> | <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 and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents.</li> <li>- Tested 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 intangibles assets under development

See Note 2.13, 4 and 4A to the consolidated financial statements

| The key audit matter   | How the matter was addressed in our audit   |
|--|---|
| <p>Assessment of impairment of intangible assets and intangible assets under development</p> <p>As disclosed in Note 2.12, and 4, the Group's intangible assets comprises product registrations and licenses. The carrying amount of the intangible assets and intangible assets under development represents 24% of the Group's total assets. 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. 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 assessment of impairment of intangible assets and intangible assets under development as a key audit matter.</p> | <p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the Group's process for determining likelihood of product registration, future benefits expected from product registrations in the specific regions using discounted future cash flows.</li> <li>- 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>- We compared 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> <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>- We assessed the adequacy of the Group's disclosures and their compliance with Ind AS.</li> </ul> |



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### 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 DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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,

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 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 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 (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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, 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. The consolidated financial statements of the Group for the year ended 31 March 2023 were audited by the predecessor auditor who had expressed an unmodified opinion on 12 May 2023.
- b. We did not audit the financial statements of twenty nine subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 77,452.13 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 132,716.15 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 3,792.98 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,



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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.

### 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 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 report of the other auditor except for the matters stated in the paragraph 2A(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 01 April 2024 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 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- g. 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 2024 on the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
  - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2024.
  - 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 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, 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 auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act nothing has come to our or other auditor notice that has caused us or the other auditor 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 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 13 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. Based on our examination which included test checks and that performed by the respective auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditor of such subsidiary company did not come across any instance of audit trail feature being tampered with.

|   |   |
|---|---|
| Instances of accounting software for maintaining its books of account which did not had a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software | In respect of Holding Company, based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility. For the accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. |
|---|---|

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• In the absence of independent auditor's report for the aforesaid accounting software, we are unable to comment whether audit trail was not enabled at the database level to log any direct data changes.</li> <li>• The Holding Company has also used an accounting software for maintaining its books of account related to payroll process which does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.</li> </ul> |
|--|--|

- 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 & Co. LLP**  
Chartered Accountants  
Firm's Registration No.:101248W/W-100022

**Burjis Pardiwala**  
Partner

Place: MUMBAI  
Date: 10 May 2024

Membership No.: 103595  
ICAI UDIN:24103595BKFWFH8940

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024

**(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 & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No.: 103595

ICAI UDIN:24103595BKFWFH8940

Place: MUMBAI

Date: 10 May 2024



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024

### 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)(g) 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 2024, 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 2024, 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 BTOTHEINDEPENDENTAUDITOR'SREPORTONTHECONSOLIDATEDFINANCIALSTATEMENTS  
OF SHARDA CROP CHEM LIMITED  
FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**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 & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Burjis Pardiwala**

Partner

Place: MUMBAI

Date: 10 May 2024

Membership No.: 103595

ICAI UDIN:24103595BKFWFH8940



Sharda Cropchem Limited

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2024

(₹ Lakhs)

|   | Note | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|------|-------------------------|-------------------------|
| <b>ASSETS</b>   |      |                         |                         |
| <b>Non-current assets</b>   |      |                         |                         |
| Property, plant and equipment   | 3A   | 380.14                  | 497.74                  |
| Right of use assets   | 3B   | 1,436.03                | -                       |
| Goodwill  | 5    | 0.92                    | 0.84                    |
| Other intangible assets   | 4    | 68,995.46               | 66,299.75               |
| Intangible assets under development   | 4A   | 28,286.31               | 20,386.94               |
| Financial assets  |      |                         |                         |
| Other financial assets  | 7    | 532.28                  | 12,074.27               |
| Income tax assets (net)   | 8A   | 7,206.42                | 7,225.43                |
| Deferred tax assets (net)   | 8D   | 1,031.33                | 794.59                  |
| Other non-current assets  | 12   | 2,173.13                | 1,986.60                |
| <b>Total non-current assets</b>   |      | <b>1,10,042.02</b>      | <b>1,09,266.16</b>      |
| <b>Current assets</b>   |      |                         |                         |
| Inventories   | 9    | 99,164.22               | 1,13,433.86             |
| Financial assets  |      |                         |                         |
| Investments   | 6    | 15,889.87               | 3,190.29                |
| Trade receivables   | 10   | 1,49,799.95             | 1,83,330.50             |
| Cash and cash equivalents   | 11 A | 8,734.28                | 17,636.49               |
| Bank balances other than cash and cash equivalents                                      | 11 B | 57.53                   | 31.35                   |
| Other financial assets  | 7    | 12,806.83               | 546.22                  |
| Other current assets  | 12   | 7,337.54                | 7,647.92                |
| <b>Total current assets</b>   |      | <b>2,93,790.22</b>      | <b>3,25,816.63</b>      |
| <b>Total Assets</b>   |      | <b>4,03,832.24</b>      | <b>4,35,082.79</b>      |
| <b>EQUITY AND LIABILITIES</b>   |      |                         |                         |
| <b>Equity</b>   |      |                         |                         |
| Equity share capital  | 13   | 9,022.05                | 9,022.05                |
| Other equity  | 14   | 2,14,689.45             | 2,14,180.13             |
| <b>Equity attributable to owners of the Company</b>                                     |      | <b>2,23,711.50</b>      | <b>2,23,202.18</b>      |
| Non-controlling interests   |      | 37.61                   | 35.19                   |
| <b>Total equity</b>   |      | <b>2,23,749.11</b>      | <b>2,23,237.37</b>      |
| <b>Liabilities</b>  |      |                         |                         |
| <b>Non-current liabilities</b>  |      |                         |                         |
| Financial liabilities   |      |                         |                         |
| Lease liabilities   | 15   | 775.97                  | -                       |
| Other financial liabilities   | 18   | 5,838.00                | 172.56                  |
| Provisions  | 19   | 135.71                  | 273.92                  |
| Deferred tax liabilities (net)  | 8E   | 15,278.51               | 14,342.98               |
| <b>Total non-current liabilities</b>  |      | <b>22,028.19</b>        | <b>14,789.46</b>        |
| <b>Current liabilities</b>  |      |                         |                         |
| Financial liabilities   |      |                         |                         |
| Borrowings  | 16   | 337.51                  | 296.47                  |
| Lease liabilities   | 15   | 716.50                  | -                       |
| Trade payables  | 17   |                         |                         |
| total outstanding dues of micro enterprises and small enterprises                       |      | 694.91                  | 185.87                  |
| total outstanding dues of creditors other than micro enterprises and small enterprises* |      | 91,420.23               | 1,37,571.12             |
| Other financial liabilities   | 18   | 50,246.82               | 43,137.17               |
| Other current liabilities   | 20   | 6,895.89                | 7,811.34                |
| Provisions  | 19   | 7,597.23                | 6,140.20                |
| Income tax liabilities (net)  | 8B   | 145.85                  | 1,913.79                |
| <b>Total current liabilities</b>  |      | <b>1,58,054.94</b>      | <b>1,97,055.96</b>      |
| <b>Total Equity And Liabilities</b>   |      | <b>4,03,832.24</b>      | <b>4,35,082.79</b>      |

Summary of material 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 & Co LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No. 103595

Place : Mumbai

Date: 10 May,2024

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May,2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May,2024

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ Lakhs)

|   | Note | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------|------------------------------|------------------------------|
| <b>INCOME</b>   |      |                              |                              |
| Revenue from operations   | 21   | 3,16,302.45                  | 4,04,515.66                  |
| Other income  | 22   | 5,976.22                     | 4,028.05                     |
| <b>Total income</b>   |      | <b>3,22,278.67</b>           | <b>4,08,543.71</b>           |
| <b>EXPENSES</b>   |      |                              |                              |
| Cost of materials consumed  | 23   | 1,48,402.26                  | 1,55,169.35                  |
| Purchase of stock in trade  | 23A  | 79,871.38                    | 1,61,600.22                  |
| Changes in inventories of finished goods and stock in trade                                   | 24   | 5,964.97                     | (30,691.28)                  |
| Employee benefits expenses  | 25   | 4,243.42                     | 4,479.68                     |
| Finance costs   | 26   | 361.89                       | 451.00                       |
| Depreciation and amortisation expense   | 27   | 26,713.18                    | 24,811.74                    |
| Other expenses  | 28   | 49,534.41                    | 49,648.52                    |
| <b>Total expenses</b>   |      | <b>3,15,091.51</b>           | <b>3,65,469.23</b>           |
| <b>Profit before tax</b>  |      | <b>7,187.16</b>              | <b>43,074.48</b>             |
| <b>Tax expense</b>  |      |                              |                              |
| Current tax   | 8C   | 2,898.52                     | 7,443.59                     |
| Adjustment of tax relating to earlier years   | 8C   | 389.69                       | 286.27                       |
| Deferred tax charge   | 8C   | 708.33                       | 1,146.35                     |
| <b>Total tax expense</b>  |      | <b>3,996.54</b>              | <b>8,876.21</b>              |
| <b>Profit for the year</b>  |      | <b>3,190.62</b>              | <b>34,198.27</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   |      | (14.33)                      | 7.38                         |
| Income tax relating to items that will not be reclassified to the statement of profit or loss |      | 3.79                         | (1.36)                       |
| <b>Items that will be reclassified to the statement of profit or loss</b>                     |      |                              |                              |
| Exchange differences on translation of financial statement of foreign operations              |      | 65.53                        | 3,296.29                     |
| <b>Total Other Comprehensive Income for the year (net of tax)</b>                             |      | <b>54.99</b>                 | <b>3,302.31</b>              |
| <b>Total Comprehensive Income for the year</b>  |      | <b>3,245.61</b>              | <b>37,500.58</b>             |
| <b>Profit for the year attributable to:</b>   |      |                              |                              |
| Owners of the parent  |      | 3,188.31                     | 34,195.94                    |
| Non-controlling interests   |      | 2.31                         | 2.33                         |
| <b>Other Comprehensive Income attributable to :</b>   |      | <b>54.99</b>                 | <b>3,302.31</b>              |
| Owners of the parent  |      | 54.88                        | 3,302.59                     |
| Non-controlling interests   |      | 0.11                         | (0.28)                       |
| <b>Total Comprehensive Income for the year attributable to:</b>                               |      | <b>3,245.61</b>              | <b>37,500.58</b>             |
| Owners of the parent  |      | 3,243.19                     | 37,498.53                    |
| Non-controlling interests   |      | 2.42                         | 2.05                         |
| <b>Earnings per share (₹ per share)</b>   |      |                              |                              |
| Basic and diluted (Face value per share of ₹ 10 each)   | 29   | 3.53                         | 37.90                        |
| Summary of material 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 & Co LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No. 103595

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May,2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May,2024

Place : Mumbai

Date: 10 May,2024



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| <b>Cash flows from operating activities</b>  |                              |                              |
| Profit before tax  | 7,187.16                     | 43,074.48                    |
| <b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>        |                              |                              |
| Depreciation and amortisation expense  | 26,713.18                    | 24,811.74                    |
| Unrealised exchange loss (net)   | 1,943.24                     | 232.39                       |
| Provision for diminution in shares   | -                            | 2.82                         |
| Discard / Write-off of intangible assets and intangible assets under development                   | 3,486.36                     | 1,194.12                     |
| (Profit)/ Loss on disposal of property, plant and equipment  | -                            | (5.45)                       |
| Gain on redemption of current investments  | (15.53)                      | (1,582.11)                   |
| Fair valuation loss / (gain) on current investments  | (384.04)                     | 1,368.55                     |
| Bad debts  | 105.51                       | 677.91                       |
| Allowances for doubtful debts  | (760.65)                     | 1,789.93                     |
| Loss on Sale of bond   | -                            | 7.50                         |
| Liabilities/ provisions no longer required written back  | (2,341.51)                   | (1,604.14)                   |
| Liabilities of capital creditors no longer required written back                                   | (475.59)                     | (203.70)                     |
| Finance costs  | 361.89                       | 451.00                       |
| Interest income  | (1,357.51)                   | (490.27)                     |
| <b>Operating profit before working capital changes</b>   | <b>34,462.51</b>             | <b>69,724.77</b>             |
| <b>Movements in working capital:</b>   |                              |                              |
| Decrease / (Increase) in trade receivables   | 32,293.97                    | (29,307.95)                  |
| Decrease / (Increase) in inventories   | 14,269.78                    | (24,155.79)                  |
| Decrease in loans  | -                            | 51.47                        |
| Decrease in other assets   | 123.24                       | 3,097.10                     |
| (Increase) in other financial assets   | (0.97)                       | (462.44)                     |
| (Decrease) / Increase in trade payables  | (42,406.42)                  | 20,703.56                    |
| Increase / (Decrease) in provisions  | 1,304.49                     | (2,472.72)                   |
| (Decrease) / Increase in other financial liabilities and other liabilities                         | (879.56)                     | 2,175.86                     |
| <b>Cash generated from operations</b>  | <b>39,167.04</b>             | <b>39,353.86</b>             |
| Income taxes paid (net of refunds)   | (5,037.14)                   | (6,525.65)                   |
| <b>Net cash flows from operating activities (A)</b>  | <b>34,129.90</b>             | <b>32,828.21</b>             |
| <b>Cash flows from investing activities</b>  |                              |                              |
| Purchase of property, plant and equipment (including capital work in progress)                     | (47.82)                      | (66.14)                      |
| Purchase of intangible assets (including intangible assets under development and capital advances) | (27,161.24)                  | (24,341.79)                  |
| Proceeds from sale of plant, property and equipment  | 0.70                         | 12.28                        |
| Purchase of current Investments  | (12,800.00)                  | (10,499.48)                  |
| Proceeds from sale of current investments  | 500.00                       | 20,954.75                    |
| Interest received on Bond  | -                            | 37.92                        |
| Bank deposits placed   | (860.88)                     | (8,423.40)                   |
| Redemption of bank deposits / other bank balances  | 7.72                         | 7,373.55                     |
| Interest from fixed deposits   | 1,012.76                     | 436.56                       |
| <b>Net cash flows (used in) investing activities (B)</b>   | <b>(39,348.76)</b>           | <b>(14,515.75)</b>           |

