



***Sharda Cropchem Limited***



# **EXPLORE EMERGE ENHANCE**

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**ANNUAL REPORT FY2021-22**

# WHAT'S INSIDE?

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### Investor Information

Market Capitalization as on 31 March, 2022	₹ 5,549 Crore
CIN	L51909MH2004PLC145007
BSE Code	538666
NSE Symbol	SHARDACROP

For more investor related information please visit

<http://www.shardacropchem.com>

Or Simply Scan to view the online version of the report

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### Disclaimer

This document contains statements about expected future events and financials of Sharda Cropchem Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is 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.



# EXPLORE, EMERGE, ENHANCE

Sharda Cropchem is a global organisation involved in the marketing and distribution of agrochemical and non-agrochemical products. Over the years, we made inroads across various geographies, through continuous investments towards product registrations across the globe.

Our incessant efforts to **'Explore'** newer markets and geographies, while penetrating deeper into our existing ones, is aligned to our endeavour of serving customers globally.

We constantly strive to **'Emerge'** higher, on the global scale with our approach of 'Think Global, Act Local', as we continue to navigate the challenges. Further, our asset-light business model enables us to expand the number of product across our entire spectrum of product offerings.

Our emphasis on diversifying our product portfolio, widening global reach, building supply chain capabilities, and strengthening our distribution network, enables us to **'Enhance'** our performance year after year.

Moreover, through our expertise, disciplined approach, experience and commitment to create value for our stakeholders, we are Exploring better opportunities, Emerging as a prominent global brand and Enhancing our overall business performance, persistently.



Sharda Cropchem Limited

# A FAST-GROWING GLOBAL AGROCHEMICAL ORGANISATION WITH A PEER POSITION IN THE GENERIC CROP PROTECTION CHEMICALS INDUSTRY ROOTED IN INDIA.

Sharda Cropchem Limited ('Sharda' or 'The Company') is a fast-growing, global agrochemical market player, engaged in marketing & distribution of various formulation and generic active ingredients in the areas of fungicides, herbicides, insecticides and biocides. The Company is also involved in the supply of non-agrochemical products including conveyor belts, dyes and dye intermediates and general chemicals.

Our asset-light business model has helped us to build our intellectual bandwidth. It has further contributed to deliver a comprehensive product portfolio and cost competitiveness while expanding geographically.. Our strong competencies are based on our farsightedness, helping us to identify

opportunities in generic molecules and corresponding formulations, generic active ingredients, preparing dossiers and seeking registrations in relevant jurisdictions.

We have over three decades of expertise in the area of crop protection agrochemicals and are constantly adapting to new market challenges and opportunities. Way forward, we are strategically focusing on expanding our presence: which is backed up by product registrations, in order to accelerate our growth impetus and to mitigate geographical risks.

Our business operations are spread across four regions: Europe, NAFTA, LATAM & RoW.





2,686

Registrations



500+

Distributors



400+

Sales Force



80+

Countries



35 Years

of Expertise in  
the Industry



## OUR SCALE OF OPERATIONS

₹ 3,580 Cr

Revenue from Operations

₹ 729 Cr\*

EBITDA

₹ 349 Cr

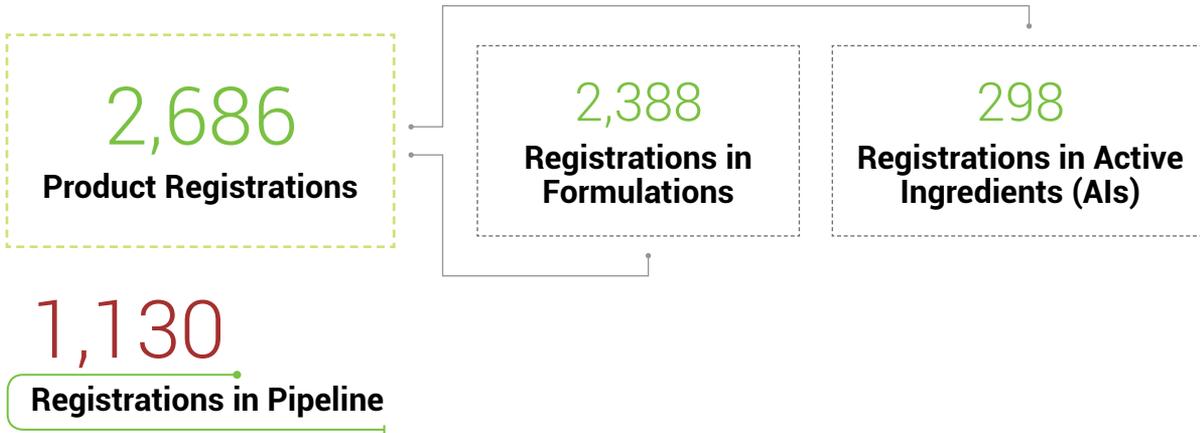
PAT

\*EBIDTA is excluding IA & IAUD write off amounting to ₹ 29 Cr in 2021-22.



# ENHANCING & STRENGTHENING OUR PRODUCT PORTFOLIO

Over the years, we have strengthened our capabilities to seek product registrations globally, specifically in advanced markets of Europe & NAFTA. In this pursuit we have continuously identified and seized new opportunities to expand and build our product portfolio. As a part of our long-term business strategy, we are continuously investing in global product registrations to increase our global presence and achieve economies of scale to service our customers better.



## AGRO CHEMICALS

We are engaged in the process of marketing and distribution by procuring wide spectrum of formulations and generic active ingredients – fungicides, herbicides and insecticides – across the globe. Extending this rich experience, we have also entered into biocides segment to cater disinfectants market. Leveraging our expertise and product registration capabilities, we have carved a niche for ourselves and build a robust core by identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing.

₹ 3,004 cr

Revenue from Agrochemical Business

## NON-AGRO CHEMICALS

We are also engaged in the distribution of a wide array of non-agrochemicals such as conveyor belts, general chemicals, dyes and dye intermediates. We cater to the markets across Europe, NAFTA, LATAM & RoW.

₹ 576 cr

Revenue from Non-Agrochemical business





Presence in 80 +

Countries across  
Europe, NAFTA, LATAM &  
RoW

400 +

Sales Force

500 +

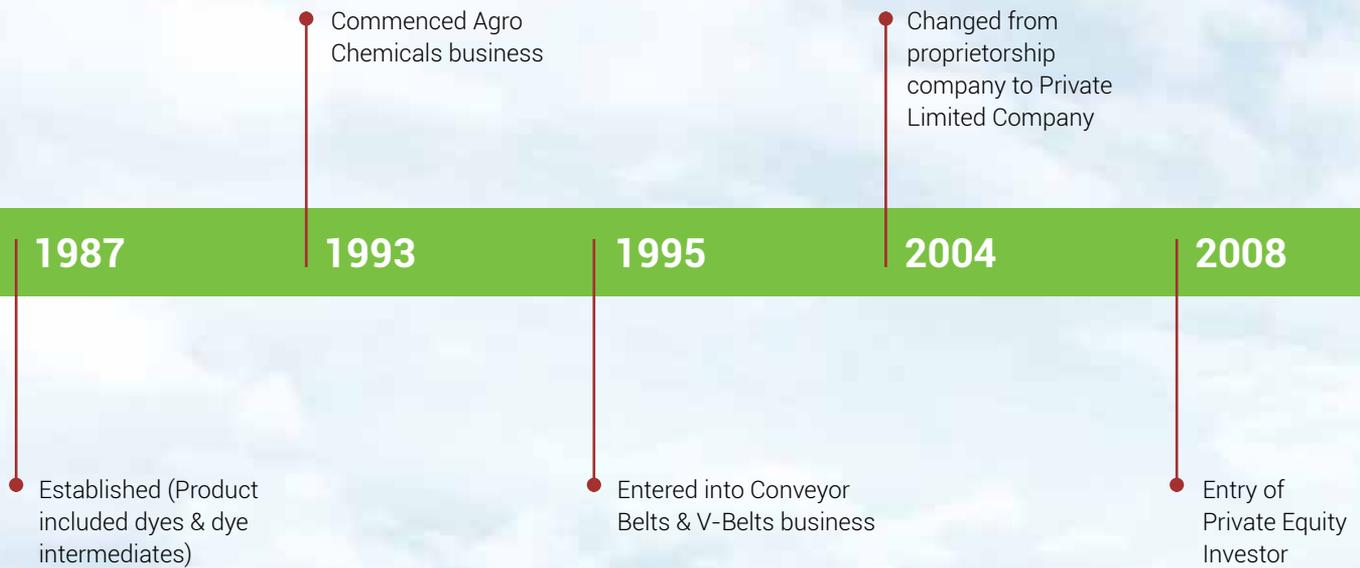
Distributors





Sharda Cropchem Limited

# THE IMPECCABLE MILESTONES WE ACHIEVED OVER THE YEARS



● Acquisition of 100% stake in Axis Crop Science Pvt. Ltd.

