

CHAIRMAN'S LETTER

We have reached a milestone in which we have established the minimum operational scale to make us an agile, young and growing member of the global crop protection industry.

R. V. Bubna
Chairman & Managing Director



Dear Shareowners,

I have great pleasure in welcoming you to our maiden Annual Report since we listed ourselves on 23rd September, 2014. I would like to thank all our investors for placing their faith in us. We are determined to maintain the highest standards of corporate governance and always keep our stakeholders' best interest at the forefront.

Global Trends

Much of our business is conducted globally, and so it's important to understand the key global trends that have influenced our business. During 2014 and 2015, we witnessed both the enormous potential of global agriculture and also its challenges. In each of our key

markets – Western Europe and NAFTA regions, the potential was evident in their steady growth and maturity. However, around September, 2014, the Eurozone was at risk of entering a third recession and the collapse in oil prices threatened to pull inflation into negative territory. With growth nearing standstill, credit freezing and unemployment increasing, the European Central Bank was widely expected to launch new quantitative easing (QE) stimulus measures to spur demand. At the same time, the winding down of US's quantitative easing and looming rate hikes by the U.S. Federal Reserve started to strengthen the US Dollar. The Greece crisis also added further to Euro's volatility. As a result, anyone dealing prominently with the Euro currency was required to be watchful of these events.

Solid Performance in FY2015

Despite this challenging backdrop, I am happy to inform you that your Company delivered solid sales growth and strong cash flows for the 12th year in a row. Our diverse product portfolio and well represented market access into the advanced and mature markets of Europe and NAFTA have strongly contributed to the resilience of both our top and bottom lines. For FY2015, we grew our revenue by more than 34.25% as compared to last year, to reach ₹106,106.47 Lacs. The main drivers behind this growth were the strong organic and secular growth in existing markets across all our products. This was also supported by our early stage successes coming from new markets that we recently entered. Our EBITDA (Including Other Income) also improved by 6.88% year over year to ₹19,997.12 Lacs compared to ₹18,708.99 Lacs in FY2014. However, our EBITDA margin decreased marginally by 438 basis points to 18.35%, primarily due to increase in business overheads and change in our product mix between formulations and active ingredients. Another reason was the depreciation of Euro currency during the financial year. Our profit after tax improved by 10.73% to ₹12,297.12 Lacs, and our PAT margin decreased marginally by 246 bps to 11.59%, due to the foreign exchange loss of ₹1,821.29 Lacs. Excluding the foreign exchange gain/loss however, our PAT for FY2015 increased by a handsome 54.35% to ₹14,118.41 Lacs. On the leverage front, we maintained a low Debt to Equity of 0.06x, entirely represented by our working capital loans. We intend to remain virtually debt free going forward.

An Intellectual Property Driven Business

During the year, we grew our number of registrations by 259, reaching a total of 1,409 as of 31st March 2015. We have another 729 registrations in the pipeline across multiple geographies. This deep pipeline bodes extremely well for your company going forward. We believe that our core competency in seeking registrations enables us to enter into new markets in an efficient manner and helps us in overcoming the critical entry barriers to a great extent. With our own sales force on the ground, we are able to get first hand insights into local farming needs and competitive scenarios, positioning us well to plan for and launch relevant and needed products. We plan to continue to identify generic molecules going off patent and focus on seeking registrations to increase our portfolio across Europe, NAFTA, Latin America and Rest of the World. Towards

this end, we have, and intend to continue to engage experienced consultants in different countries across regions to benefit from their knowledge about the registration processes in the local jurisdiction as well as the market conditions. We will also pursue opportunities for expanding our portfolio in the future. Over the years, we have invested in preparing dossiers and in the process of seeking registrations. We intend to leverage our existing dossiers to develop new formulations. Our success is underpinned by our strong presence in multiple geographies.

Outlook

We live in a world that is growing in population and facing the challenges of steady global warming. These twin trends pose multiple challenges and opportunities for the global agricultural industry. The euro is approaching parity with the U.S. dollar, something the world hasn't seen since 2002. Amidst this backdrop, we are acutely vigilant of our business strategies and actions. Today we have reached a milestone in which we have established the minimum operational scale to make us an agile, young and growing member of the global crop protection industry. I am confident that our growing Intellectual Property pipeline will continue to deliver solid growth in the future. As we progress, we would always be looking to further leverage our portfolio and presence to deliver growth and improving EBITDAs. This will entail a number of initiatives to obtain greater operating leverage across our commercial and global operations, which will be central to the delivery of greater shareholder returns in the coming years. I am confident that this approach will enable us to deliver profitable growth in the future and make us more agile and resilient to the inevitable challenges and volatilities within our markets.

I would like to thank our investors, employees and consultants across the world for their faith and commitment, and I look forward to working with your support as we strive to realise your Company's ambition.

R. V. Bubna
Chairman & Managing Director