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

|  | (₹ Lakhs)                    |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
| <b>Cash flows from financing activities</b>  |                              |                              |
| Repayment of principal towards lease liability   | (661.57)                     | (513.69)                     |
| Proceeds from borrowings   | 41.04                        | 8,946.90                     |
| Repayment of borrowings  | -                            | (12,425.08)                  |
| Interest paid on lease liability   | (148.41)                     | (50.31)                      |
| Finance costs paid   | (221.70)                     | (140.19)                     |
| Dividend paid on equity shares   | (2,700.32)                   | (5,527.78)                   |
| <b>Net cash flows (used in) financing activities (C)</b>   | <b>(3,690.96)</b>            | <b>(9,710.15)</b>            |
| <b>Exchange difference arising on conversion debited/ (credited) to foreign currency translation reserve (D)</b> | <b>60.30</b>                 | <b>3,297.53</b>              |
| <b>Net increase in cash and cash equivalents (A + B + C + D)</b>   | <b>(8,849.52)</b>            | <b>11,899.84</b>             |
| Cash and cash equivalents at the beginning of the year   | 17,636.49                    | 5,669.39                     |
| Exchange differences on translation of foreign currency cash and cash equivalent                                 | (52.69)                      | 67.26                        |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>8,734.28</b>              | <b>17,636.49</b>             |
| <b>Components of cash and cash equivalents</b>   |                              |                              |
| Cash on hand   | 11.04                        | 4.22                         |
| Balances with Banks  | 8,723.24                     | 17,632.27                    |
| <b>Total cash and cash equivalents as per the cash flow statement (Note 11A)</b>                                 | <b>8,734.28</b>              | <b>17,636.49</b>             |

**Note:**

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

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

As per our report of even date attached

**For B S R & Co LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No. 103595

Place : Mumbai

Date: 10 May,2024

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

**Sharda Cropchem Limited**

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May,2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date: 10 May,2024



Sharda Cropchem Limited

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2024

## A. EQUITY SHARE CAPITAL (NOTE 13)

|                                 | (₹ Lakhs)       |
|---------------------------------|-----------------|
| <b>As at 01 April, 2022</b>     | <b>9,022.05</b> |
| Changes in equity share capital | -               |
| <b>As at 31 March, 2023</b>     | <b>9,022.05</b> |
| Changes in equity share capital | -               |
| <b>As at 31 March, 2024</b>     | <b>9,022.05</b> |

## B. OTHER EQUITY

|                                       | Attributable to owners of the Company |                             |                           |                           |   |  |                    | Non-controlling interests | Total              |
|---------------------------------------|---------------------------------------|-----------------------------|---------------------------|---------------------------|---|--|--------------------|---------------------------|--------------------|
|                                       | Reserves & Surplus                    |                             |                           |                           | Other comprehensive income                                |  | Total other equity |                           |                    |
|                                       | Securities premium (Note 14)          | Retained earnings (Note 14) | Capital reserve (Note 14) | General reserve (Note 14) | Exchange differences on translation of foreign operations | Re-measurement of the net defined benefit plan |                    |                           |                    |
| <b>As at 01 April, 2022</b>           | 2,168.55                              | 1,74,250.50                 | 1,581.11                  | 664.94                    | 3,532.12  | 26.92  | 1,82,224.14        | 33.14                     | 1,82,257.28        |
| Profit for the year                   |                                       | 34,195.94                   |                           | -                         |   |  | 34,195.94          | 2.33                      | 34,198.27          |
| Profit on account of scheme of merger |                                       | 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>34,198.99</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 at 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> |

|                                   | Attributable to owners of the Company |                             |                           |                           |   |  |                    | Non-controlling interests | Total              |
|-----------------------------------|---------------------------------------|-----------------------------|---------------------------|---------------------------|---|--|--------------------|---------------------------|--------------------|
|                                   | Reserves & Surplus                    |                             |                           |                           | Other comprehensive income                                |  | Total other equity |                           |                    |
|                                   | Securities premium (Note 14)          | Retained earnings (Note 14) | Capital reserve (Note 14) | General reserve (Note 14) | Exchange differences on translation of foreign operations | Re-measurement of the net defined benefit plan |                    |                           |                    |
| <b>As at 01 April, 2023</b>       | 2,168.55                              | 2,02,904.18                 | 1,581.11                  | 664.94                    | 6,828.41  | 32.94  | 2,14,180.13        | 35.19                     | 2,14,215.32        |
| Profit for the year               |                                       | 3,188.31                    |                           |                           |   |  | 3,188.31           | 2.31                      | 3,190.62           |
| Other comprehensive income        |                                       |                             |                           |                           | 65.53   | (10.54)  | 54.99              | 0.11                      | 55.10              |
| <b>Total Comprehensive Income</b> | -                                     | <b>3,188.31</b>             | -                         | -                         | <b>65.53</b>  | <b>(10.54)</b>                                 | <b>3,243.30</b>    | <b>2.42</b>               | <b>3,245.72</b>    |
| Payments of dividends             |                                       | (2,733.98)                  |                           |                           |   |  | (2,733.98)         |                           | (2,733.98)         |
| Non-controlling interests         |                                       |                             |                           |                           |   |  |                    |                           | -                  |
| Inter reserve transfers           |                                       |                             |                           |                           |   |  |                    |                           | -                  |
| <b>As at 31 March, 2024</b>       | <b>2,168.55</b>                       | <b>2,03,358.51</b>          | <b>1,581.11</b>           | <b>664.94</b>             | <b>6,893.94</b>   | <b>22.40</b>                                   | <b>2,14,689.45</b> | <b>37.61</b>              | <b>2,14,727.06</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 & Co LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No. 103595

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

**Ramprakash V. Bubna**

Chairman & Managing Director  
DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

**Ashish R. Bubna**

Whole-time Director  
DIN 00945147

**Jetkin Gudhka**

Company Secretary  
Membership No.: A26487

Place : Mumbai  
Date: 10 May, 2024

Place: Mumbai  
Date: 10 May, 2024

Place: Mumbai  
Date: 10 May, 2024

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

Currency in Indian ₹ in Lakhs

## 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, 2024. 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. MATERIAL 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 as amended from time to time, notified under Section 133 of Companies Act, 2013 (“the Act”), amendments thereto and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on 10 May, 2024.

### 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.

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries as at 31 March, 2024. Control is achieved when the Group is exposed, or has rights, to variable



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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
- (c) 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 AS 12 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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, 2024 | 31 March, 2023 |
|---------|---|--------------------------|----------------|----------------|
| 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 Hungary Kft  | Hungary                  | 100.00%        | 100.00%        |
| 15      | Sharda International DMCC   | U.A.E.                   | 100.00%        | 100.00%        |
| 16      | Sharda Italia SRL   | Italy                    | 99.00%         | 99.00%         |
| 17      | Sharda Peru SAC*  | Peru                     | 99.95%         | 99.95%         |
| 18      | Sharda Poland SP. ZO.O  | Poland                   | 100.00%        | 100.00%        |
| 19      | Sharda Spain, S.L. *  | Spain                    | 100.00%        | 100.00%        |
| 20      | Sharda Swiss SARL*  | Switzerland              | 100.00%        | 100.00%        |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**

Currency in Indian ₹ in Lakhs

| Sr. No. | Name                                      | Country of incorporation | 31 March, 2024 | 31 March, 2023 |
|---------|---|--------------------------|----------------|----------------|
| 21      | Sharda Taiwan Limited*                    | Taiwan                   | 100.00%        | 100.00%        |
| 22      | Sharda Ukraine LLC*                       | Ukraine                  | 100.00%        | 100.00%        |
| 23      | Sharda USA LLC *                          | USA                      | 100.00%        | 100.00%        |
| 24      | Shardacan Limited*                        | Canada                   | 100.00%        | 100.00%        |
| 25      | Sharda Maroc SARL*                        | Morocco                  | 99.80%         | 99.80%         |
| 26      | Shardaserb DO.O *                         | Serbia                   | 100.00%        | 100.00%        |
| 27      | Sharzam Limited*                          | Zambia                   | 99.99%         | 99.99%         |
| 28      | Euroazijski Pesticidi D.O.O.              | Croatia                  | 100.00%        | 100.00%        |
| 29      | Sharda Benelux BVBA*                      | Belgium                  | 100.00%        | 100.00%        |
| 30      | Sharda Bolivia SRL*                       | Bolivia                  | 99.00%         | 99.00%         |
| 31      | Sharda Colombia S.A.S.                    | Colombia                 | 99.48%         | 99.48%         |
| 32      | Sharda De Mexico S. DE RL DE CV           | Mexico                   | 99.99%         | 99.99%         |
| 33      | Sharda Europe BVBA                        | Belgium                  | 100.00%        | 100.00%        |
| 34      | Sharda International Africa (PTY) Limited | South Africa             | 100.00%        | 100.00%        |
| 35      | Sharpar S.A.*                             | Paraguay                 | 90.00%         | 90.00%         |
| 36      | Siddhivinayak International Limited       | U.A.E.                   | 100.00%        | 100.00%        |
| 37      | Sharda Private (Thailand) Limited**       | Thailand                 | 49.00%         | 49.00%         |
| 38      | Sharda Impex Trading L.L.C.***            | U.A.E.                   | 49.00%         | 49.00%         |
| 39      | Sharda Agrochem Limited                   | United Kingdom           | 100.00%        | 100.00%        |

\* The financial statements of these companies are drawn for and audited for the calendar year ended 31 December, 2023 in compliance with respective local laws. All material adjustments for the effect of significant transactions or events occurred up to 31 March, 2024, 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, 2024.

\*\* In terms of the MOU dated 10 November, 2017 entered with other shareholders of Sharda Private (Thailand) Limited, the parent 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 parent 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, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

### 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

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified 12 months as its operating cycle for determining current and non-current classification of assets and liabilities in the Balance Sheet.

### 2.7 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect Group's unconditional right to consideration (that is payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

### 2.8 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 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.

### 2.9 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.

### 2.10 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

## 2.11 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 Group 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is not recognised for- temporary differences on the initial recognition of assets or liabilities in a transaction that:

1. Is not a business combination.
2. At the time of the transaction (i) affects neither accounting nor taxable profit or (loss) and (ii) does not give rise to equal taxable and deductible temporary difference.

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.

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

#### Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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. On adoption of Ind AS, the Group retained the carrying value for all of its property, plant and equipment as recognised in the Consolidated financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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

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

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

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

#### Depreciation and 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**

Currency in Indian ₹ in Lakhs

| 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.

**2.13 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.

**Subsequent expenditure-**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably.

**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.

**2.14 Impairment of non-financial assets**

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

### 2.15 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.

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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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

### 2.16 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.

### 2.17 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.

### 2.18 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.

### 2.19 Employee benefit expenses

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

#### Post-employment benefit plans

##### Defined Contribution plans

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

##### Defined benefit plans

The Group operates defined benefit plans - gratuity fund.

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

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

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

## 2.20 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 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are 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-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:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

- 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.

### **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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

### **2.21 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.

### **2.22 Earnings per share**

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

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

### **2.23 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Currency in Indian ₹ in Lakhs

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**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, 2022                   | 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, 2022                   | 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, 2022                   | 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>   |

(₹ Lakhs)

|                                     | Office equipments | Furniture and fixtures | Motor cars    | Computers    | Cylinders | Leasehold Improvements | Electrical Installation | Total           |
|-------------------------------------|-------------------|------------------------|---------------|--------------|-----------|------------------------|-------------------------|-----------------|
| <b>Cost</b>                         |                   |                        |               |              |           |                        |                         |                 |
| At 01 April, 2023                   | 248.49            | 630.55                 | 75.49         | 45.79        | 5.72      | 497.15                 | 199.27                  | 1,702.46        |
| Additions                           | 3.55              | 0.31                   | 35.25         | 8.71         | -         | -                      | -                       | 47.82           |
| Disposals                           | (1.38)            | 0.05                   | -             | (8.78)       | (5.72)    | -                      | -                       | (15.83)         |
| Translation exchange difference     | 2.01              | 1.76                   | -             | 0.64         | -         | -                      | -                       | 4.41            |
| <b>At 31 March, 2024</b>            | <b>252.67</b>     | <b>632.67</b>          | <b>110.74</b> | <b>46.36</b> | <b>-</b>  | <b>497.15</b>          | <b>199.27</b>           | <b>1,738.86</b> |
| <b>Accumulated depreciation</b>     |                   |                        |               |              |           |                        |                         |                 |
| At 01 April, 2023                   | 236.83            | 321.09                 | 5.78          | 16.81        | 5.72      | 442.47                 | 176.02                  | 1,204.72        |
| Depreciation charge during the year | 8.92              | 66.36                  | 11.23         | 15.98        | -         | 44.20                  | 18.52                   | 165.21          |
| Disposals                           | (1.75)            | -                      | -             | (7.66)       | (5.72)    | -                      | -                       | (15.13)         |
| Translation exchange difference     | 1.60              | 1.71                   | -             | 0.61         | -         | -                      | -                       | 3.92            |
| <b>At 31 March, 2024</b>            | <b>245.60</b>     | <b>389.16</b>          | <b>17.01</b>  | <b>25.74</b> | <b>-</b>  | <b>486.67</b>          | <b>194.54</b>           | <b>1,358.72</b> |
| <b>Net carrying value</b>           |                   |                        |               |              |           |                        |                         |                 |
| At 01 April, 2023                   | 11.66             | 309.46                 | 69.71         | 28.98        | -         | 54.68                  | 23.25                   | 497.74          |
| <b>At 31 March, 2024</b>            | <b>7.07</b>       | <b>243.51</b>          | <b>93.73</b>  | <b>20.62</b> | <b>-</b>  | <b>10.48</b>           | <b>4.73</b>             | <b>380.14</b>   |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**3B. RIGHT OF USE ASSET**

(₹ Lakhs)

|                                     | <b>Leasehold Premises</b> |
|-------------------------------------|---------------------------|
| <b>Cost</b>                         |                           |
| At 01 April, 2022                   | 2,139.87                  |
| Additions                           | -                         |
| <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>                  |