2011

2014

● The Company became Public Limited Company and got the shares listed on BSE & NSE in India

● Achieved new high in revenue of ₹ 1,000 Cr Milestone

2015

2020

● Doubled the revenue in last 5 years to ₹ 2,003 Cr

● Accelerated focus in NAFTA & LATAM

2021



# BUILDING AND ENHANCING OUR CORE COMPETENCIES

## ASSET-LIGHT BUSINESS MODEL

Our distinct business model enables us to stand out in the industry, capitalise on scale and quickly redeploy our resources. We emphasise on identifying generic molecules, preparing dossiers, seeking registrations, marketing & distributing formulations through third party distributors and/or sales. As a part of our consistent value-creation strategy, we constantly adapt to the changing industry dynamics by tapping newer opportunities while managing supply chain disruptions.

## REGISTRATIONS

We strategically focus on identifying generic molecules which are expected to go off-patent, for pursuing registrations to build on our product pipeline. Our huge database of existing dossiers underpins our efforts in identifying newer formulations. This helps us in building and expanding our portfolio across regions and develop a competitive edge in the industry to cater our customers better.



## The registration process:

### Preparation of dossiers:

Preparation of dossiers involves gathering and developing formulation or generic active ingredient basis physical, chemical, and biological characteristics. For research and testing, we follow stringent compliances and associate with Good Laboratory Practice (GLP)-certified laboratories for trusted results.

In order to prepare such dossiers, we follow a five batch analysis, toxicity tests, physical-chemical testing, field trials, and risk assessments process.

### Applying for registration:

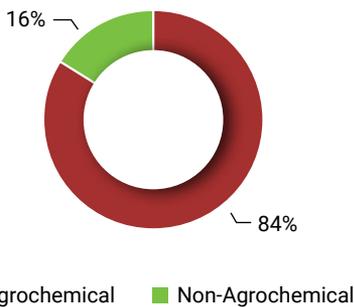
Post identifying formulations and ingredients, we review the relevant data and facts required to apply for registration in relevant jurisdictions. In case of data accessibility from data-holder, we rely on demonstration of technical equivalence of products and in case of unavailability of data, relevant studies and tests are undertaken.

## QUALITY

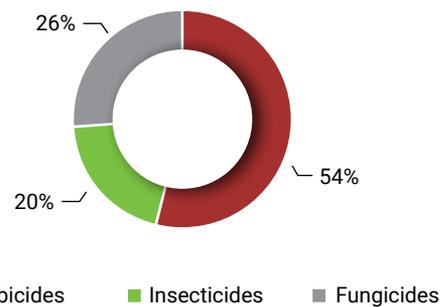
We prioritise quality as an integral part of our business, be it in terms of performance or offerings. We establish strong relationships with our customers and business partners to have a reliable and best-in-class products while aiming to set industry benchmarks.

# NUMBERS TESTIFYING OUR EMERGING MARKET PRESENCE

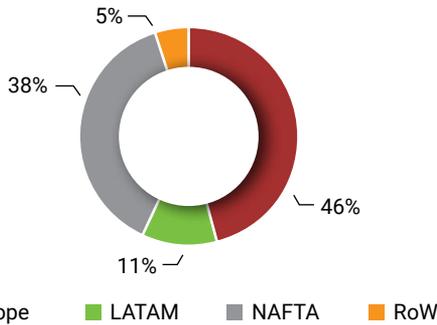
Revenue Breakup for 2021-22: Division-wise (in %)



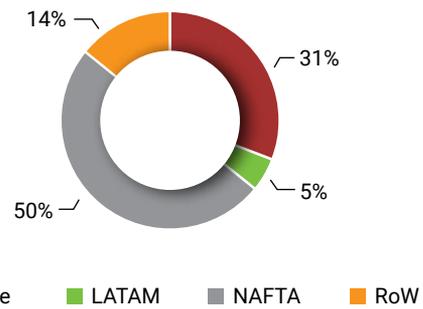
Revenue Breakup for 2021-22: Product-wise (Agrochemical Segment) (in %)



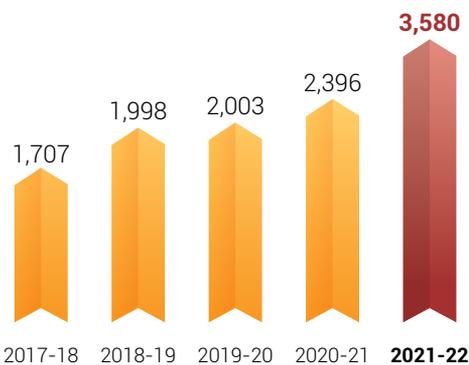
Revenue Breakup for 2021-22: Region-wise (Agrochemical Segment) (in %)



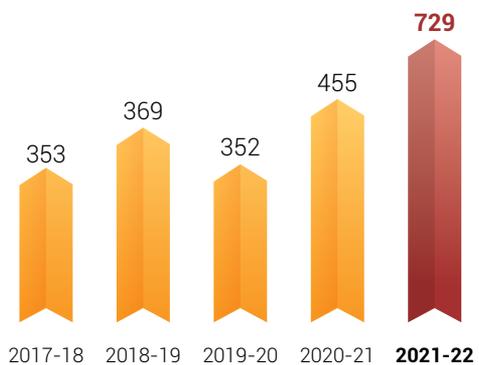
Revenue Breakup for 2021-22: Region-wise (Non-Agrochemical Business) (in %)



Revenue (₹ in Cr)

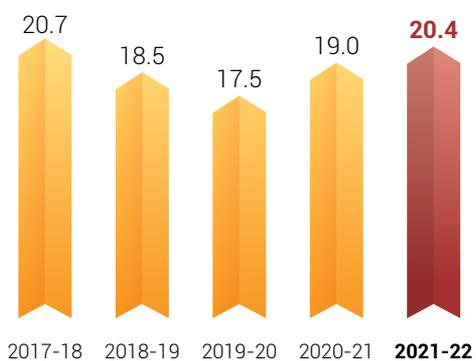


EBITDA\*1 (₹ in Cr)

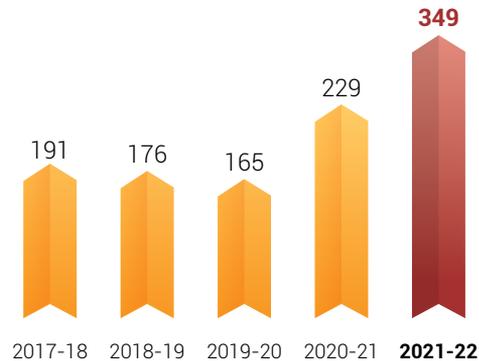


\*EBITDA is excluding IA & IAUD write-off

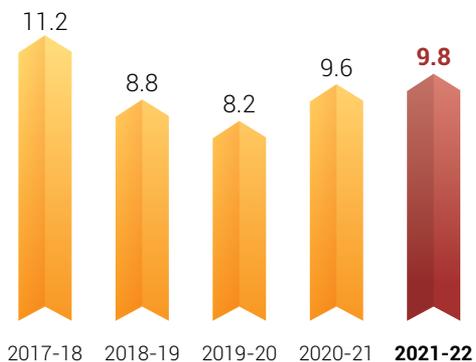
**EBITDA Margin (%)**



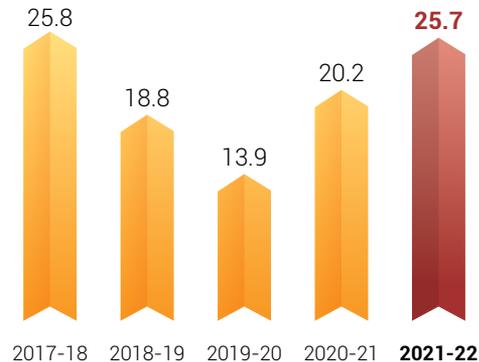
**PAT<sup>2</sup> (₹ in Cr)**



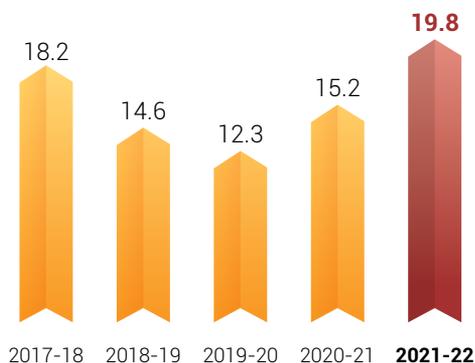
**PAT Margin (%)**



**ROCE<sup>3</sup> (%)**



**ROE<sup>4</sup> (%)**



- 1. **EBITDA:** Earnings before Interest, Taxes, Depreciation, and Amortization
- 2. **PAT:** Profit After Tax
- 3. **ROCE:** Return on Capital Employed
- 4. **ROE:** Return on Equity



# CHAIRMAN AND MD'S COMMUNIQUE



Being a global organisation, we continue to focus on the needs of our valued customers to deliver best-in-class quality products globally. Our team is well-positioned to ensure delight of our valued customers by meeting their needs. The Company is on its path to **Explore** and seize the rising opportunities, to **Emerge** stronger globally and deliver value with **Enhanced** performance year after year.

**Dear Shareholders,**

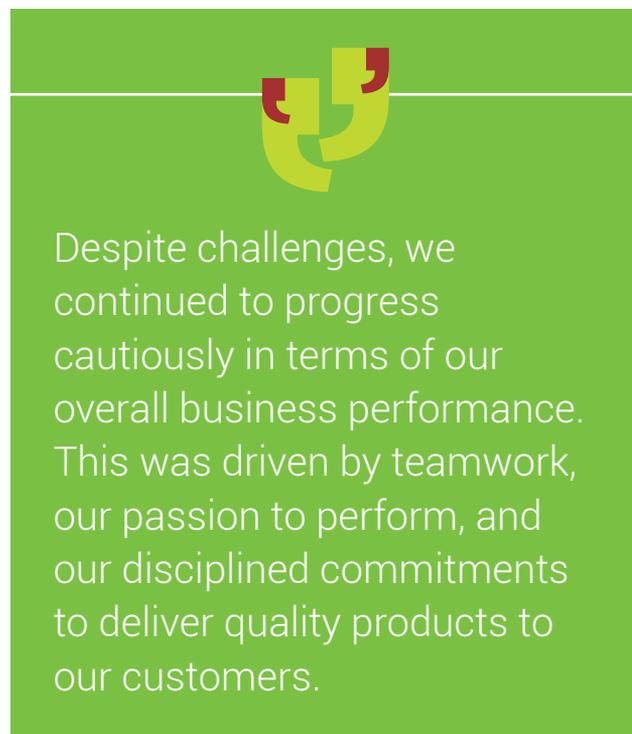
For all of us, the year 2021-22 was another difficult one. The Covid-19 pandemic's devastating waves had a tremendous humanitarian and economic impact. These constraints were aggravated by the rise in socio-political instability in numerous parts of the world, causing global supply chain disruptions and unprecedented volatility in commodities prices. In this uncertain operating environment, our focus remained on our people's health and safety, assuring continuous supply of our products, fulfilling consumer demand, facilitating community wellbeing, safeguarding the environment and protecting our Asset Light Business Model.

We have remained at the forefront of serving our global customers with efficacy and agility. It has further enabled us to become a prominent player in the industry. Our large and expanding library of dossiers and IPRs, gives us a strong platform to deliver our commitments, pursue sustainable growth and create value for stakeholders. This is also supported by our efforts in expanding our global reach, particularly in advanced markets like Europe, NAFTA and LATAM.

**Our Enhanced performance**

Despite challenges, we continued to progress cautiously in terms of our overall business performance. This was driven by teamwork, our passion to perform, and our disciplined commitments to deliver quality products to our customers.

I am happy to report that for the fiscal year 2021-22, our revenues grew to ₹3,580 Cr against ₹2,396 Cr in 2020-21 registering a strong growth of 49% on year-on-year basis. This was majorly driven by strong volume growth of 24% across the geographies, favorable price and product mix to the tune of 25%, coupled with exchange gains 0.9% during the year. The Company's gross margin stood at 30.2% and in line with the global trends and the high freight cost. EBITDA stood at ₹729 Cr against ₹455 Cr in



2020-21 registering a strong growth of 60% year-on-year basis. Profit after tax stood at ₹349 Cr versus ₹229 Cr in 2020-21 recording a growth of 52% year-on-year basis. Moving ahead, we remain optimistic of achieving further progress with focus on registrations, increasing share of registrations, expanding product portfolio and deeper market penetration.

Our Agrochemical business grew by 46% to ₹3,004 Cr whereas non-agrochemical business grew by 71% to ₹576 Cr on a year-on-year basis. In the agrochemical space, our business in Europe grew by 32%, in NAFTA it grew by 59% and in LATAM it grew by 110%, whereas, for the RoW it grew by 10%. In terms of a regional contribution to the total agrochemical business revenue, Europe contributed 46%,



NAFTA contributed 38%, LATAM 11% and RoW 5% of the agrochemical business.

In the non-agrochemical space our business in Europe grew by 67%, NAFTA grew by 93%, LATAM grew by 14% and RoW 44%. In terms of a contribution of non-agro business by the different regions, Europe contributed 31%, NAFTA 50%, LATAM 5%, RoW 14% of the non-agrochemical business for full year FY 2021-22. We have also improved on the net working capital which stood at 89 days in FY 2021-22.

During the year, Board of Directors declared interim dividend of ₹3.00 per equity share and recommended final dividend of ₹3.00 per equity share subject to approval of shareholders. The aggregate amount of dividend including final dividend is ₹5,413.23 lakhs, subject to TDS as applicable.

### **The way we are Exploring and Emerging**

Our continued focus on product registrations is aligned to support our customers innovatively, globally. Our team is continuously working on developing new generic molecules to seize newer opportunities.

Endeavouring to emerge higher, we have extended our reach in the advanced markets of Europe and US by building an extensive distribution network. Our core competencies lie in developing product dossiers and seeking product registrations. Our total registrations stand at 2,686 as at 31 March 2022, with 1,130 applications in the pipeline.

We are placing special emphasis on expanding Biocide registrations. Our healthy relationship with our approved agrochemical industry manufacturers, mainly in China is enabling us to offer quality products at optimal price and also helps us to de-risk our sourcing capabilities.

### **Our competitive strength**

We facilitate and increase our competitiveness in identifying generic molecules, developing dossiers, seeking



Endeavouring to emerge higher, we have extended our reach in the advanced markets of Europe and US by building an extensive distribution network. Our core competencies lie in developing product dossiers and seeking product registrations.

registrations, marketing, and distributing formulations through third-party distributors and our own sales force by pursuing a unique asset-light business model. With our asset-light business approach, we're bolstering our generic active ingredient registrations portfolio by strategically focusing and spending our limited resources. With this, we are able to source at competitive price supported by strong relationships with business partners. This reduces the risk of our sourcing capabilities while also allowing us to deliver formulations or generic active ingredients at competitive market pricing.

### **Our Future Outlook**

Over the years, we have built a good brand franchise within our global markets. We are benefiting through scale of economics in our portfolio and leveraging value of our supply chain. We have mastered flexibility to pursue consistent progression even in the face of adversity.

Currently, we have presence in 80+ countries having a sales force of 400+ and 500+ distributors. Going ahead, we plan to leverage our market presence and execution capabilities while adopting the factory-to-farmer approach in our pursuit of being a one-stop solution provider. To achieve this, we have been focusing on developing best-in-class solutions to emerge as a competitive brand in the industry. Envisaging the development in food protection in the domestic as well as global markets, we remain focused on developing marketing and distributing more dossiers of high value and margins.