(₹ Lakhs)

|                                     | <b>Leasehold Premises</b> |
|-------------------------------------|---------------------------|
| <b>Cost</b>                         |                           |
| At 01 April, 2023                   | 2,139.87                  |
| Additions                           | 2,154.05                  |
| <b>At 31 March, 2024</b>            | <b>4,293.92</b>           |
| <b>Accumulated depreciation</b>     |                           |
| At 01 April, 2023                   | 2,139.87                  |
| Depreciation charge during the year | 718.02                    |
| <b>At 31 March, 2024</b>            | <b>2,857.89</b>           |
| <b>Net carrying value</b>           |                           |
| At 01 April, 2023                   | -                         |
| <b>At 31 March, 2024</b>            | <b>1,436.03</b>           |

**4. INTANGIBLE ASSETS**

(₹ Lakhs)

|                                 | <b>Computer Software</b> | <b>Product Registration and Licences</b> | <b>Total</b>       |
|---------------------------------|--------------------------|--|--------------------|
| <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          |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|                                 | Computer Software | Product Registration and Licences | Total            |
|---------------------------------|-------------------|-----------------------------------|------------------|
| 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> |

(₹ Lakhs)

|                                 | Computer Software | Product Registration and Licences | Total              |
|---------------------------------|-------------------|-----------------------------------|--------------------|
| <b>Cost</b>                     |                   |                                   |                    |
| At 01 April, 2023               | 115.67            | 1,63,478.82                       | 1,63,594.49        |
| Additions*                      | 26.54             | 30,600.20                         | 30,626.74          |
| Disposals#                      | -                 | (4,865.22)                        | (4,865.22)         |
| Translation exchange difference | 0.06              | -                                 | 0.06               |
| <b>At 31 March, 2024</b>        | <b>142.27</b>     | <b>1,89,213.80</b>                | <b>1,89,356.07</b> |
| <b>Accumulated amortisation</b> |                   |                                   |                    |
| At 01 April, 2023               | 96.67             | 97,198.07                         | 97,294.74          |
| Amortisation during the year    | 13.66             | 25,816.29                         | 25,829.95          |
| Disposals#                      | -                 | (2,764.08)                        | (2,764.08)         |
| Translation exchange difference | -                 | -                                 | -                  |
| <b>At 31 March, 2024</b>        | <b>110.33</b>     | <b>1,20,250.28</b>                | <b>1,20,360.61</b> |
| <b>Net carrying value</b>       |                   |                                   |                    |
| At 01 April, 2023               | 19.00             | 66,280.75                         | 66,299.75          |
| <b>At 31 March, 2024</b>        | <b>31.94</b>      | <b>68,963.52</b>                  | <b>68,995.46</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 ₹ 1,821.99 Lakhs (31 March, 2023: ₹ 2,695.29 Lakhs)

# The Company has written off certain assets during the current year having net written down value of ₹ 279.15 Lakhs (31 March, 2023: ₹ 94.39 Lakhs) based on internal assessment.

**4A. INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ Lakhs)

|                          | Intangible assets under development |
|--------------------------|-------------------------------------|
| Cost                     |                                     |
| 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>                    |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

|                          | <b>Intangible assets under development</b> |
|--------------------------|--|
| Cost                     |  |
| At 01 April, 2023        | 20,386.94                                  |
| Additions                | 42,127.82                                  |
| Disposals                | (3,628.25)                                 |
| Capitalised              | (30,600.20)                                |
| <b>At 31 March, 2024</b> | <b>28,286.31</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, 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        |
|                      | <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> |

(ii) Intangible assets under development ageing schedule as on 31 March, 2024

(₹ 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 | 9,408.51  | 6,625.83        | 5,323.90        | 6,928.07          | 28,286.31        |
|                      | <b>9,408.51</b>   | <b>6,625.83</b> | <b>5,323.90</b> | <b>6,928.07</b>   | <b>28,286.31</b> |

- For Intangible assets under development, there are no such projects where activity has been temporarily suspended
- The major business of the Company (75% to 80% approximately) is sale of Agrochemical products in more than 70 countries around the world. These products are not freely tradeable 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, 2024, there are 1,095 (31 March, 2023: 1,143) product registrations (numbers) in pipeline across geographies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**5. GOODWILL**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Carrying value at the beginning of the year  | 0.84                    | 0.79                    |
| Foreign currency exchange gain / (loss)      | 0.08                    | 0.05                    |
| <b>Carrying value at the end of the year</b> | <b>0.92</b>             | <b>0.84</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.

**6. CURRENT INVESTMENTS**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>Investment carried at fair value through statement of profit or loss (FVTPL)</b>                                      |                         |                         |
| <b>Investments in mutual funds units (Unquoted)</b>  |                         |                         |
| Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan<br>8,94,860 (31 March, 2023: 4,45,280) units of ₹ 10 each | 3,015.32                | 1,393.85                |
| Kotak Money Market Fund -Growth (Regular Plan)<br>65,567 (31 March, 2023: 14,729) units of ₹ 1,000 each                  | 2,682.24                | 560.18                  |
| Nippon India Money Market Fund (Growth Plan)<br>29,227 (31 March, 2023: 16,433) units of ₹ 1000 each                     | 1,104.55                | 577.23                  |
| Union Corporate Bond Fund - Regular Plan Growth *<br>24,72,526 (31 March, 2023: 24,72,526) units of ₹ 10 each            | 341.01                  | 318.53                  |
| Union Medium Duration Fund Regular Plan - Growth *<br>19,99,900 (31 March, 2023: 19,99,900) units of ₹ 10 each           | 233.74                  | 218.31                  |
| Union Hybrid Equity Fund - Regular Plan Growth<br>9,99,940 (31 March, 2023: 9,99,940) units of ₹ 10 each                 | 158.89                  | 122.19                  |
| Bandhan Ultra Short Term Fund Regular Plan- Growth<br>1,63,78,391 (31 March, 2023: Nil) units of ₹ 10 each               | 2,278.32                | -                       |
| ICICI Prudential Equity Arbitrage Fund - Growth *<br>96,61,346 (31 March, 2023: Nil) units of ₹ 10 each                  | 3,038.01                | -                       |
| SBI Arbitrage Opportunities Fund Gr<br>98,02,932 (31 March, 2023: Nil) units of ₹ 10 each                                | 3,037.79                | -                       |
|  | <b>15,889.87</b>        | <b>3,190.29</b>         |

\* Lien marked on the units of:

-Union Medium Duration Fund - Regular Plan - Growth for ₹ Nil Lakhs (31 March, 2023: ₹ 218.31 Lakhs) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Aggregate amount of unquoted investments                                     | 15,889.87               | 3,190.29                |
| Investment carried at fair value through statement of profit or loss (FVTPL) | 15,889.87               | 3,190.29                |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**7. OTHER FINANCIAL ASSETS**

**Non current**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>   |                         |                         |
| Security deposit  | 532.28                  | 528.63                  |
| Balance in fixed deposit accounts with original maturity of more than twelve months * | -                       | 11,433.54               |
| Interest accrued on fixed deposits with bank *  | -                       | 112.10                  |
| <b>Total</b>  | <b>532.28</b>           | <b>12,074.27</b>        |

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ Nil (31 March, 2023: ₹ 11,344.50 Lakhs) against credit facilities availed by the Company.

**Current**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>In fixed deposit accounts</b>   |                         |                         |
| with original maturity of more than three months but less than twelve months * | 12,779.02               | 518.61                  |
| <b>Unsecured, considered good</b>  |                         |                         |
| Derivative instrument - foreign currency forward contracts (refer note 38)     | 20.86                   | 23.54                   |
| Interest accrued on fixed deposits with bank *                                 | 6.95                    | 4.07                    |
| <b>Total</b>   | <b>12,806.83</b>        | <b>546.22</b>           |

\* Fixed Deposit includes accrued Interest of ₹ 688.63 Lakhs (31 March, 2023: ₹ 0.04 Lakhs)

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 675.65 Lakhs (31 March, 2023: ₹ 0.04 Lakhs) against credit facilities availed by the Company.

**8A. INCOME TAX ASSETS (NET)**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Advance tax [Net of provision for income tax of ₹ 53,450.85 Lakhs (31 March, 2023: ₹ 47,685.80 Lakhs)] | 7,206.42                | 7,225.43                |
| <b>Total</b>   | <b>7,206.42</b>         | <b>7,225.43</b>         |

**8B. INCOME TAX LIABILITIES (NET)**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Other provisions</b>   |                         |                         |
| Provision for income tax [Net of advance tax ₹ 2,969.96 Lakhs (31 March, 2023: 5,590.99 Lakhs)] | 145.85                  | 1,913.79                |
| <b>Total</b>  | <b>145.85</b>           | <b>1,913.79</b>         |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**8C. TAX EXPENSE**

The major components of income tax expense for the years ended 31 March, 2024 and 31 March, 2023 are:

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

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| <b>Current income tax:</b>   |                                      |                                      |
| Current income tax charge  | 2,898.52                             | 7,443.59                             |
| Adjustments in respect of current income tax of earlier years          | 389.69                               | 286.27                               |
| <b>Deferred tax :</b>  |                                      |                                      |
| Relating to origination and reversal of temporary differences          | 708.33                               | 1,146.35                             |
| <b>Income tax expense reported in the statement of profit and loss</b> | <b>3,996.54</b>                      | <b>8,876.21</b>                      |

**Income tax (expense)/benefit recognised in OCI**

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

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Net (gain)/loss on remeasurement of defined employee benefit plans | 3.79                                 | (1.36)                               |
| <b>Total</b>   | <b>3.79</b>                          | <b>(1.36)</b>                        |

**Reconciliation of effective tax rate (ETR)**

|   | (₹ Lakhs)                            |                                      |
|---|--------------------------------------|--------------------------------------|
|   | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| <b>Profit from operations before income taxes</b>   | 7,187.16                             | 43,074.48                            |
| Tax @ 25.168% (31 March, 2023: 25.168%) (Indian statutory income tax rate)                              | 1,808.87                             | 10,840.98                            |
| Tax effect on income not taxable/taxable at different rates for tax purposes in certain jurisdictions : |                                      |                                      |
| Dividend received in investment in subsidiary   | 681.20                               | 1,362.40                             |
| Others mainly tax effect of Profit at lower/ nil tax rates in certain jurisdictions                     | (2,504.60)                           | 903.54                               |
|   | <b>(1,823.40)</b>                    | <b>2,265.94</b>                      |
| Tax effect on non-deductible expenses for tax purposes:   |                                      |                                      |
| Corporate social responsibility (CSR) expenditure   | 204.65                               | 218.17                               |
| Others  | 0.93                                 | 105.58                               |
|   | <b>205.58</b>                        | <b>323.75</b>                        |
| Tax effect of Profit at higher/ lower/ nil tax rates in certain jurisdictions                           | -                                    | -                                    |
| Effect of deductible temporary differences now recognised as deferred tax assets/ liabilities           | (230.99)                             | (308.85)                             |
| Adjustment of tax of earlier years  | 389.68                               | 286.27                               |
| <b>Income tax expense</b>   | <b>3,996.54</b>                      | <b>8,876.21</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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**8D. DEFERRED TAX ASSETS (NET)**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>Deferred tax assets</b>                               |                         |                         |
| Temporary difference related to profit on stock reserves | 995.05                  | 771.28                  |
| Other  | 36.28                   | 23.31                   |
| <b>Gross deferred tax assets</b>                         | <b>1,031.33</b>         | <b>794.59</b>           |
| <b>Net deferred tax assets</b>                           | <b>1,031.33</b>         | <b>794.59</b>           |

**8E. DEFERRED TAX LIABILITIES (NET)**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Deferred tax assets</b>  |                         |                         |
| Provision for gratuity  | 38.96                   | 72.07                   |
| Provision for investment in subsidiary  | 124.47                  | 124.47                  |
| Lease liability   | 375.62                  | -                       |
| Provision for doubtful debts  | 570.13                  | 885.81                  |
| Provision for inventories   | 471.04                  | 403.82                  |
| Provision for Sales Return & Purchase Return (Net)  | 532.30                  | 459.54                  |
| Provision for Deferred Sales  | 255.74                  | 222.91                  |
| Others  | 24.65                   | 38.44                   |
| <b>Gross deferred tax assets</b>  | <b>2,392.91</b>         | <b>2,207.06</b>         |
| <b>Deferred tax liabilities</b>   |                         |                         |
| Tangible and intangible assets  | 17,180.06               | 16,510.82               |
| Lease assets  | 361.42                  | -                       |
| Unrealised gain/ loss on derivative contract carried at fair value through statement of profit and loss | 129.94                  | 33.29                   |
| Unrealised gain / loss on derivative contract at fair value through statement of profit and loss        | -                       | 5.93                    |
| <b>Gross deferred tax liabilities</b>   | <b>17,671.42</b>        | <b>16,550.04</b>        |
| <b>Net deferred tax liabilities</b>   | <b>(15,278.51)</b>      | <b>(14,342.98)</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, 2024 and 31 March,2023**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| <b>Net deferred tax liabilities at the beginning of the year</b> | (14,342.98)                  | (12,886.42)                  |
| (Charge) relating to temporary difference                        | (939.32)                     | (1,455.20)                   |
| Temporary difference on other comprehensive income               | 3.79                         | (1.36)                       |
| <b>Net deferred tax liabilities at the end of the year</b>       | <b>(15,278.51)</b>           | <b>(14,342.98)</b>           |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**9. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| Raw materials including packing materials [Stock in transit ₹ 2,243.95 Lakhs (31 March, 2023: ₹ 4,919.58 Lakhs)] | 27,777.53               | 37,120.27               |
| Finished Goods [Stock in transit ₹ 9,914.15 Lakhs (31 March, 2023: ₹ 4,946.21 Lakhs)]                            | 58,766.55               | 65,255.02               |
| Traded goods [Stock in transit ₹ 2,787.63 Lakhs (31 March, 2023: ₹ 285.15 Lakhs)]                                | 12,620.14               | 11,058.57               |
| <b>Total</b>   | <b>99,164.22</b>        | <b>1,13,433.86</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 ₹ 12,220.54 Lakhs (31 March, 2023: ₹ 4,038.61 Lakhs)
- ii) Fund and non-fund based credit facilities availed by the Company from bank is secured by first pari passu charge on inventories (including stock-in-trade, and stock-in-transit) and trade receivables.