#### Opportunities of tomorrow

Being a generic agrochemical company, we enjoy the benefit of proceeding directly with the development and registrations of dossiers after discovering potential opportunities in generic molecules. Our reach, extensive product portfolio and asset light model helps us to identify and keep a tap of products getting off-patent in the regulated markets.



Furthermore, there will be more opportunities for the Company, as the demand for food is growing driven by increase in the population globally.

Our strong product pipeline and the right set of strategies will help us to keep the growth momentum going. Furthermore, the growing population and subsequent rise in demand for food are likely to provide us better growth prospects. This gives us an opportunity to supply quality agrochemical products across the globe. We are fortunate and embrace our presence in an essential industry, in the agrochemicals space, being able to support and contribute to providing food security globally.

#### Note of Thanks

We believe community becomes a vital part of the whole value creation journey. CSR programmes fulfill our commitment to nurturing community development and giving back to the society we operate in. We take initiatives in the areas of education, healthcare, hunger eradication, women empowerment, animal welfare, sports promotion, and rural development projects. Our future growth trajectory is aligned to the environmental sustainability and socio-economic progress.

We express our heartfelt gratitude toward all our stakeholders, primarily our human resources, that enabled us to march ahead in the industry with resilience. Your unwavering faith, support, and inspiration have gone a long way toward assisting us in building a value generating organisation. I would also like to express my gratitude to all of our shareholders for their continuing faith and look forward to their support on our way ahead to add on to our successful journey.

Sincerely,  
**R. V. Bubna**  
Chairman & Managing Director



# EMERGING GLOBALLY THROUGH OUR ASSET-LIGHT BUSINESS MODEL

In the changing dynamics of the market our asset-light business model gives us a competitive advantage. We are able to capitalise on scale and able to service our valued customers better.

It further allows us to concentrate on identifying generic molecules and registration prospects, preparing dossiers, and obtaining registrations for formulations and generic active ingredients.

## OUR AGROCHEMICAL VALUE CHAIN



We source generic active ingredients and formulate from third-party manufacturers for serving the customers across the globe. This helps us to provide a diverse range of formulations and generic active ingredients in the fungicide, herbicide and insecticide space. We cater to the varied requirements of market demands with a variety of formulations.

We have setup a robust sales force across Europe, USA, Mexico, Colombia, South Africa and India and flourished our business in European and US markets considered as a high-entry barrier markets. Today we have our footprints

across 80+ countries and are determined to penetrate even more in the near future. With our global markets, we have established a strong franchise leveraging the value of our supply chain to deliver value to our customers across geographies.

We seek to achieve good returns through highly scalable business. We've been more efficient over time as a result of our high scalability and lower capital requirements enabling us to create more long-term value for all of our stakeholders..



# ENHANCING OUR CAPABILITIES, TAPPING OPPORTUNITIES

We focus on diversifying our product offerings, widen global reach, enhance capabilities and strengthen capacity for creating a competitive edge in the industry.

## RESILIENT TEAM

Our key business differentiators are our extensive product portfolio, rich industry experience and capabilities to seek new product registrations to achieve further expansions. We've built strong relationships with our distributors and other business partners, which aids us by providing insights into local farming needs and pursue new product registrations to meet the local needs of our customers. With our strategic positioning of our resources and capacities across geographies, we are able to competitively identify generic molecules, prepare dossiers, seek registrations, and market & distribute across different countries.



## DIVERSIFIED GEOGRAPHIES AND ROBUST PRODUCT PORTFOLIO

The Company has a diversified portfolio and we are also expanding our operations in over 80 countries throughout Europe, North America, Latin America, and the rest of the world. Sharda Cropchem has developed a comprehensive understanding by efficiently addressing the needs of local demand with its extensive experience in various regions and products. Furthermore, our extensive collection of dossiers and IPRs enable us to enter into untapped market.



## THIRD-PARTY MANUFACTURING

Sharda Cropchem continues to expand its vendor base to source quality products to meet the requirement of our customers globally. We have a very healthy working relationship with our business partners and have built trust over a period of time with a number of manufacturers and formulators, which gives us strength to service our customers better and in a timely manner.



## SALES FORCE EXPANSION

At Sharda Cropchem, marketing and distribution network are integral to our agrochemical value chain. We continue to strengthen our its sales forces network for preparing ourself to cater the dynamic market trends.





# MEET THE BOARD



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

- ▶ Graduated with a Bachelor's Degree of Technology in Chemical Engineering from IIT, Bombay
- ▶ Has over 54 years of rich experience in chemicals, agrochemicals and related businesses
- ▶ Is responsible for the Company's overall business operations and strategy
- ▶ Has been previously associated with Tata Oil Mills Limited, Zenith Limited, Piramal Rasayan Limited, Coromandel Fertilisers Limited and Zuari Argochemicals Limited



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

- ▶ Graduated with a Bachelor's Degree in Arts from Nagpur University
- ▶ Has an experience of over 13 years in the chemicals, agrochemicals and related businesses, owing to her sole proprietary concern, M/s. Sharda International



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

- ▶ Graduated with a Bachelor's Degree in Commerce from the University of Mumbai
- ▶ Has over 31 years of experience in marketing of chemicals, agrochemicals and related businesses
- ▶ Is responsible for marketing, procurement, registrations and logistics functions of the agrochemical business
- ▶ Is instrumental in strategising early investment in product registrations and building the library of product dossiers



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

- ▶ Graduated with Bachelor's Degree in Chemical Engineering from the Department of Chemical Technology, Bombay University
- ▶ Has over 29 years of experience in chemicals, agrochemicals and related businesses
- ▶ Oversees the IT, logistics and documentation functions of the Company
- ▶ Spearheaded the Company's foray into the conveyor belt and general chemicals business



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

- ▶ With Sharda Cropchem since July 2011
- ▶ Graduated with a Post Graduate Degree in Economics from University of Madras with specialisation in Mathematical Economics and National Income and Social accounting
- ▶ A Certified Associate of Indian Institute of Company Secretaries of India
- ▶ Has total experience of over 38 years in the Banking industry and has served as a Chairman & Managing Director (CMD) of Indian Bank
- ▶ Has previously worked with Union Bank of India for over 33 years
- ▶ Has been ranked 45th in Economic Times India Inc's most potential CEOs list (2009) and No. 2 among the CEOs of Nationalised Bank and No. 6 among the CEOs of Commercial Banks



### Mr. Shitin Desai, Independent Director

- ▶ With Sharda Cropchem since December 2013
- ▶ A Veteran with over 41 years of experience in the Banking and Financial Services sector
- ▶ Is a Founding Director of DSP Merrill Lynch Ltd and served as an Executive Vice Chairman, before serving as a Consultant to Bank of America Merrill Lynch
- ▶ A Member of the Advisory Board of Kherwadi Social Welfare Association (KSWA) – one of the largest NGOs, providing livelihoods to underprivileged youth, by making them economically independent through vocational training
- ▶ Was appointed as a Member on the Committee on Takeovers, by SEBI, Investor Education and Protection Fund constituted by Ministry of Corporate Affairs, the RBI Capital Market Committee, Advisory Group of Securities Market of RBI and Insider Trading Committee



### Mr. Shobhan Thakore, Independent Director

- ▶ With Sharda Cropchem since December 2013
- ▶ Graduated with a Bachelor's Degrees in Arts (Politics) and Law
- ▶ A Solicitor at the Bombay High Court and Supreme Court of England and Wales and served as an Advisor to leading Indian companies on matters relating to Corporate Law and Securities related Legislations
- ▶ Has 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

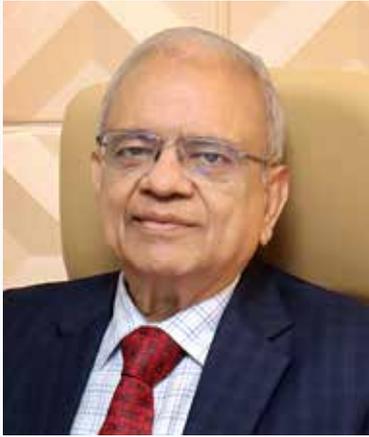


### Ms. Sonal Desai, Independent Director

- ▶ With Sharda Cropchem since April 2019
- ▶ A Chartered Accountant with an Executive Diploma in Hospital Administration from Tata Institute of Social Sciences (TISS)
- ▶ Has experience of 34 years of handling not only pure finance and accounting functions, but also commercial and embedded functions resulting in rare blend of leadership experience and functional competence
- ▶ Has unique experience and expertise in business areas such as marketing, operations, projects and refineries management
- ▶ Was superannuated from Hindustan Petroleum Corporation (HPCL) in August 2017 – A Fortune 500 company with a turnover of above US\$ 31 Bn
- ▶ An Executive Director at Sushrut Hospital – a 100 bedded Charitable Trust Hospital
- ▶ An Advisor to Prashanti Medical Trust (Sathya Sai Hospital) – the hospitals at Rajkot and Ahmadabad do heart surgeries totally free of cost for the economically under privileged patients
- ▶ Was an Executive Director-Refinery Finance (one level below the Board) with additional responsibility of Head Corporate Social Responsibility (CSR) – her last assignment prior to superannuation in HPCL



# LEADERSHIP TEAM



## **Mr. Ramprakash V. Bubna**

**Chairman & Managing Director**

- ▶ Holds a Bachelor's Degree of Technology in Chemical Engineering from IIT, Bombay
- ▶ He has over 54 years of experience in chemicals, agrochemicals and related businesses
- ▶ He is responsible for the Company's overall business operations and strategy



## **Mr. Ashish Bubna**

**Whole Time Director**

- ▶ Holds a Bachelor's Degree in Commerce from the University of Mumbai
- ▶ Over 31 years of experience in marketing of chemicals, agrochemicals and related businesses.
- ▶ Instrumental in strategizing early investment in product registrations and building the library of product dossiers.
- ▶ Responsible for marketing, procurement, registrations and logistics functions of the agrochemical business.



### Mr. Manish Bubna

#### Whole Time Director

- ▶ Holds a Bachelor's Degree in Chemical Engineering from the Department of Chemical Technology, Bombay University.
- ▶ Over 29 years of experience in chemicals, agrochemicals and related businesses
- ▶ Spearheaded the Company's foray into the conveyor belt and general chemicals business
- ▶ Also oversees the information technology, logistics and documentation functions of the Company



### Mr. Ashok Vashisht

#### Chief Financial Officer

- ▶ A Fellow Member of Chartered Institute of Management Accountants UK, CPA Australia, The Institute of Cost Accountants of India & accredited CGMA and Associate Member of The ICSI. Has also done DipIFR from ACCA UK and qualified Independent Director from IICA
- ▶ Has 25+ years of rich professional corporate experience in global and Indian MNCs in the field of strategy, M&A, financial management, direct & indirect taxation, strategic cost management, project management, statutory audits & internal audits, governance & risk management
- ▶ Responsible for driving strategy, finance & accounts and overseeing legal & secretarial matters



Sharda Cropchem Limited

# CORPORATE INFORMATION

## Board of Directors

**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. M S SUNDARA RAJAN**  
Independent Director

**MR. SHITIN DESAI**  
Independent Director

**MR. SHOBHAN THAKORE**  
Independent Director

**MS. SONAL DESAI**  
Independent Director

## Key Managerial Personnel:

**MR. ASHOK VASHISHT**  
Chief Financial Officer

**MR. JETKIN N GUDHKA**  
Company Secretary & Compliance Officer

## Corporate Identity Number (CIN):

L51909MH2004PLC145007

## Registered Office:

**PRIME BUSINESS PARK,**  
Dashrathlal Joshi Road,  
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**UNION BANK OF INDIA**

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# MANAGEMENT DISCUSSION AND ANALYSIS



The world economy rebounded at a healthy 6% in CY 2021, after a 3% decline during the COVID-19 pandemic in CY 2020.

# Economic Overview

## GLOBAL ECONOMY

The world economy rebounded at a healthy 6% in CY 2021, after a 3% decline during the COVID-19 pandemic in CY 2020. The reduction in pandemic-related limitations and lockdowns, and the increased vaccination effort across countries, contributed to this fast-paced recovery.

Global commerce recovered sequentially throughout CY 2021, not only in terms of products but also in terms of services, with the former reaching pre-pandemic levels in Q4 CY 2021. Altogether, global commerce hit a new high of US\$ 28 trillion in CY 2021, up 25%, from CY 2020 and 13% higher than the pre-pandemic level of CY 2019.

*(Source: <https://economictimes.indiatimes.com/small-biz/trade/exports/insights/global-trade-growth-likely-to-be-subdued-in-2022-after-hitting-record-high-of-28-5-trillion-in-2021/articleshow/89715595.cms>)*

Besides the loose monetary support policies during rising inflationary pressures, the fiscal support was partially extended in CY 2021 for complete resumption of economies. A significant upside recovery was witnessed among the advanced market owing to high vaccination rates. Advanced economies grew at 6% in 2021, more than making up for the cumulative drop in GDP in 2020. However, the Russia-Ukraine conflict further hindered global economic progress. It contributed to economic

downgrades for 186 countries, although most of them will continue to grow. The war disrupted global trade in energy and grain, leading to higher risk of food shortages in Africa & the Middle East.

## OUTLOOK

The economic performance of emerging market has varied considerably, since the onset of the pandemic. The goods exporters have generally fared relatively well, while service exporters have struggled amid the lack of tourism. Moreover, vaccination rates and policy choices have added to this variation. Higher rates of vaccination can ward against pandemic-related shocks to domestic demand. They also reduce risks for potential tourists and enabled policymakers to impose fewer restrictions on mobility and border controls, given better protection of their population. Although, growth in emerging market economies is likely to continue this year and the next, risks remain weighted to the downside. Another wave of infections may possibly lead to weaker economic growth, particularly for countries with low shares of fully vaccinated populations. Government balance sheets, meanwhile, have mostly weakened as the pandemic-induced recession reduced revenue. Whereas, expenditures grew as countries provided support to their populations, while their economies stalled. Further rising interest rates in the United States can weaken emerging market currencies and exacerbate inflation.



## INDIAN ECONOMY

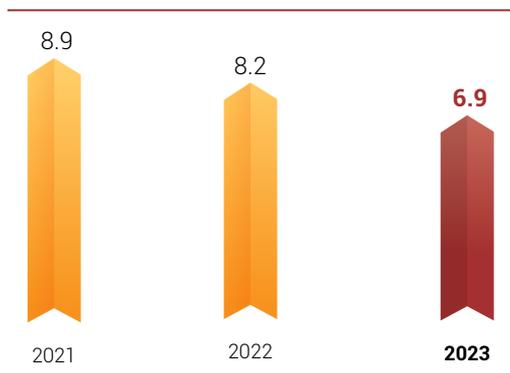
India was one of the fastest-growing economies in the pre-pandemic world. The year FY 2022 witnessed several positive moments, as compared to the crosswinds faced in the earlier fiscal. The economic growth in CY 2021 has been dented due to COVID-19 and other geopolitical reasons. The Indian economy is expected to rebound and is likely to regain its tag of one of the fastest-growing economies globally, in the medium-term.

Indian economy is expected to maintain robust growth momentum in the medium term largely driven by consumption and investment wherein consumption is anticipated to grow by 9% in FY 2022, which is slightly below previous forecast of 9%.

(Source: Fitch solutions)

Moreover, rural and urban unemployment levels continued to improve after the worst phase of the crisis. Rapid urbanisation, rising consumer aspirations and increasing government support for digitisation, Production Linked Incentives (PLI) and other similar policies are anticipated to push the growth further. At this pace, India is forecasted to be among the world's fastest-growing economies in CY 2021. Going forward, IMF forecasts India's GDP to grow at a faster pace than other economies.

India's GDP



## OUTLOOK

The Indian economy is poised to maintain robust growth momentum over the coming quarters, largely driven by consumption and investment. Consumption is expected to grow at a healthy rate, underpinned by the recent easing of

restrictions and a slow strengthening of the labour market. Economic headwinds could start to mount once again as several factors come together. On an average basis, oil prices will remain elevated, weighing slightly on purchasing power. The anticipation of monetary tightening over the coming quarters will lead to a slight tightening of financial conditions, and base effects will prove less flattering.