**10. TRADE RECEIVABLES**

(₹ Lakhs)

|                                      | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Considered Good, Unsecured           | 1,49,799.95             | 1,83,330.50             |
| Significant increase in credit risk  | 3,139.55                | 4,276.51                |
| <b>Total</b>                         | <b>1,52,939.50</b>      | <b>1,87,607.01</b>      |
| Less: - Allowances for credit losses | (3,139.55)              | (4,276.51)              |
| <b>Total</b>                         | <b>1,49,799.95</b>      | <b>1,83,330.50</b>      |

For the Company's credit risk management process, refer note 38.

Fund and non-fund based credit facilities availed by the Company from bank is secured by first pari passu charge on inventories (including stock-in-trade, and stock-in-transit) and trade receivables.

**11A. CASH AND CASH EQUIVALENTS**

(₹ Lakhs)

|                     | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---------------------|-------------------------|-------------------------|
| Balances with banks |                         |                         |
| in current account  | 8,723.24                | 17,632.27               |
| Cash on hand        | 11.04                   | 4.22                    |
| <b>Total</b>        | <b>8,734.28</b>         | <b>17,636.49</b>        |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**11B. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| In Fixed deposit account   |                         |                         |
| with original maturity of more than three months but less than twelve months * | -                       | 7.48                    |
| In earmarked accounts  | 57.53                   | 23.87                   |
| Unpaid dividend accounts   |                         |                         |
| <b>Total</b>   | <b>57.53</b>            | <b>31.35</b>            |

**12. OTHER ASSETS****Non-current (Unsecured, considered good)**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| Goods and service tax receivable                      | 826.21                  | 838.75                  |
| Statutory dues receivable from government authorities | 1,086.02                | 823.82                  |
| Export incentive receivable                           | 260.90                  | 324.03                  |
| <b>Total</b>  | <b>2,173.13</b>         | <b>1,986.60</b>         |

**Current**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                     |                         |                         |
| Advance to vendors for supply of goods and services   | 133.05                  | 258.51                  |
| Right of recoveries against expected sales return     | 5,336.59                | 4,189.94                |
| Goods and service tax receivable                      | 1,141.63                | 2,084.60                |
| Statutory dues receivable from government authorities | 500.74                  | 750.54                  |
| Prepaid expenses                                      | 219.74                  | 356.26                  |
| Export incentive and other receivable                 | 5.79                    | 8.07                    |
| <b>Total</b>  | <b>7,337.54</b>         | <b>7,647.92</b>         |

**13. EQUITY SHARE CAPITAL**

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <b>Authorised share capital</b>  |                         |                         |
| 10,50,00,000 (31 March, 2023: 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, 2023: 9,02,20,495) equity shares of ₹ 10/- each   | 9,022.05                | 9,022.05                |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(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, 2024 |                 | As at 31 March, 2023 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | 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> |

(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, 2024 |                        | As at 31 March, 2023 |                        |
|-------------------------|----------------------|------------------------|----------------------|------------------------|
|                         | 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 Mutual Fund        | 73,84,480            | 8.18%                  | 80,48,935            | 8.92%                  |
| <b>Total</b>            | <b>6,58,88,313</b>   | <b>73.04%</b>          | <b>6,65,52,768</b>   | <b>73.78%</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<br>Promoter's Name | As at 31 March, 2024 |                   | As at 31 March, 2023 |                   | % Change during the year |
|--|----------------------|-------------------|----------------------|-------------------|--------------------------|
|  | No. of Shares        | % of total shares | No. of Shares        | % of total shares |                          |
| 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 M Bubna   | 45,00,000            | 4.99%             | 45,00,000            | 4.99%             | -                        |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(e) In the period of five years, immediately preceding March, 2024:

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<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| <b>Cash dividend on equity shares declared:</b>   |                              |                              |
| Interim dividend on equity shares for the year ended 31 March, 2024: ₹ Nil (31 March, 2023: ₹ 3.00) per share | -                            | 2,706.61                     |
| <b>Proposed dividend on Equity shares:</b>  |                              |                              |
| Final cash dividend for the year ended 31 March, 2024: ₹ 3.00 (31 March, 2023: ₹ 3.00) per share              | 2,760.61                     | 2,706.61                     |
| <b>Cash dividends on equity shares distributed and paid :</b>   |                              |                              |
| Interim dividend on equity shares for the year ended 31 March, 2024: ₹ Nil (31 March, 2023: ₹ 3.00) per share | -                            | 2,706.61                     |
| Final 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                     |

14. OTHER EQUITY

(₹ Lakhs)

|  | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--|-------------------------|-------------------------|
| <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                   | 6,828.41                | 3,532.12                |
| Add: Foreign currency translation reserve for the year | 65.53                   | 3,296.29                |
| <b>Balance at the end of the year</b>                  | <b>6,893.94</b>         | <b>6,828.41</b>         |
| <b>Surplus in the Statement of Profit and Loss</b>     |                         |                         |
| Balance at the beginning of the year                   | 2,02,937.12             | 1,74,277.42             |
| Add: Profit for the year                               | 3,188.31                | 34,195.94               |
| Add: Other comprehensive income                        | (10.54)                 | 6.02                    |
| Add/(Less): Adjustment on account of Company closure   | -                       | 3.05                    |
| Less: Payment of dividends                             | 2,733.98                | 5,545.31                |
| <b>Balance at the end of the year</b>                  | <b>2,03,380.91</b>      | <b>2,02,937.12</b>      |
| <b>Total</b>   | <b>2,14,689.45</b>      | <b>2,14,180.13</b>      |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

### Capital Reserve -

The Group recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

### Securities Premium -

Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this for buy-back of shares.

### General Reserve -

General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend and issue of fully paid-up bonus shares."

## 15. LEASE LIABILITY

Following is carrying value of Lease Liability and the movements thereof :

| Description                               | (₹ Lakhs)               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
| <b>Opening Balance</b>                    | -                       | 860.87                  |
| Addition                                  | 2,154.05                | -                       |
| Interest Cost accrued during the year     | 148.41                  | 50.31                   |
| Lease liability payment                   | (810.00)                | (564.00)                |
| Deletion                                  | -                       | (347.18)                |
| Exchange Rate Variance on Lease Liability | -                       | -                       |
| <b>Closing Balance</b>                    | <b>1,492.46</b>         | <b>-</b>                |
| Current lease liability                   | 716.50                  | -                       |
| Non - Current lease liability             | 775.97                  | -                       |
| <b>Total lease liability</b>              | <b>1,492.47</b>         | <b>-</b>                |

## 16. BORROWINGS (CARRIED AT COST)

### Current

|                 | (₹ Lakhs)               |                         |
|-----------------|-------------------------|-------------------------|
|                 | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
| Unsecured loans | 337.51                  | 296.47                  |
| <b>Total</b>    | <b>337.51</b>           | <b>296.47</b>           |

Note: Quarterly statements of current assets are filed with Banks, are in agreement with books and no discrepancies found.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**17. TRADE PAYABLES**

**Current**

(₹ Lakhs)

|   | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises *<br>(refer note 40)      | 694.91                  | 185.87                  |
| Total outstanding dues of creditors other than micro enterprises and small<br>enterprises * | 91,420.23               | 1,37,571.12             |
| <b>Total</b>  | <b>92,115.14</b>        | <b>1,37,756.99</b>      |

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

**Trade payable ageing schedule as per amendment in revised Schedule III for 31 March, 2024**

(₹ Lakhs)

|                                | Not Yet Due | Upto 1 year | 1-2 years | 2-3 years | More than<br>3 years | Total            |
|--------------------------------|-------------|-------------|-----------|-----------|----------------------|------------------|
| MSME                           | 114.55      | 574.58      | -         | -         | -                    | 689.13           |
| Others                         | 47,699.87   | 42,804.13   | 552.95    | 3.61      | -                    | 91,060.56        |
| Disputed dues - MSME           | -           | -           | -         | -         | -                    | -                |
| Disputed Dues- Others          | -           | -           | -         | -         | -                    | -                |
| <b>Total of Trade Payables</b> |             |             |           |           |                      | <b>91,749.69</b> |
| Accruals                       |             |             |           |           |                      | 365.45           |
| <b>Total</b>                   |             |             |           |           |                      | <b>92,115.14</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<br>3 years | Total              |
|--------------------------------|-------------|-------------|-----------|-----------|----------------------|--------------------|
| <b>Trade payables</b>          |             |             |           |           |                      |                    |
| MSME                           | -           | 185.87      | -         | -         | -                    | 185.87             |
| Other                          | 78,866.38   | 57,613.91   | 463.48    | 39.88     | 304.56               | 1,37,288.21        |
| Disputed dues - MSME           | -           | -           | -         | -         | -                    | -                  |
| Disputed Dues- Others          | -           | -           | -         | -         | -                    | -                  |
| <b>Total of Trade Payables</b> |             |             |           |           |                      | <b>1,37,474.08</b> |
| Accruals                       |             |             |           |           |                      | 282.91             |
| <b>Total</b>                   |             |             |           |           |                      | <b>1,37,756.99</b> |

**18. OTHER FINANCIAL LIABILITIES (CARRIED AT COST)**

**Non-current**

(₹ Lakhs)

|                                 | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Creditors for capital purchases | 5,838.00                | 172.56                  |
|                                 | <b>5,838.00</b>         | <b>172.56</b>           |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**Current**

(₹ Lakhs)

|                                 | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---------------------------------|---------------------------------|---------------------------------|
| Unclaimed dividend *            | 57.53                           | 23.87                           |
| Creditors for capital purchases | 49,193.24                       | 42,035.63                       |
| Directors commission            | 493.76                          | 602.23                          |
| Salaries and bonus              | 481.59                          | 445.05                          |
| Others                          | 20.70                           | 30.39                           |
| <b>Total</b>                    | <b>50,246.82</b>                | <b>43,137.17</b>                |

\*An amount of ₹ 1.13 Lakhs & 0.46 Lakhs (31 March, 2023: ₹ 0.25 Lakhs) has been transferred on 10 April, 2023 & 06 December, 2023 to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013.

# Includes principal amount ₹ 1,122.83 Lakhs (31 March, 2023: ₹ 993.42 Lakhs) and interest due thereon ₹ Nil (31 March, 2023: ₹ 52.13 Lakhs) remaining unpaid to micro enterprises and small enterprises.

**19. PROVISIONS**

**Non-current**

(₹ Lakhs)

|  | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Provision for Gratuity (refer note 30) | 135.71                          | 273.92                          |
| <b>Total</b>                           | <b>135.71</b>                   | <b>273.92</b>                   |

**Current**

(₹ Lakhs)

|  | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Provision for Gratuity (refer note 30) | 47.81                           | 38.74                           |
| Provision for compensated absences     | 65.95                           | 52.98                           |
| Expected return from customers         | 7,483.47                        | 6,048.48                        |
| <b>Total</b>                           | <b>7,597.23</b>                 | <b>6,140.20</b>                 |

**20. OTHER CURRENT LIABILITIES**

(₹ Lakhs)

|   | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---|---------------------------------|---------------------------------|
| Advance from customers (refer note 34)  | 914.39                          | 635.37                          |
| Reward scheme liability   | 1,813.84                        | 1,635.47                        |
| Deposit taken   | 9.00                            | 7.90                            |
| Book overdraft  | 371.55                          | 766.61                          |
| Statutory liabilities (including provident fund, tax deducted at source and others) | 3,787.11                        | 4,762.81                        |
| Others  | -                               | 3.18                            |
| <b>Total</b>  | <b>6,895.89</b>                 | <b>7,811.34</b>                 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**21. REVENUE FROM OPERATIONS**

(₹ Lakhs)

|                               | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|-------------------------------|--------------------------------------|--------------------------------------|
| Sale of goods (refer note 34) | 3,16,036.86                          | 4,03,979.87                          |
| Other operating revenue       |                                      |                                      |
| Export incentives             | 227.54                               | 273.96                               |
| Royalty income                | -                                    | 45.82                                |
| Miscellaneous receipts        | 38.05                                | 216.01                               |
| <b>Total</b>                  | <b>3,16,302.45</b>                   | <b>4,04,515.66</b>                   |

**22. OTHER INCOME**

(₹ Lakhs)

|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|--|--------------------------------------|--------------------------------------|
| Interest income on   |                                      |                                      |
| Bank deposits carried at amortised cost  | 903.54                               | 450.04                               |
| Income tax refund received   | -                                    | 0.53                                 |
| Bonds  | -                                    | 37.92                                |
| Delay collection from customers  | 453.20                               | -                                    |
| Others   | 0.77                                 | 1.78                                 |
| Reversal of doubtful debts   | 1,254.28                             | -                                    |
| Profit on disposal of property, plant and equipment  | -                                    | 5.45                                 |
| Liabilities/ provisions no longer required written back on creditors for capital purchases | 475.59                               | 203.70                               |
| Profit on sale of mutual funds   | 15.53                                | 1,582.11                             |
| Gain on financial instruments at fair value (Mutual fund)                                  | 384.04                               | -                                    |
| Miscellaneous income   | 147.76                               | 142.38                               |
| <b>Total</b>   | <b>5,976.22</b>                      | <b>4,028.05</b>                      |

**23. COST OF MATERIALS CONSUMED**

(₹ Lakhs)

|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|--|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 37,120.27                            | 44,442.60                            |
| Add: Purchases                         | 1,39,059.52                          | 1,47,847.02                          |
|  | 1,76,179.79                          | 1,92,289.62                          |
| Less: Inventory at the end of the year | (27,777.53)                          | (37,120.27)                          |
| <b>Total</b>                           | <b>1,48,402.26</b>                   | <b>1,55,169.35</b>                   |