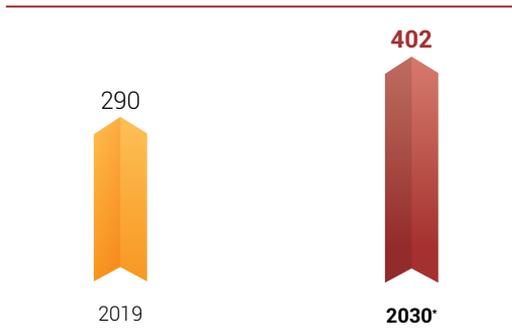
(Source: Fitch solutions)

## Industry Overview

### GLOBAL CROP PROTECTION INDUSTRY

In CY 2021, the worldwide Crop Protection Chemicals market was worth US\$ 84 Bn. Looking ahead, the market is estimated to reach US\$ 111.4 billion by CY 2027, with a CAGR of 4% from CY 2022 to CY 2027. The world population is predicted to approach 9 Bn people by CY 2050, up from roughly 8 Bn at present. Furthermore, with increased urbanisation and more people living in cities compared to the countryside, the amount of agricultural land is diminishing. In the next few years, crop protection chemicals are projected to gain higher significance in enhancing agricultural output. These chemicals are predicted to increase agriculture productivity by eradicating pests that diminish yields. This leads to higher productivity per acre and reduces the need to transform natural areas like woodlands and forests, native grasslands, marshes, grasslands, and other wildlife habitat into farmland. The Crop Protection Chemical industry has been transforming over the years, over robust growth coupled with changing crop mix trends and environmental regulations. Growing population, declining arable land, food security, and the need for augmented agricultural productivity are the significant factors driving the demand for higher agricultural output. This will lead to growth augmentation in the Crop Protection industry, globally. Brazil, the United States, China, Japan, and India are the largest Crop Protection Chemicals market in the world. The market size of Brazil crop protection chemicals in CY 2020 was valued at US\$ 10.01 Bn. India has the fifth-largest market in the world, with US\$ 2.59 Bn in CY 2020.

**Market volume in million metric tons**



**REGION-WISE**

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

**EUROPE**

The European Crop Protection industry (ECPA) made a series of bold pledges to support Europe’s new Green Deal, including a € 14 Bn investment in innovative technology and more environment-friendly products by CY 2030. The Crop Protection market in Europe is expected to register a CAGR of 4%. Increased knowledge, changes in agricultural techniques, and technology are few of the reasons for Europe’s large crop protection market share.

(Source: Europe Crop Protection Chemicals Market - Growth, Trends, and Forecasts (2020-2025) (researchandmarkets.com))

**NORTH AMERICA**

North America is the world’s third-largest Agrochemicals market, with the United States contributing the most income and volume. Pesticides and fertilisers are the two most important segments of the agrochemicals business, with fertilisers accounting for about 70% of sales.

(Source: <https://www.globenewswire.com/news-release/2021/04/19/2212128/0/en/North-America-Crop-Protection-Chemicals-Market-Analysis-Outlook-to-2026.html>)

**LATIN AMERICA**

The Latin America market is now being driven by strong development in the Agriculture sector, and the extension of cropland. Additionally, as people consume more plant-based foods, crop protection agents are becoming more necessary to increase agricultural production and promote food security. Rising levels of urbanisation and limited farmland availability, notably in Brazil and Argentina, are driving up demand for crop protection chemicals. Many government entities in Latin America are working to reduce the need to convert natural areas such as forests, native prairies, wetlands, and animal habitat to farming. As a result, crop protection agents are increasingly being used to provide high agricultural yields per land.

(Source: Latin America Crop Protection Chemicals Market Analysis, 2021-2026 (imarcgroup.com))



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

## INDIAN CROP PROTECTION INDUSTRY

The Crop Protection Chemicals market in India was valued at US\$ 3 Bn in 2020 and is projected to reach US\$ 4 Bn by FY 2026. The market is projected to witness a CAGR of 6% during the forecast period. In India, synthetic pesticides have been extensively used for alleviating the estimated 45% gross loss of crops due to the infestation of pests and diseases. Major factors driving the Indian market, includes greater demand for food grains and limited availability of arable land, along with increasing exports, growth in horticulture and floriculture, and increasing public awareness regarding pesticides and biopesticides. The Biopesticide market is likely to witness the fastest growth in comparison to synthetic chemicals in India. It is expected to witness double-digit growth during the forecast period. This segment has more relevance today since trends show that people prefer more eco-friendly options over non-eco-friendly products. Moreover, they are becoming more health-conscious.

In India, several Government agencies, such as the Ministry of Agriculture and Farmers Welfare, the Department of Biotechnology (DBT), and the Ministry of Science and Technology, have been promoting the research, development, and commercialisation of biopesticides. Thus, with increasing demand for food grains, reduction in arable land, and increasing agricultural exports, the Pesticides market in India is booming during the forecast period. However, a shift from synthetic to bio-based fertilisers is expected to be seen in the long-run.



## Global Crop Protection Market Category-wise

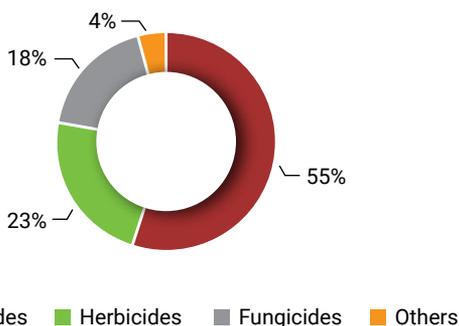
### HERBICIDES

Herbicides is the largest type-based sub-segment of the market studied. It was valued at US\$ 26 Bn in FY 2020, and is expected to reach US\$ 34 Bn by FY 2026, witnessing a CAGR of 4%. Herbicides are chemical agents that are used to kill or inhibit the growth of unwanted plants, such as residential or agricultural weeds and other invasive species. The ease of application is a big advantage of chemical herbicides over mechanical weed control methods. This also helps save labour costs.

### FUNGICIDES

The fungicides sub-segment of the market studied, was valued at US\$ 17 Bn in FY 2020, and is expected to reach a value of US\$ 21 Bn by FY 2026, witnessing a CAGR of 3%. Fungicides are mostly used in fruits, vegetables,

Segment-wise Share of Agrochemicals in Indian Market (in %)



and cereals. The demand for fungicides is majorly driven by cereals and vegetables across the world. During the forecast period, the fungicides sub-segment of the market studied is expected to expand at a slower rate, than the insecticides sub-segment of the market. This is due to lesser development and lower adoption of fungus-resistant crops as compared to insect-resistant crops.

### INSECTICIDES

The insecticides sub-segment of the market was valued at US\$ 15 Bn in FY 2020, and is expected to reach a value of US\$ 19 Bn by FY 2026, witnessing a CAGR of 4%. The growing population, the rising demand for food, contracting agricultural land area, and the loss of crops, owing to the incidence of pests and diseases, are the significant factors that are driving the market for crop protection chemicals.

### BIO-BASED

The bio-based sub-segment of the market was valued at US\$ 5 Bn in FY 2020, and is anticipated to reach US\$ 12 Bn by FY 2026, witnessing a CAGR of 15%. Increasing concerns among people regarding the food products they are consuming, along with the consequences of those on their health and the environment, is pushing the market players to shift from synthetic to bio-based chemicals. Farmers using biopesticides in their agricultural

produce, lessens the chances of toxicity in the food chain. Additionally, simple residue management techniques and low R&D investments in developing new biopesticides is driving the bio-based sub-segment of the global market.

### OTHERS

The Other Crop Protection Chemicals segment of the market is valued at US\$ 1.53 Bn in FY 2020, and is estimated to reach at US\$ 1.82 Bn by FY 2026, registering a CAGR of 2.4%. Other crop protection chemicals include molluscicides, plant growth regulators, dessicants, rodenticides, and acaricides, of which molluscicides, acaricides, and rodenticides form the largest share. These products can be applied as foliar spray, granular formulation, seed treatments, or for any form of soil treatment except for rodenticides, to which they are applied as baits. Molluscicides, includes metaldehyde, methiocarb, ferrous phosphate, among others of which, metaldehyde accounted for the largest market share, followed by methiocarb. Metaldehyde is widely used in molluscicide products, because of its easy availability and inexpensiveness.