**23A. PURCHASE OF STOCK-IN-TRADE**

(₹ Lakhs)

|                   | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|-------------------|--------------------------------------|--------------------------------------|
| Agrochemicals     | 40,658.67                            | 1,09,827.17                          |
| Non Agrochemicals | 39,212.71                            | 51,773.05                            |
| <b>Total</b>      | <b>79,871.38</b>                     | <b>1,61,600.22</b>                   |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| Inventories at the end of the year   |                              |                              |
| Stock in trade   | 12,620.13                    | 11,058.58                    |
| Finished goods   | 58,766.55                    | 65,255.02                    |
| Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve | (296.12)                     | (476.75)                     |
| <b>Total</b>   | <b>71,090.56</b>             | <b>75,836.85</b>             |
| Inventories at the beginning 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 | 741.93                       | 310.10                       |
| <b>Total</b>   | <b>77,055.53</b>             | <b>45,145.57</b>             |
| <b>Changes in inventories of finished goods and stock in trade</b>   | <b>5,964.97</b>              | <b>(30,691.28)</b>           |

**25. EMPLOYEE BENEFITS EXPENSES**

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus                                 | 4,166.83                     | 4,407.56                     |
| Contribution to provident and other funds (refer note 30) | 4.49                         | 4.90                         |
| Gratuity expenses (refer note 30)                         | 59.30                        | 53.71                        |
| Staff welfare expenses                                    | 12.80                        | 13.51                        |
| <b>Total</b>  | <b>4,243.42</b>              | <b>4,479.68</b>              |

**26. FINANCE COSTS**

(₹ Lakhs)

|                                   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| Interest Expenses on              |                              |                              |
| Borrowing from bank               | 9.25                         | 60.43                        |
| Income tax                        | -                            | 225.50                       |
| Lease liabilities                 | 148.41                       | 50.31                        |
| Delayed payment of statutory dues | 3.70                         | 0.46                         |
| Others                            | 200.53                       | 114.30                       |
| <b>Total</b>                      | <b>361.89</b>                | <b>451.00</b>                |

**27. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| Depreciation on property, plant and equipment (refer note 3A) | 165.21                       | 232.12                       |
| Depreciation on right-of-use asset (refer note 3B)            | 718.02                       | 769.36                       |
| Amortisation of intangible assets (refer note 4)              | 25,829.95                    | 23,810.26                    |
| <b>Total</b>  | <b>26,713.18</b>             | <b>24,811.74</b>             |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**28. OTHER EXPENSES**

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Freight and forwarding expenses  | 7,455.54                             | 8,163.27                             |
| Rent   | 292.18                               | 273.81                               |
| Rates and taxes  | 935.07                               | 500.15                               |
| Insurance charges  | 1,900.44                             | 1,357.57                             |
| Repairs and maintenance  |                                      |                                      |
| Buildings  | 1.65                                 | 0.48                                 |
| Others   | 52.81                                | 45.75                                |
| Advertising and sales promotion  | 1,342.35                             | 779.97                               |
| Sales commission   | 1,203.75                             | 1,570.06                             |
| Travelling and conveyance  | 1,009.40                             | 741.52                               |
| Communication expenses   | 117.21                               | 103.60                               |
| Office expenses  | 1,153.14                             | 1,158.69                             |
| Legal and professional fees  | 26,676.50                            | 21,522.40                            |
| Directors sitting fees   | 22.05                                | 12.90                                |
| Corporate Social Responsibility expense (refer note 41)                          | 810.72                               | 866.15                               |
| Donation   | 2.41                                 | 0.70                                 |
| Payment to auditor (refer note 'a' below)  | 101.21                               | 77.26                                |
| Loss on financial instruments at fair value (Mutual fund)                        | -                                    | 1,368.55                             |
| Bad debts  | 105.51                               | 677.91                               |
| Allowance for doubtful debts   | 493.63                               | 1,789.93                             |
| Loss on sale of bond   | -                                    | 7.50                                 |
| Provision for dimunition in shares   | -                                    | 2.82                                 |
| Bank charges   | 2,057.32                             | 1,566.33                             |
| Discard / write-off of intangible assets and intangible assets under development | 3,486.36                             | 1,194.12                             |
| Miscellaneous expenses   | 276.54                               | 106.15                               |
| Foreign exchange (gain) / loss (net)   | 38.62                                | 5,760.93                             |
| <b>Total</b>   | <b>49,534.41</b>                     | <b>49,648.52</b>                     |

**Note a:**

**Details of payment to auditors:**

|                                 | (₹ Lakhs)                            |                                      |
|---------------------------------|--------------------------------------|--------------------------------------|
|                                 | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| As auditor:                     |                                      |                                      |
| Audit fees                      | 85.35                                | 61.41                                |
| Reimbursement of expenses       | 8.20                                 | 10.68                                |
| In other capacities:            |                                      |                                      |
| Other services :- certification | 7.66                                 | 5.17                                 |
| <b>Total</b>                    | <b>101.21</b>                        | <b>77.26</b>                         |

**29. EARNINGS PER SHARE (EPS)**

|  | (₹ Lakhs)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
| Profit after tax attributable to equity shareholders (₹ Lakhs)       | 3,188.31                             | 34,195.94                            |
| 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 (₹)                              | 3.53                                 | 37.90                                |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (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":

(₹ Lakhs)

|  | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Contribution to employees provident fund | 3.03                            | 3.58                            |
| Contribution to ESI                      | 1.46                            | 1.31                            |
|  | <b>4.49</b>                     | <b>4.89</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<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|---|---------------------------------|---------------------------------|
| <b>Changes in benefit obligations</b>                               |                                 |                                 |
| Benefit obligations at the beginning of the year                    | 396.57                          | 373.65                          |
| Current service cost  | 36.50                           | 36.39                           |
| Interest cost   | 26.24                           | 23.56                           |
| Actuarial (gains)/ losses   | 20.36                           | (8.87)                          |
| Benefits paid   | (14.45)                         | (28.16)                         |
| <b>Benefit obligations at the end of the year</b>                   | <b>465.22</b>                   | <b>396.57</b>                   |
| <b>Change in plan assets</b>  |                                 |                                 |
| Fair value of plan assets at the beginning of the year              | 83.91                           | 106.77                          |
| Return on plan assets excluding amounts included in interest income | 10.56                           | 4.74                            |
| Contributions   | 200.00                          | -                               |
| Benefits paid   | (12.79)                         | (27.60)                         |
| <b>Fair value of plan assets at the end of the year</b>             | <b>281.68</b>                   | <b>83.91</b>                    |
| <b>Net benefit obligation at the end of the year</b>                | <b>183.54</b>                   | <b>312.66</b>                   |

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

(₹ Lakhs)

|  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|--|--------------------------------------|--------------------------------------|
| Current service cost   | 37.60                                | 36.39                                |
| Net interest cost  | 21.70                                | 17.32                                |
| <b>Net gratuity cost charged to statement of profit and loss</b> | <b>59.30</b>                         | <b>53.71</b>                         |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**Amounts recognised in Statement of other comprehensive income**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| <b>Remeasurements of the net defined benefit liability / (asset)</b>         |                              |                              |
| Actuarial (gains) / losses   | (20.36)                      | (8.87)                       |
| (Return)/ loss on plan assets excluding amounts included in the net interest | 6.03                         | 1.49                         |
|  | <b>(14.33)</b>               | <b>(7.38)</b>                |

**Plan assets comprise of the following**

|                     | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---------------------|------------------------------|------------------------------|
| Policy of Insurance | 100%                         | 100%                         |

**Actuarial assumptions as at the balance sheet date:**

|   | Year Ended<br>31 March, 2024                            | Year Ended<br>31 March, 2023                            |
|---|---|---|
| Discount rate                                       | 7.20%   | 7.40%   |
| Expected rate of salary increase (p.a.)             | 8.00%   | 6.50%   |
| Mortality table                                     | Indian Assured<br>Lives Mortality<br>(2006-08) Ultimate | Indian Assured Lives<br>Mortality (2006-08)<br>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)

|              | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--------------|-------------------------|-------------------------|
| Year 1       | 97.97                   | 84.05                   |
| Year 2       | 29.40                   | 29.01                   |
| Year 3       | 26.37                   | 26.45                   |
| Year 4       | 45.18                   | 22.85                   |
| Year 5       | 55.76                   | 41.74                   |
| Year 6 to 10 | 153.88                  | 153.99                  |

**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)

|  | Year ended<br>31 March, 2024 |          | Year ended<br>31 March, 2023 |          |
|--|------------------------------|----------|------------------------------|----------|
|  | Increase                     | Decrease | Increase                     | Decrease |
| Discount rate varied by 0.5%             | 429.88                       | 463.41   | 381.99                       | 412.27   |
| Future salary growth rate varied by 0.5% | 452.99                       | 438.29   | 403.53                       | 389.52   |
| Withdrawal rate varied by 10%            | 450.52                       | 441.03   | 400.82                       | 392.04   |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**31. CAPITAL AND OTHER COMMITMENTS**

(₹ Lakhs)

|  | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Estimated amount of contracts remaining to be executed on capital account not provided for (Net of capital advances, if any) | 22,924.16                       | 30,388.25                       |

**32. CONTINGENT LIABILITIES**

(₹ Lakhs)

|  | <b>As at<br/>31 March, 2024</b> | <b>As at<br/>31 March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Income tax matters (refer note (i) below)  | 14,560.00                       | 6,703.71                        |
| Service tax matter (refer note (ii) below) | -                               | 785.14                          |
| <b>Total</b>                               | <b>14,560.00</b>                | <b>7,488.85</b>                 |

Notes:

- 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 FY 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) In respect of service tax matter, CESTAT has passed order in favour of the company in the month of July 2023, against said order the department has preferred an appeal before the High Court, Mumbai. 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.

**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 Group'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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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, 2024     | 31 March, 2023     | 31 March, 2024    | 31 March, 2023   | 31 March, 2024     | 31 March, 2023     |
| <b>Revenue</b>                                  |                    |                    |                   |                  |                    |                    |
| External sales                                  | 2,63,942.96        | 3,34,797.88        | 52,359.49         | 69,717.78        | 3,16,302.45        | 4,04,515.66        |
| Other income                                    | 4,466.23           | 1,588.54           | 178.19            | 367.52           | 4,644.42           | 1,956.06           |
| <b>Revenue from operations</b>                  | <b>2,68,409.19</b> | <b>3,36,386.42</b> | <b>52,537.68</b>  | <b>70,085.30</b> | <b>3,20,946.87</b> | <b>4,06,471.72</b> |
| <b>Results</b>                                  |                    |                    |                   |                  |                    |                    |
| Segment results                                 | (3,281.91)         | 27,881.62          | 11,930.13         | 17,074.07        | 8,648.22           | 44,955.69          |
| Other income (Unallocated)                      |                    |                    |                   |                  | 1,331.78           | 2,072.01           |
| Unallocated expenses                            |                    |                    |                   |                  | (2,449.78)         | (3,562.60)         |
| <b>Operating profit</b>                         |                    |                    |                   |                  | <b>7,530.22</b>    | <b>43,465.10</b>   |
| Finance costs                                   |                    |                    |                   |                  | (343.06)           | (390.62)           |
| <b>Profit before tax</b>                        |                    |                    |                   |                  | <b>7,187.16</b>    | <b>43,074.48</b>   |
| Income taxes                                    |                    |                    |                   |                  | (3,996.54)         | (8,876.21)         |
| <b>Profit after tax</b>                         |                    |                    |                   |                  | <b>3,190.62</b>    | <b>34,198.27</b>   |
| <b>Other segment information</b>                |                    |                    |                   |                  |                    |                    |
| Segment assets                                  | 3,43,532.96        | 3,73,194.33        | 11,657.86         | 20,342.30        | 3,55,190.82        | 3,93,536.63        |
| Unallocated assets                              |                    |                    |                   |                  | 48,641.42          | 41,546.16          |
| <b>Total assets</b>                             | <b>3,43,532.96</b> | <b>3,73,194.33</b> | <b>11,657.86</b>  | <b>20,342.30</b> | <b>4,03,832.24</b> | <b>4,35,082.79</b> |
| Segment liabilities                             | 1,58,661.74        | 1,88,143.24        | 3,967.77          | 7,140.40         | 1,62,629.51        | 1,95,283.64        |
| Unallocated liabilities                         |                    |                    |                   |                  | 17,453.62          | 16,561.78          |
| <b>Total liabilities</b>                        | <b>1,58,661.74</b> | <b>1,88,143.24</b> | <b>3,967.77</b>   | <b>7,140.40</b>  | <b>1,80,083.13</b> | <b>2,11,845.42</b> |
| <b>Capital expenditure:</b>                     |                    |                    |                   |                  |                    |                    |
| Tangible assets (Unallocated)                   |                    |                    |                   |                  | 47.82              | 65.72              |
| Intangible assets (Including IAUD*) (Allocated) | 42,127.82          | 35,536.77          |                   |                  | 42,127.82          | 35,536.77          |
| Intangible assets (Unallocated)                 |                    |                    |                   |                  | 26.54              | 8.02               |
| Depreciation (Unallocated)                      |                    |                    |                   |                  | 883.23             | 1,001.06           |
| Amortisation (Allocated)                        | 25,827.07          | 23,809.71          | 2.88              | 0.56             | 25,829.95          | 23,810.27          |
| Amortisation (Unallocated)                      |                    |                    |                   |                  | -                  | -                  |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

| Particulars                    | Agrochemicals  |                | Non Agrochemicals |                | Total          |                |
|--------------------------------|----------------|----------------|-------------------|----------------|----------------|----------------|
|                                | 31 March, 2024 | 31 March, 2023 | 31 March, 2024    | 31 March, 2023 | 31 March, 2024 | 31 March, 2023 |
| Capital employed               | 1,84,871.22    | 1,85,051.09    | 7,690.09          | 13,201.90      | 1,92,561.31    | 1,98,252.99    |
| Capital employed (Unallocated) |                |                |                   |                | 31,187.80      | 24,984.38      |

\*IAUD-Intangible Asset Under Development

**Notes**

- (i) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
  - a) Agrochemicals – This is the main area of the Group's operation and includes the trading of agrochemical products.
  - b) Non Agrochemicals – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure are as follows:
  - a) Revenue within India includes sales to customers located within India.
  - b) Revenue outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).
- (v) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (vi) The Group does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Group's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

**Geographical information**

The geographical information analyses the Group revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue are based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated between within India and Outside India.

(₹ Lakhs)

|              | 31 March, 2024                 |   | 31 March, 2023                 |   |
|--------------|--------------------------------|---|--------------------------------|---|
|              | Revenue by Geographical Market | Carrying amount of Non Current Assets * | Revenue by Geographical Market | Carrying amount of Non Current Assets * |
| INDIA        | 326.85                         | 9,933.58                                | 554.61                         | 20,304.47                               |
| EUROPE       | 1,58,569.55                    | 42,425.60                               | 1,91,031.40                    | 39,242.06                               |
| LATAM        | 18,616.73                      | 2,000.49                                | 27,607.34                      | 1,882.38                                |
| NAFTA        | 1,12,734.74                    | 50,157.71                               | 1,54,876.66                    | 42,497.71                               |
| ROW          | 26,054.58                      | 4,493.31                                | 30,445.65                      | 4,544.95                                |
| <b>Total</b> | <b>3,16,302.45</b>             | <b>1,09,010.69</b>                      | <b>4,04,515.66</b>             | <b>1,08,471.57</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, 2024 and 31 March, 2023



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (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 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<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| Opening contract liability                          | 635.37                  | 817.52                  |
| Add: Addition to contract liability during the year | 4,646.50                | 8,085.44                |
| Less: Recognised as revenue during the year         | (4,239.24)              | (7,265.25)              |
| Less: Other adjustments                             | (128.24)                | (1,002.34)              |
| <b>Closing contract liability</b>                   | <b>914.39</b>           | <b>635.37</b>           |

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

(₹ Lakhs)

| Particulars   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| Revenue from contract with customer as per contract price | 3,49,845.66                  | 4,33,169.40                  |
| Less: Discounts and incentives                            | (10,793.15)                  | (3,142.99)                   |
| Less:- Sales returns /credits / reversals                 | (22,801.48)                  | (25,931.79)                  |
| Less:- Any other adjustments                              | (214.17)                     | (114.75)                     |
| <b>Closing contract liability</b>                         | <b>3,16,036.86</b>           | <b>4,03,979.87</b>           |

**(C) Disaggregation of revenue from contract with customers**

(₹ Lakhs)

| Particulars              | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--------------------------|------------------------------|------------------------------|
| <b>Agrochemicals</b>     |                              |                              |
| India                    | 851.90                       | 1,056.81                     |
| Europe                   | 1,49,903.55                  | 1,77,088.98                  |
| Latin America            | 15,532.63                    | 23,913.39                    |
| North America            | 82,159.35                    | 1,12,357.06                  |
| Rest of the world        | 15,229.92                    | 19,845.83                    |
| <b>Total (A)</b>         | <b>2,63,677.35</b>           | <b>3,34,262.07</b>           |
| <b>Non Agrochemicals</b> |                              |                              |
| India                    | -                            | -                            |
| Europe                   | 8,512.41                     | 13,666.64                    |
| Latin America            | 3,033.54                     | 3,658.63                     |
| North America            | 30,526.56                    | 42,359.09                    |
| Rest of the world        | 10,287.00                    | 10,033.44                    |
| <b>Total (B)</b>         | <b>52,359.51</b>             | <b>69,717.80</b>             |
| <b>Total (A) +(B)</b>    | <b>3,16,036.86</b>           | <b>4,03,979.87</b>           |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**35. RELATED PARTY DISCLOSURES**

**(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                                      | Relative of Whole-time Director   |
| Mrs Anisha M. Bubna                                     | Relative of Whole-time Director   |
| Ms Kevika A. Bubna                                      | Relative of Whole-time Director   |
| Mr Purav M. Bubna                                       | Relative 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 (resigned effective 07.06.2023)                             |
| Mr Shailesh A. Mehendale                                | Chief Financial Officer (effective from 06.12.2023)                                 |
| Mr Jetkin N. Gudhka                                     | Company Secretary   |
| Mrs Manali Gohil  | Company Secretary, Axis Cropscience Private Limited (resigned effective 27.12.2022) |
| Ms Shweta Parmar  | Company Secretary, Axis Cropscience Private Limited (resigned effective 02.01.2024) |

**(b) Enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives**

Jankidevi Bilasrai Bubna Trust

**(B) Transactions during the year**

**(a) Key Managerial Personnel Compensation:**

(₹ Lakhs)

|                               | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|-------------------------------|--------------------------------------|--------------------------------------|
| Short- term employee benefits | 1,304.04                             | 1,748.14                             |
| Post-employment benefits      | 2.67                                 | 2.62                                 |

**(b) With Key Managerial Personnel and their relatives**

(₹ Lakhs)

|                              | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|------------------------------|--------------------------------------|--------------------------------------|
| Rent paid                    | 810.00                               | 564.00                               |
| Remuneration                 | 701.81                               | 696.32                               |
| Director's Sitting Fees paid | 22.05                                | 12.90                                |
| Directors' Commission paid   | 602.23                               | 1,051.82                             |
| Dividend paid                | 2,025.11                             | 4,050.24                             |

(₹ Lakhs)

|                                  | <b>Year ended<br/>31 March, 2024</b> | <b>Year ended<br/>31 March, 2023</b> |
|----------------------------------|--------------------------------------|--------------------------------------|
| <b>Post-employment benefits:</b> | 2.67                                 | 2.62                                 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(c) With enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives

(₹ Lakhs)

|                                | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--------------------------------|------------------------------|------------------------------|
| <b>Donations paid to:</b>      |                              |                              |
| Jankidevi Bilasrai Bubna Trust | 28.00                        | 19.00                        |

(C) Outstanding balance as at balance sheet date

(₹ Lakhs)

|                                      | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Director's Commission Payable</b> | 492.64                  | 602.23                  |
| <b>Salary Payable</b>                | 8.92                    | 7.44                    |
| <b>Post-employment benefits</b>      | 68.01                   | 69.62                   |

**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 Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

| Nature of instrument   | Foreign currency | As at 31 March, 2024 |                  | As at 31 March, 2023 |                  |
|------------------------|------------------|----------------------|------------------|----------------------|------------------|
|                        |                  | Amount (FCY Mn.)     | Amount (₹ Lakhs) | Amount (FCY Mn.)     | Amount (₹ Lakhs) |
| Forward contract- Sell | US\$ to ₹        | 2.00                 | 1,669.49         | 4.50                 | 3,830.16         |
|                        | EUR to US\$      | 1.00                 | 929.25           | 3.80                 | 3,383.35         |
|                        | EUR to ₹         | -                    | -                | 1.50                 | 1,329.26         |
|                        | CAD to US\$      | -                    | -                | 0.20                 | 121.39           |
|                        | AUD              | 0.25                 | 1.79             | -                    | -                |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**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, 2024

(₹ 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, 2024    | -                | -        | 532.28             | -          | -                | 532.28             | 532.28             |
| <b>Current</b>   |                   |                  |          |                    |            |                  |                    |                    |
| Investment in mutual funds                               | 31 March, 2024    | 15,889.87        | -        | -                  | -          | 15,889.87        | -                  | 15,889.87          |
| Derivative financial assets                              | 31 March, 2024    | 20.86            | -        | -                  | -          | 20.86            | -                  | 20.86              |
| Loans  | 31 March, 2024    | -                | -        | -                  | -          | -                | -                  | -                  |
| Trade Receivables  | 31 March, 2024    | -                | -        | 1,49,799.95        | -          | -                | 1,49,799.95        | 1,49,799.95        |
| Cash and cash equivalents                                | 31 March, 2024    | -                | -        | 8,734.28           | -          | -                | 8,734.28           | 8,734.28           |
| Bank balances other than cash and cash equivalents       | 31 March, 2024    | -                | -        | 57.53              | -          | -                | 57.53              | 57.53              |
| Other financial assets                                   | 31 March, 2024    | -                | -        | 12,785.97          | -          | -                | 12,785.97          | 12,785.97          |
| <b>Total Financial Assets</b>                            |                   | <b>15,910.73</b> | <b>-</b> | <b>1,71,910.01</b> | <b>-</b>   | <b>15,910.73</b> | <b>1,71,910.01</b> | <b>1,87,820.74</b> |
| <b>Financial Liabilities</b>                             |                   |                  |          |                    |            |                  |                    |                    |
| <b>Financial liabilities</b>                             |                   |                  |          |                    |            |                  |                    |                    |
| <b>Non current</b>                                       |                   |                  |          |                    |            |                  |                    |                    |
| Lease liabilities  | 31 March, 2024    | -                | -        | 775.97             | -          | -                | 775.97             | 775.97             |
| Other financial liabilities other than lease liabilities | 31 March, 2024    | -                | -        | 5,838.00           | -          | -                | 5,838.00           | 5,838.00           |
| <b>Current</b>   |                   |                  |          |                    |            |                  |                    |                    |
| Borrowings   | 31 March, 2024    | -                | -        | 337.51             | -          | -                | 337.51             | 337.51             |
| Trade creditors  | 31 March, 2024    | -                | -        | 92,115.14          | -          | -                | 92,115.14          | 92,115.14          |
| Lease liabilities  | 31 March, 2024    | -                | -        | 716.50             | -          | -                | 716.50             | 716.50             |
| Other financial liabilities other than lease liabilities | 31 March, 2024    | -                | -        | 50,246.82          | -          | -                | 50,246.82          | 50,246.82          |
| <b>Total Financial liabilities</b>                       |                   | <b>-</b>         | <b>-</b> | <b>1,50,029.94</b> | <b>-</b>   | <b>-</b>         | <b>1,50,029.94</b> | <b>1,50,029.94</b> |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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>Financial assets</b>                                  |                   |                 |          |                    |            |                 |                    |                    |
| <b>Non Current</b>                                       |                   |                 |          |                    |            |                 |                    |                    |
| Other financial assets                                   | 31 March, 2023    | -               | -        | 12,074.27          | -          | -               | 12,074.27          | 12,074.27          |
| <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              |
| Trade Receivables  | 31 March, 2023    | -               | -        | 1,83,330.50        | -          | -               | 1,83,330.50        | 1,83,330.50        |
| Cash and cash equivalents                                | 31 March, 2023    | -               | -        | 17,636.49          | -          | -               | 17,636.49          | 17,636.49          |
| Bank balances other than cash and cash equivalents       | 31 March, 2023    | -               | -        | 31.35              | -          | -               | 31.35              | 31.35              |
| Other financial assets                                   | 31 March, 2023    | -               | -        | 522.68             | -          | -               | 522.68             | 522.68             |
| <b>Total Financial Assets</b>                            |                   | <b>3,213.83</b> | <b>-</b> | <b>2,13,595.29</b> | <b>-</b>   | <b>3,213.83</b> | <b>2,13,595.29</b> | <b>2,16,809.12</b> |
| <b>Financial liabilities</b>                             |                   |                 |          |                    |            |                 |                    |                    |
| <b>Non Current</b>                                       |                   |                 |          |                    |            |                 |                    |                    |
| Lease liabilities  | 31 March, 2023    | -               | -        | -                  | -          | -               | -                  | -                  |
| Other financial liabilities other than lease liabilities | 31 March, 2023    | -               | -        | 172.56             | -          | -               | 172.56             | 172.56             |
| <b>Current</b>   |                   |                 |          |                    |            |                 |                    |                    |
| Borrowings   | 31 March, 2023    | -               | -        | 296.47             | -          | -               | 296.47             | 296.47             |
| Trade creditors  | 31 March, 2023    | -               | -        | 1,37,756.99        | -          | -               | 1,37,756.99        | 1,37,756.99        |
| Lease liabilities  | 31 March, 2023    | -               | -        | -                  | -          | -               | -                  | -                  |
| Other financial liabilities other than lease liabilities | 31 March, 2023    | -               | -        | 43,137.17          | -          | -               | 43,137.17          | 43,137.17          |
| <b>Total Financial liabilities</b>                       |                   | <b>-</b>        | <b>-</b> | <b>1,81,363.19</b> | <b>-</b>   | <b>-</b>        | <b>1,81,363.19</b> | <b>1,81,363.19</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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

### 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).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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, 2024 |                  | As at 31 March, 2023 |                  |
|---|------------------|----------------------|------------------|----------------------|------------------|
|   |                  | Amount (FCY Mn.)     | Amount (₹ Lakhs) | Amount (FCY Mn.)     | Amount (₹ Lakhs) |
| <b>Unhedged currency exposure on:-</b>    |                  |                      |                  |                      |                  |
| <b>a) Receivables</b>                     | <b>US\$</b>      | 52.27                | 33,205.23        | 75.67                | 62,284.50        |
|   | <b>EUR</b>       | 59.90                | 53,761.96        | 60.71                | 54,593.52        |
|   | <b>GBP</b>       | 2.69                 | 1,662.22         | 4.24                 | 4,294.30         |
|   | <b>AUD</b>       | 0.41                 | 2.64             | 0.90                 | 493.53           |
|   | <b>PLN</b>       | 12.74                | 2,664.39         | 24.90                | 4,750.60         |
|   | <b>AUD</b>       | 0.41                 | 2.64             | -                    | -                |
|   | <b>ZAR</b>       | -                    | (14.25)          | -                    | -                |
|   | <b>HUF</b>       | -                    | (7.15)           | -                    | -                |
|   | <b>CZK</b>       | 0.17                 | (27.80)          | -                    | -                |
|   | <b>MXN</b>       | -                    | 109.02           | -                    | -                |
|   | <b>CAD</b>       | 7.01                 | 4,321.10         | 28.13                | 17,107.95        |
|   | <b>COP</b>       | -                    | 23.01            | -                    | -                |
| <b>b) Payables</b>                        | <b>US\$</b>      | 132.09               | 1,08,074.23      | 156.52               | 1,28,619.47      |
|   | <b>EUR</b>       | 27.96                | 25,150.25        | 42.11                | 37,482.17        |
|   | <b>MXN</b>       | -                    | -                | 0.05                 | 2.27             |
|   | <b>HUF</b>       | 554.98               | 1,266.74         | 641.34               | 1,505.68         |
|   | <b>CZK</b>       | (0.08)               | (2.78)           | 0.93                 | 35.42            |
|   | <b>PLN</b>       | 1.36                 | 285.12           | 3.84                 | 732.15           |
|   | <b>CHF</b>       | 0.08                 | 72.93            | 0.09                 | 78.32            |
|   | <b>GBP</b>       | 0.47                 | 454.36           | 0.61                 | 618.48           |
|   | <b>PHP</b>       | 0.15                 | 2.29             | 0.11                 | 1.64             |
|   | <b>CAD</b>       | 0.68                 | 409.01           | 1.40                 | 848.68           |
|   | <b>ZAR</b>       | 0.86                 | 38.08            | 0.22                 | 10.18            |
|   | <b>AUD</b>       | -                    | 0.66             | -                    | 0.98             |
|   | <b>HRK</b>       | -                    | -                | -                    | 0.01             |
|   | <b>JPY</b>       | 7.72                 | 42.53            | 4.11                 | 25.47            |
|   | <b>AED</b>       | 0.13                 | 0.35             | 0.11                 | 25.73            |
| <b>c) Bank Balance</b>                    | <b>US\$</b>      | 4.73                 | 1,131.68         | 11.69                | 9,606.58         |
|   | <b>EUR</b>       | 3.16                 | 2,757.26         | 6.17                 | 5,487.72         |
|   | <b>CAD</b>       | 0.16                 | 98.70            | 1.60                 | 972.68           |
|   | <b>PLN</b>       | 0.10                 | 20.68            | 0.19                 | 35.34            |
|   | <b>GBP</b>       | 0.57                 | 9.70             | 0.08                 | 44.69            |
|   | <b>AUD</b>       | 0.16                 | 1.06             | -                    | 0.56             |
| <b>d) Advance received from customers</b> | <b>EUR</b>       | 0.02                 | 0.18             | -                    | -                |
|   | <b>US\$</b>      | 0.40                 | 3.97             | 0.31                 | 251.97           |
| <b>e) Other receivables</b>               | <b>AED</b>       | -                    | -                | 0.39                 | 88.26            |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**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)