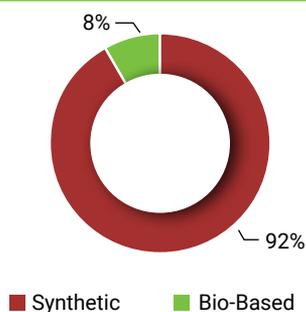
# Crop Protection Market by Region

**Europe-** CAGR of 5.1%, in CY 2026

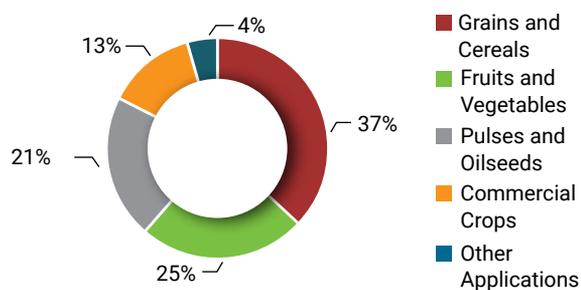
**America-** CAGR of 5.10%, in 2026

**Latin America-** CAGR of 6.23%, in 2026

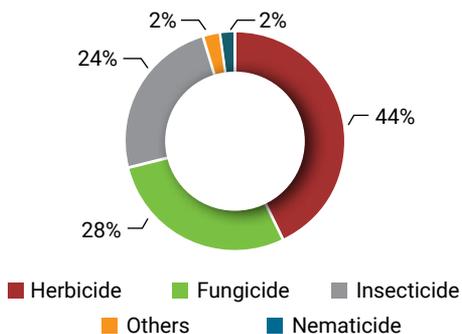
**Crop Protection Chemicals Market**  
Revenue Share (%), Origin, Global, 2020



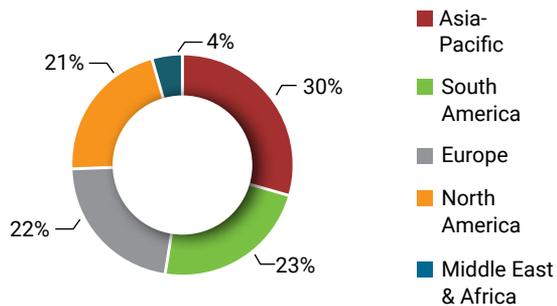
**Crop Protection Chemicals Market**  
Revenue Share (%), Application, Global, 2020



**Crop Protection Chemicals Market**  
Revenue Share (%), Type, Global, 2020



**Crop Protection Chemicals Market**  
Revenue Share (%), Geography, Global, 2020





## EUROPE

European region is stepping toward the reduced usage of chemical pesticides, which are harmful for the environment and animal population in the region. For instance, in CY 2018, EU banned neonicotinoids to protect the bees. However, this led to an increase in focus on Integrated Pest Management (IPM) practices, coupled with rising R&D on biological control substances in the region. This has substantially increased the popularity of bioinsecticide products in the recent years.

The Europe Crop Protection market was estimated at USD 27.73 billion in CY 2021 and is projected to reach USD 32 billion by CY 2026, at a CAGR of 5%, from 2022-2027. Crop protection is the widely used chemical across Europe to safeguard crops against various insects. The growing demand for food safety is due to stringent quality regulations that is driving the market. Increasing awareness in farming practice and technology are the reason for Europe to hold significant demand for crop protection. The demand for biopesticides is increasing, owing to the increase in demand for organic and completely natural foods.

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

## NORTH AMERICA

Farmers in the North American Region have increased the usage of insecticides on major crops, especially corn, as it accounts for most of the harvested acreage in the region. Thus, to address the growing concern for reduced harvest, along with environmental and human health, the farmers are judiciously increasing the usage of insecticides, fuelling the crop protection chemical sales. Besides, the United States is also a major contributor to the increase in global demand for fungicides in the crop protection division.

The North America Crop Protection Chemical markets origin is synthetic and bio-based that includes insecticide, fungicide, herbicide, and other crop protection chemicals. The North America Crop Protection Chemical market is expected to clock at USD 43 billion by CY 2026 at a CAGR of 5%, from 2022-27. The worldwide pesticides consumption is more than two Mn tons per year and

North America accounts for 25% of the global share. This chemical is used for crops, including cereals, grains, pulses, fruits, vegetables, oilseeds, and non-crop plants like ornamentals and turfs.

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

## LATIN AMERICA

Latin America is the world's second-largest contributor, accounting for more than a quarter of worldwide market share. The Agricultural industry in this region has had enormous growth, with substantial increase of farmland, allowing the Crop Protection Chemical market to grow at a record pace of 6%. Crop protection chemicals are predicted to reach a market worth of USD 20,000 Mn in Latin America. The herbicides category, dominated the market, accounting for more than half of the sales. This category is predicted to develop at the quickest rate throughout the forecasted period, with a CAGR of 4%. Despite its large market share, this area is very susceptible to exchange rate and value fluctuations owing to political and economic factors. Closed economies and tax increases have an indirect impact on the crop protection business. Due to its large market share, the herbicide business in the region has experienced multiple mergers and acquisitions by various corporations.

(Source: <https://www.marketresearch.com/Bonafide-Research-Marketing-Pvt-Ltd-v4230/Latin-America-Crop-Protection-Chemicals-30315359/>)





## DEMAND DRIVERS

### INCREASING DEMAND FOR FOOD AND AGRICULTURAL PRODUCTIVITY

According to the Food and Agriculture Organization (FAO), the world population is expected to grow by over a third, or 2 billion, between 2009 and 2050. At the same time, per capita income is also projected to grow across the world. With the increasing per capita income and growing population, the demand for food is also estimated to grow globally. For instance, as per FAO, the food demand in the United States is expected to increase by 50-90% by 2050. Many factors, such as climate change, the outbreak of pests, lack of investments, and limited agricultural land, makes it challenging to produce enough to ensure food security. Due to the increasing population, global food production needs to increase by about 70% by 2050 to meet the growing food demand globally.

### INCREASED AREA UNDER ORGANIC FARMLAND

In response to the growing need to meet food sufficiency and the importance of safe farming practices, the global Organic Food industry has recorded exponential double-digit growth rates. Over the last three decades, organic food and farming have continued to grow across the world. Since biopesticides are chemical-free, they are used on a

large scale in organic farming. Hence, the market demand for biopesticides is increasing with the growing popularity of organic food and beverage products across the world.

### ADOPTION OF GENETICALLY MODIFIED CROPS

Genetically Modified (GM) crops were first introduced in the United States in 1996. At presently, these crops are widespread in the United States and worldwide. Many products, including corn meal, oils, and sugars, are derived from these crops and are being commonly used for food preparation worldwide. Farmers have accepted GM seeds, as their benefits exceed their costs. However, the adoption of these crops boosted the use of crop protection chemicals, due to the increase in difficulty to kill insects.

### RISE IN THE NUMBER OF RESISTANT PESTS

The number of pests in different crops across the world is rising, and there is a tremendous increase in the number of pesticide-resistant pests. Crop protection chemicals can be used to control a variety of pests. However, over time, they lose their effectiveness as pests develop resistance, which reduces the field performance of the pesticides. Reliance on insecticide-based pest management of insect pests often leads to the development of insecticide resistance.



## Business Overview

Sharda Cropchem ('The Company', 'We') is engaged in marketing and distribution of formulation and generic active ingredients in 80+ countries, 500+ third-party distributors, and 400+ sales force. We are among the fastest-growing global agrochemicals company among the similar performing ventures. The Company has adopted an Asset-Light business model, which enables us to offer diversified range of formulations without incremental manufacturing capex. The business drives into 2 business verticals – agrochemicals business and non-agrochemicals business.

We are also involved in order-based procurement and supply of non-agrochemical products, including variety of conveyor belts and v-belts that are mainly used in mining projects, dye intermediates and general chemicals dyes. The Company has business across Europe, NAFTA, LATAM and RoW.