|                | Change in US\$ Rate | Effect on profit and loss | Effect on equity |
|----------------|---------------------|---------------------------|------------------|
| 31 March, 2024 | 1%                  | (748.69)                  | (332.37)         |
|                | (1%)                | 748.69                    | 332.37           |
| 31 March, 2023 | 1%                  | (663.34)                  | (526.65)         |
|                | (1%)                | 663.34                    | 526.65           |

(₹ Lakhs)

|                | Change in EUR Rate | Effect on profit and loss | Effect on equity |
|----------------|--------------------|---------------------------|------------------|
| 31 March, 2024 | 1%                 | 286.12                    | 127.02           |
|                | (1%)               | (286.12)                  | (127.02)         |
| 31 March, 2023 | 1%                 | 171.12                    | 135.86           |
|                | (1%)               | (171.12)                  | (135.86)         |

**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 ₹ 149,799.95 Lakhs and ₹ 183,330.50 Lakhs as of 31 March, 2024 and 31 March, 2023, 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, 2024:

(₹ 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 receivables - considered good                                 | 1,30,686.40 | 20,085.22          | (278.32)         | (693.35)  | -         | -                 | 1,49,799.95 |
| ii) Undisputed Trade receivables - which have significant increase in credit risk | -           | 580.39             | 1,284.64         | 169.55    | 16.27     | 1,088.70          | 3,139.55    |
| iii) Undisputed Trade receivables - credit impaired                               | -           | -                  | -                | -         | -         | -                 | -           |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

| Particulars  | Not yet due | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|-------------|--------------------|------------------|-----------|-----------|-------------------|-------|
| 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 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 receivables - considered good                                | 1,64,069.88 | 18,993.00          | 177.34           | 90.28     | -         | -                 | 1,83,330.50 |
| ii) Undisputed Trade Receivable - 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                                 | -           | -                  | -                | -         | -         | -                 | -           |

**Movement in allowances for credit losses**

(₹ Lakhs)

| Particulars    | Opening  | Addition | Reversal | Closing  |
|----------------|----------|----------|----------|----------|
| 31 March, 2024 | 4,276.51 | 1,778.31 | 2,915.27 | 3,139.55 |
| 31 March, 2023 | 2,406.93 | 3,128.80 | 1,259.22 | 4,276.51 |

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 Group's principal sources of liquidity are cash and cash equivalents and the cash flows that are generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March, 2024, the Group had a working capital of ₹ 133,233.38 Lakhs including cash and cash equivalents of ₹ 8,734.28 Lakhs and current investments of ₹ 15,889.87 Lakhs. As of 31 March, 2023, the Group had a working capital of ₹ 128,756.79 Lakhs including cash and cash equivalents of ₹ 17,636.49 Lakhs and current investments of ₹ 3,190.29 Lakhs.

**The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2024:**

(₹ Lakhs)

|                                    | Carrying value     | Upto 1 year        | 1-2 years       | More than 2 years | Total              |
|------------------------------------|--------------------|--------------------|-----------------|-------------------|--------------------|
| Borrowings                         | 337.51             | 337.51             | -               | -                 | 337.51             |
| Lease liabilities                  | 1,492.47           | 716.50             | 775.97          | -                 | 1,492.47           |
| Trade payables                     | 92,115.14          | 92,115.14          | -               | -                 | 92,115.14          |
| Other financial liabilities        | 56,084.82          | 50,246.82          | 5,838.00        | -                 | 56,084.82          |
| <b>Total financial liabilities</b> | <b>1,50,029.94</b> | <b>1,43,415.97</b> | <b>6,613.97</b> | <b>-</b>          | <b>1,50,029.94</b> |

**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     | More than 2 years | Total              |
|------------------------------------|--------------------|--------------------|---------------|-------------------|--------------------|
| 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> |

### 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

The Group monitors capital using debt-equity ratio.

(₹ Lakhs)

| Particulars                                 | As at<br>31 March, 2024 | As at<br>31 March, 2023 |
|---|-------------------------|-------------------------|
| Total debt (bank and other borrowings)      | 337.51                  | 296.47                  |
| Lease Liabilities (non current and current) | 1,492.47                | -                       |
|   | <b>1,829.98</b>         | <b>296.47</b>           |
| Equity                                      | 2,23,749.11             | 2,23,237.37             |
| <b>Debt to equity (net)</b>                 | <b>0.01</b>             | <b>0.00</b>             |

### 40. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

(₹ Lakhs)

|   | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|---|------------------------------|------------------------------|
| <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  | 1,811.96                     | 1,174.67                     |
| Interest due thereon remaining unpaid to any supplier at the end of the accounting year   | 5.78                         | 56.74                        |
| <b>Total</b>  | <b>1,817.74</b>              | <b>1,231.41</b>              |
| i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year  | -                            | -                            |
| ii) the amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding interest specified under Micro, Small and Medium Enterprises Development Act, 2006   | -                            | -                            |
| iii) Amount of interest accrued and remaining unpaid at the end of accounting year  | 5.79                         | 57.91                        |
| iv) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -                            | -                            |
| <b>Total</b>  | <b>5.79</b>                  | <b>57.91</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 ₹ 1122.83 Lakhs (31 March, 2023: ₹ 993.42 Lakhs) and interest due thereon ₹ Nil (31 March, 2023: ₹ 52.13 Lakhs) remaining unpaid to Micro and Small enterprises for capital purchases.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

**41. DETAILS OF CSR EXPENDITURE (AS PER THE PROVISIONS OF SECTION 135 OF THE COMPANIES ACT, 2013):**

(₹ Lakhs)

|  | Year ended<br>31 March, 2024 | Year ended<br>31 March, 2023 |
|--|------------------------------|------------------------------|
| 1) Gross amount required to be spent by the Group    | 798.21                       | 676.61                       |
| 2) Shortfall from previous year                      | -                            | -                            |
| <b>Total</b>   | <b>798.21</b>                | <b>676.61</b>                |
| 3) Amount spent                                      |                              |                              |
| i) Construction/ acquisition of any assets           | -                            | -                            |
| ii) On purpose other than (i) above (refer note 28 ) | 810.72                       | 866.15                       |
| <b>Total</b>   | <b>810.72</b>                | <b>866.15</b>                |
| 4) Amount unspent/ (over spent)                      | <b>(12.51)</b>               | <b>(189.54)</b>              |

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 ₹ 798.21 Lakhs (31 March, 2023: ₹ 676.61 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent ₹ 810.72 Lakhs during the current year. Excess amount spent of ₹ 12.51 Lakhs (31 March, 2023: ₹ 189.54 Lakhs)
- For contribution made to related party refer note 37.

**42. DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES:**

During the previous year, 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 as on 31 March, 2024 | Balance outstanding as on 31 March, 2023 | Relationship with the struck off Company |
|--------------------------------|-----------------------------------|--|--|--|
| RI Infotech Private Limited    | Shares held by struck off Company | -  | 164                                      | Shareholder                              |

**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, 2024 | Year ended 31 March, 2023 | % Variance | Reason for Variance |
|----------------------|---|---------------------|---------------------------|---------------------------|------------|---------------------|
| a) Current Ratio     | Current assets                                    | Current liabilities | 1.86                      | 1.65                      | 13%        |                     |
| b) Debt Equity Ratio | Debt consists of borrowings and lease liabilities | Total equity        | 0.01                      | -                         | -          |                     |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

| Ratios                             | Numerator                                      | Denominator  | Year ended<br>31 March,<br>2024 | Year ended<br>31 March,<br>2023 | % Variance | Reason for Variance   |
|------------------------------------|--|--|---------------------------------|---------------------------------|------------|---|
| c) Debt Service coverage Ratio     | Profit before interest and tax                 | Debt consists of borrowings and lease liabilities  | 4.13                            | 146.81                          | (97%)      | The Profit before interest and tax had decreased by 83% and Borrowings and lease liabilities by 517%  |
| d) Net Profit                      | Profit after tax                               | Revenue from operations  | 1.01                            | 8.45                            | (88%)      | The Profit after tax has decreased by 91%, hence decrease in revenue and profitability due to challenging market conditions in the Agro Chemical industry         |
| e) Return on Equity Ratio          | Profit after tax                               | Average total equity = (Opening total equity + Closing total equity)/2                                     | 1.43                            | 16.50                           | (91%)      | The Profit after tax has decreased by 91%, hence the Return on Equity has decreased   |
| f) Return on capital employed      | Profit before interest and tax                 | Average capital employed * = (Opening capital employed + Closing capital employed)/2                       | 3.12                            | 19.64                           | (84%)      | The Profit before interest and tax had decreased by 83%, decrease in revenue and profitability due to challenging market conditions in the Agro Chemical industry |
| 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 | 6.34                            | 3.49                            | 81%        | Increased due to higher interest rates on Fixed Deposit Interest Rates and better returns on other Investments  |
| h) Net capital Turnover Ratio      | Revenue from operations                        | Average working capital = (Opening current assets + Closing current assets)/2                              | 2.39                            | 3.31                            | (28%)      |   |
| i) Trade Receivable Turnover ratio | Revenue from operations                        | Average trade receivables = (Opening trade receivable + Closing trade receivable)/2                        | 1.90                            | 2.40                            | (21%)      |   |
| j) Trade Payables Turnover Ratio   | Total purchases                                | Average trade payable = (Opening trade payable + Closing trade payable)/2                                  | 4.75                            | 2.42                            | 96%        | The average Trade Payables has declined by 64%, hence the Trade Payables Turnover Ratio has increased   |
| k) Inventory Turnover Ratio        | Cost of goods sold                             | Average inventory = (Opening inventory + Closing inventory)/2  | 2.20                            | 2.82                            | (22%)      |   |

**Note:**

Basis of computation changed during the current year.

\* Capital employed = Total assets - Current liabilities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

44. ADDITIONAL INFORMATION RELATED TO THE SUBSIDIARIES CONSIDERED IN THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lakhs)

| Sr. No. | Name of the Entity                  | Year Ended March 31, 2024                       |             |                                      |           |   |         | Year Ended March 31, 2023           |           |   |   |                                     |                                      |                         |   |                                     |                                    |
|---------|-------------------------------------|---|-------------|--------------------------------------|-----------|---|---------|-------------------------------------|-----------|---|---|-------------------------------------|--------------------------------------|-------------------------|---|-------------------------------------|------------------------------------|
|         |                                     | Net Assets *                                    |             | Share in other comprehensive income  |           | Share in profit or loss                   |         | Share in total comprehensive income |           | Net Assets *                              |   | Share in other comprehensive income |                                      | 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 consolidated comprehensive income | Amount  | As % of total 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 | Amount                              | As % of total comprehensive income |
|         | <b>Parent</b>                       |   |             |                                      |           |   |         |                                     |           |   |   |                                     |                                      |                         |   |                                     |                                    |
| 1       | Sharda Cropchem Limited             | 94.38%  | 2,11,182.43 | 428.64%                              | 13,676.28 | (20.48%)                                  | (11.26) | 421.03%                             | 13,665.02 | 89.69%                                    | 2,00,224.02                                     | 94.96%                              | 32,474.25                            | 0.12%                   | 4.06                                      | 86.61%                              | 32,478.31                          |
|         | <b>Indian Subsidiaries</b>          |   |             |                                      |           |   |         |                                     |           |   |   |                                     |                                      |                         |   |                                     |                                    |
| 2       | Axis Crop Science Private Limited   | 0.17%   | 391.13      | 1.67%                                | 53.17     | 1.31%                                     | 0.72    | 1.66%                               | 53.89     | 0.15%                                     | 337.24  | 0.36%                               | 124.62                               | 0.06%                   | 1.96                                      | 0.34%                               | 126.58                             |
|         | <b>Foreign Subsidiaries</b>         |   |             |                                      |           |   |         |                                     |           |   |   |                                     |                                      |                         |   |                                     |                                    |
| 3       | Euroazjiski Pesticide d.o.o         | 0.00%   | (9.59)      | (0.74%)                              | (23.54)   | 0.11%                                     | 0.06    | (0.72%)                             | (23.48)   | 0.01%                                     | 13.85   | 0.04%                               | 13.18                                | (0.22%)                 | (7.16)                                    | 0.02%                               | 6.02                               |
| 4       | Nihon Agro Service Kabushiki Kaisha | 0.00%   | 0.59        | (0.01%)                              | (0.40)    | (0.18%)                                   | (0.10)  | (0.02%)                             | (0.50)    | 0.00%                                     | 1.08  | 0.00%                               | (0.42)                               | 0.00%                   | (0.09)                                    | 0.00%                               | (0.51)                             |
| 5       | Sharda Agrochem Doel Skopje         | 0.00%   | 4.43        | 0.00%                                | -         | 1.11%                                     | 0.61    | 0.02%                               | 0.61      | 0.00%                                     | 3.83  | 0.00%                               | (0.05)                               | (0.01%)                 | (0.24)                                    | 0.00%                               | (0.29)                             |
| 6       | Sharda Balkan Agrochemicals Limited | 0.00%   | -           | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                                     | -   | 0.00%                               | -                                    | 0.00%                   | -   | 0.00%                               | -                                  |
| 7       | Sharda Benelux BVBA                 | 0.00%   | 1.02        | 0.00%                                | 0.06      | 0.05%                                     | 0.03    | 0.00%                               | 0.09      | 0.00%                                     | 0.91  | 0.00%                               | (0.07)                               | 0.00%                   | (0.06)                                    | 0.00%                               | (0.13)                             |
| 8       | Sharda Bolivia SRL                  | 0.00%   | 8.42        | 0.18%                                | 5.78      | (0.02%)                                   | (0.01)  | 0.18%                               | 5.77      | 0.00%                                     | 2.56  | 0.01%                               | 2.50                                 | 0.00%                   | (0.01)                                    | 0.01%                               | 2.49                               |
| 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               | 0.07%   | 152.53      | 1.33%                                | 42.58     | 38.15%                                    | 20.98   | 1.96%                               | 63.56     | 0.04%                                     | 87.19   | (0.06%)                             | (21.34)                              | (0.73%)                 | (24.08)                                   | (0.12%)                             | (45.42)                            |
| 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.        | 0.51%   | 1,151.40    | 12.14%                               | 387.19    | 21.80%                                    | 11.99   | 12.30%                              | 399.18    | 0.54%                                     | 1,200.34  | 2.57%                               | 879.81                               | 3.42%                   | 113.04                                    | 2.65%                               | 992.85                             |
| 13      | Sharda Cropchem Tunisia SARL        | 0.00%   | 5.54        | 0.08%                                | 2.55      | 0.27%                                     | 0.15    | 0.08%                               | 2.70      | 0.00%                                     | 2.84  | -0.01%                              | (3.32)                               | 0.00%                   | (0.01)                                    | (0.01%)                             | (3.33)                             |
| 14      | Sharda De Guatemala S.A.            | 0.00%   | -           | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                                     | -   | 0.00%                               | -                                    | 0.00%                   | (0.02)                                    | 0.00%                               | (0.02)                             |
| 15      | Sharda De Mexico S. De RL DE CV     | 0.16%   | 350.04      | 1.14%                                | 36.23     | 46.63%                                    | 25.64   | 1.91%                               | 61.87     | 0.13%                                     | 283.46  | 0.08%                               | 27.93                                | 0.74%                   | 24.43                                     | 0.14%                               | 52.36                              |
| 16      | Sharda Del Ecuador CIA. LTDA        | 0.00%   | 0.29        | 0.00%                                | -         | -   | -       | 0.00%                               | -         | 0.00%                                     | 0.29  | 0.00%                               | -                                    | 0.00                    | 0.03                                      | 0.00%                               | 0.03                               |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ Lakhs)

| Sr. No. | Name of the Entity   | Year Ended March 31, 2024                       |           |                                      |           |   |         | Year Ended March 31, 2023           |           |                                    |   |                         |                                      |                                     |   |                                     |                                    |
|---------|--|---|-----------|--------------------------------------|-----------|---|---------|-------------------------------------|-----------|------------------------------------|---|-------------------------|--------------------------------------|-------------------------------------|---|-------------------------------------|------------------------------------|
|         |  | Net Assets *                                    |           | Share in profit or loss              |           | Share in other comprehensive income       |         | Share in total comprehensive income |           | Net Assets *                       |   | Share in profit or loss |                                      | Share in other comprehensive income |   | Share in total comprehensive income |                                    |
|         |  | As % of consolidated net assets / (liabilities) | Amount    | As % of consolidated profit / (loss) | Amount    | As % of consolidated comprehensive income | Amount  | As % of total comprehensive income  | Amount    | As % of total comprehensive income | As % of consolidated net assets / (liabilities) | Amount                  | As % of consolidated profit / (loss) | Amount                              | As % of consolidated comprehensive income | Amount                              | As % of total comprehensive income |
| 17      | Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | 0.00%                               | -   | 0.00%                               | -                                  |
| 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      | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | 0.73  | (0.01%)                 | (2.30)                               | 0.00%                               | (0.16)                                    | (0.01%)                             | (2.46)                             |
| 21      | Sharda Hellas Agrochemicals Limited                                | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | (0.01%)                             | (0.23)                                    | 0.00%                               | (0.23)                             |
| 22      | Sharda Hungary Kft   | 0.03%   | 68.40     | (13.76%)                             | (438.90)  | (13.78%)                                  | (7.58)  | (13.76%)                            | (446.48)  | 0.23%                              | 514.88  | (0.25%)                 | (86.81)                              | 0.13%                               | 4.28                                      | (0.22%)                             | (82.53)                            |
| 23      | Sharda International Africa (PTY) Ltd.                             | 0.21%   | 471.01    | 2.22%                                | 70.86     | (46.37%)                                  | (25.50) | 1.40%                               | 45.36     | 0.19%                              | 419.04  | 0.21%                   | 73.46                                | (2.47%)                             | (81.48)                                   | (0.02%)                             | (8.02)                             |
| 24      | Sharda International DMCC  | 5.59%   | 12,513.38 | 370.39%                              | 11,817.59 | 0.00%                                     | -       | 364.11%                             | 11,817.59 | 9.65%                              | 21,551.22                                       | 49.18%                  | 16,819.95                            | 0.00%                               | -   | 44.85%                              | 16,819.95                          |
| 25      | Sharda Italia SRL  | 0.62%   | 1,386.14  | 6.37%                                | 203.11    | 23.57%                                    | 12.96   | 6.66%                               | 216.07    | 0.52%                              | 1,170.09  | 0.50%                   | 172.55                               | 2.06%                               | 68.11                                     | 0.64%                               | 240.66                             |
| 26      | Sharda Malaysia SDN. BHD.  | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | 0.00%                               | -   | 0.00%                               | -                                  |
| 27      | Sharda Peru SAC  | 0.00%   | 2.11      | 0.04%                                | 1.28      | 0.07%                                     | 0.04    | 0.04%                               | 1.32      | 0.00%                              | 0.79  | 0.00%                   | -                                    | 0.00%                               | 0.11                                      | 0.00%                               | 0.11                               |
| 28      | Sharda Poland SP. ZO.O   | 0.27%   | 609.35    | 5.58%                                | 178.07    | 78.80%                                    | 43.33   | 6.82%                               | 221.40    | 0.17%                              | 387.95  | 0.27%                   | 92.31                                | 0.67%                               | 22.03                                     | 0.30%                               | 114.34                             |
| 29      | Sharda Polska SP. ZO.O   | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | 0.00%                               | -   | 0.00%                               | -                                  |
| 30      | Sharda Spain S.L.  | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | 0.00%                               | -   | 0.00%                               | -                                  |
| 31      | Sharda Swiss SARL  | 0.00%   | 8.01      | 0.00%                                | (0.13)    | 1.44%                                     | 0.79    | 0.02%                               | 0.66      | 0.00%                              | 7.35  | 0.00%                   | (0.07)                               | 0.02%                               | 0.66                                      | 0.00%                               | 0.59                               |
| 32      | Sharda Taiwan Limited  | 0.00%   | 1.97      | 0.00%                                | 0.01      | 0.04%                                     | 0.02    | 0.00%                               | 0.03      | 0.00%                              | 1.95  | 0.00%                   | -                                    | 0.00%                               | 0.01                                      | 0.00%                               | 0.01                               |
| 33      | Sharda Ukraine LLC   | 0.00%   | 0.08      | (0.01%)                              | (0.19)    | (0.02%)                                   | (0.01)  | (0.01%)                             | (0.20)    | 0.00%                              | 0.28  | 0.00%                   | 0.21                                 | 0.00%                               | (0.03)                                    | 0.00%                               | 0.18                               |
| 34      | Sharda Uruguay S.A   | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | 0.00%                               | -   | 0.00%                               | -                                  |
| 35      | Sharda USA LLC   | 0.00%   | 2.12      | 0.00%                                | -         | 0.02%                                     | 0.01    | 0.00%                               | 0.01      | 0.00%                              | 2.10  | 0.00%                   | -                                    | 0.01%                               | 0.21                                      | 0.00%                               | 0.21                               |
| 36      | Shardacan Limited  | 0.00%   | -         | 0.00%                                | -         | 0.00%                                     | -       | 0.00%                               | -         | 0.00%                              | -   | 0.00%                   | -                                    | 0.00%                               | -   | 0.00%                               | -                                  |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)**

(₹ Lakhs)

| Sr. No. | Name of the Entity                      | Year Ended March 31, 2024                       |                    |                                      |                 |   |              | Year Ended March 31, 2023           |                |   |                |                                      |                |   |               |                                     |        |
|---------|---|---|--------------------|--------------------------------------|-----------------|---|--------------|-------------------------------------|----------------|---|----------------|--------------------------------------|----------------|---|---------------|-------------------------------------|--------|
|         |   | Net Assets *                                    |                    | Share in profit or loss              |                 | Share in other comprehensive income       |              | Share in total comprehensive income |                | Net Assets *                              |                | Share in profit or loss              |                | Share in other comprehensive income       |               | Share in total comprehensive income |        |
|         |   | As % of consolidated net assets / (liabilities) | Amount             | As % of consolidated profit / (loss) | Amount          | As % of consolidated comprehensive income | Amount       | As % of total comprehensive income  | Amount         | As % of consolidated comprehensive income | Amount         | As % of consolidated profit / (loss) | Amount         | As % of consolidated comprehensive income | Amount        | As % of total comprehensive income  | Amount |
| 37      | Sharda Maroc SARL                       | 0.01%   | 31.96              | 0.32%                                | 10.07           | 1.18%                                     | 0.65         | -                                   | 10.72          | 0.01%                                     | 21.24          | 0.05%                                | 17.97          | 0.02%                                     | 0.74          | -                                   | 18.71  |
| 37      | Shardaserb D.O.O.                       | 0.00%   | 0.24               | 0.01%                                | 0.22            | 0.02%                                     | 0.01         | 0.23                                | 0.00%          | -   | 0.00%          | -                                    | 0.00%          | -   | 0.00%         | -                                   | -      |
| 38      | Sharpar S.A.                            | 0.01%   | 21.17              | (0.06%)                              | (1.76)          | 0.00%                                     | -            | (1.76)                              | 0.01%          | 22.60                                     | 0.00%          | 0.10                                 | (0.05%)        | (1.57)                                    | 0.00%         | (1.47)                              |        |
| 39      | Sharzam Limited                         | 0.00%   | -                  | 0.00%                                | -               | 0.00%                                     | -            | -                                   | 0.00%          | -   | 0.00%          | -                                    | 0.00%          | -   | 0.00%         | -                                   | -      |
| 40      | Siddhivinayak International Limited     | 0.25%   | 561.07             | 0.00%                                | (0.03)          | 0.00%                                     | -            | (0.03)                              | 0.25%          | 552.85                                    | 0.00%          | (0.56)                               | 0.00%          | -   | 0.00%         | (0.56)                              |        |
| 41      | Sharda Private (Thailand) Limited       | 0.02%   | 54.17              | (0.34%)                              | (10.88)         | (6.22%)                                   | (3.42)       | (14.30)                             | 0.03%          | 68.47                                     | 0.04%          | 12.42                                | 0.12%          | 3.93                                      | 0.04%         | 16.35                               |        |
| 42      | Sharda Impex Trading LLC                | 0.01%   | 21.26              | 2.58%                                | 82.46           | 0.00%                                     | -            | 82.46                               | (0.03%)        | (60.92)                                   | (0.15%)        | (52.62)                              | 0.00%          | -   | (0.14%)       | (52.62)                             |        |
|         | <b>Consolidation adjustments</b>        |   |                    |                                      |                 |   |              |                                     |                |   |                |                                      |                |   |               |                                     |        |
|         | Adjustment arising out of consolidation | (2.36%)   | (5,279.82)         | (717.83%)                            | (22,903.36)     | (27.70%)                                  | (15.23)      | (22,918.59)                         | (1.62%)        | (3,615.99)                                | (47.79%)       | (16,343.09)                          | 96.12%         | 3,174.13                                  | (35.12%)      | (13,168.96)                         |        |
|         | Minority interests in all subsidiaries  | 0.02%   | 37.53              | 0.07%                                | 2.30            | 0.20%                                     | 0.11         | 2.41                                | 0.02%          | 35.13                                     | (0.01%)        | (2.34)                               | (0.01%)        | (0.28)                                    | (0.01%)       | (2.62)                              |        |
|         | <b>Total</b>                            | <b>100.00%</b>                                  | <b>2,23,749.11</b> | <b>100.00%</b>                       | <b>3,190.62</b> | <b>100.00%</b>                            | <b>54.99</b> | <b>3,245.61</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>                    |        |

\* Net assets = total assets minus total liabilities



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (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 group 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 Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 46. OTHER MATTERS

- i) The Group 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 Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Group does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Group 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 Group 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, 2024 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.
- vii) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

### 47. 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 & Co LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Burjis Pardiwala**

Partner

Membership No. 103595

Place : Mumbai

Date: 10 May,2024

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

**Sharda Cropchem Limited**

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Shailesh A. Mehendale**

Chief Financial Officer

Place: Mumbai

Date: 10 May,2024

**Ashish R. Bubna**

Whole-time Director

DIN 00945147

**Jetkin Gudhka**

Company Secretary

Place: Mumbai

Date: 10 May,2024











***Sharda Cropchem Limited***

**Registered Office:**

Prime Business Park,  
Dashrathlal Joshi Road, Vile Parle (W),  
Mumbai - 400 056

**Telephone:** 91 22 6678 2800

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

**Fax:** 91 22 6678 2828

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

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