### BUSINESS OUTLINE

The Company aims at penetrating deeper into both agro chemical and non-agro chemical space, basis enhanced

capacity and stronger marketing and distribution network, spanning across advanced and high-barrier market.

### AGROCHEMICALS

At Sharda Cropchem, our core business to protect crop with generic active ingredients and formulations, via strong marketing and distribution channels.

Third-party manufacturers provide the Company with completed formulations and generic active ingredients for resale. The Company obtains generic active ingredients for the development and marketing of formulations, outsourcing the formulation preparation process to third-party formulators. This allows us to provide a diverse range of formulations and generic active ingredients in the fungicide, herbicide, and insecticide segments to protect various crops. Besides, we also serve turf and specialty markets, and disinfectants in the biocide segment, thereby, meeting a wide range of market demand.

### NON-AGROCHEMICALS

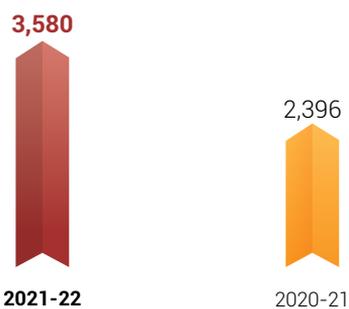
In Non-agrochemical division, Sharda Cropchem has built portfolio with supply of belts, general chemicals & dyes and dye intermediates. We procure non-agrochemical products from Chinese and Indian manufactures and supply to our channel partners.



# Financial Highlights

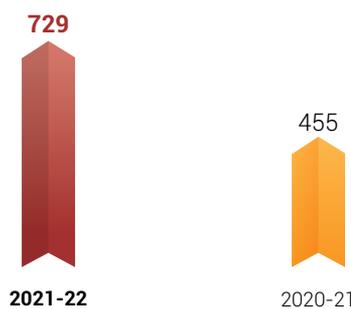
## OUR KEY FINANCIAL HIGHLIGHTS ON THE CONSOLIDATED FINANCIAL STATEMENT

**Revenue from Operations** (₹ in Cr)



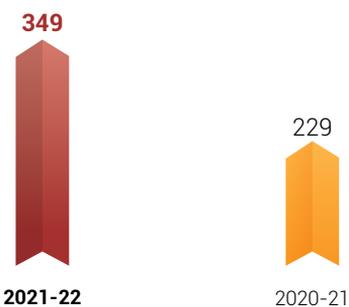
▲ Increase 49%

**EBITDA** (₹ in Cr)



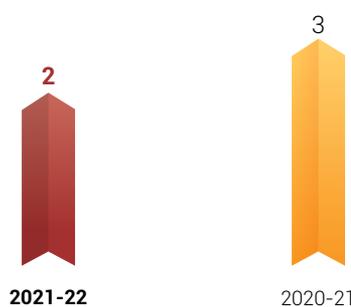
▲ Increase 60%

**PAT** (₹ in Cr)



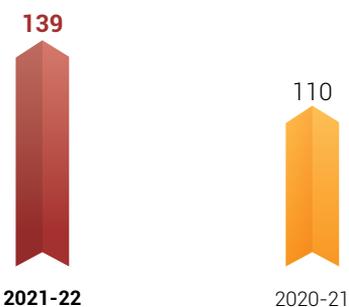
▲ Increase 52%

**Finance Cost** (₹ in Cr)



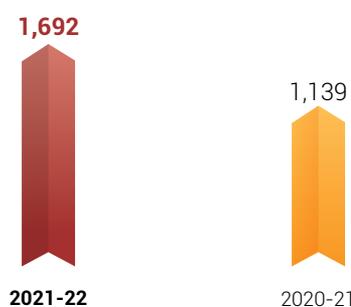
▼ Decrease (20%)

**Non-Current Liabilities** (₹ in Cr)



▲ Increase 26%

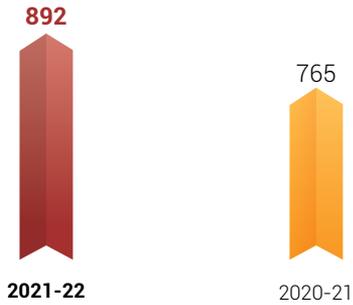
**Current Liabilities** (₹ in Cr)



▲ Increase 48%

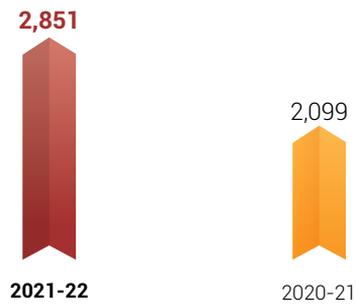


### Non-Current Assets (₹ in Cr)



▲ Increase 17%

### Current Assets (₹ in Cr)



▲ Increase 36%

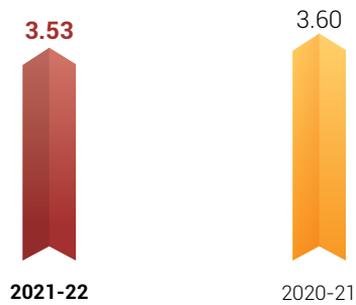
## KEY FINANCIAL RATIOS BASED ON THE CONSOLIDATED FINANCIAL STATEMENT

### Debtors Turnover Ratio



▲ Improved 19%

### Inventory Turnover Ratio



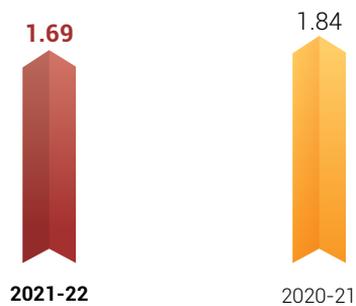
▼ No major variance (2%)

### Interest Coverage Ratio



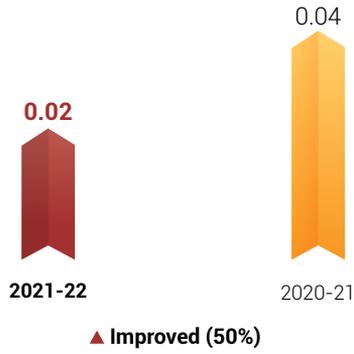
▲ Improved 87%

### Current Ratio

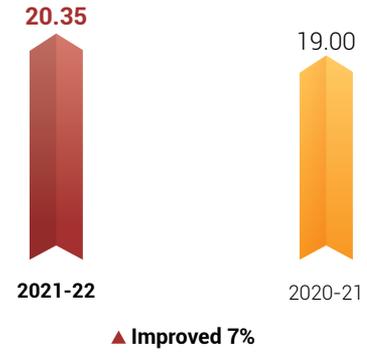


▼ No major variance (8%)

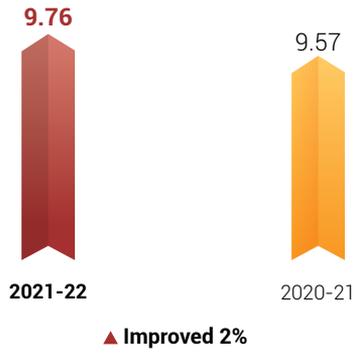
### Debt-to-Equity Ratio



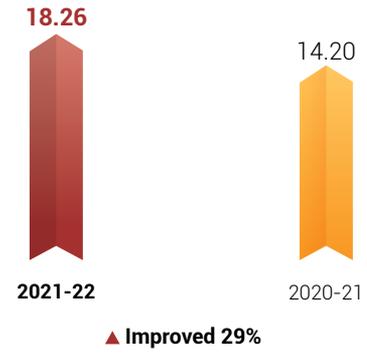
### Operating Profit Margin (%)



### Net Profit Margin (%)



### Return on Net Worth (%)





# Business Strategy and Outlook

## CONTINUAL INVESTMENT IN PRODUCT REGISTRATIONS

We at Sharda Cropchem, have distinct business model that enables us to stand out in the industry, capitalise on scale and quickly re-deploy our resources. With the help of the model we continue to identify generic molecules going off-patent and investing in preparing dossiers and seeking registrations in own name.

## FORWARD INTEGRATION - BUILD SALES FORCE

We are leveraging our market presence and execution capabilities. The Company is adopting the factory-to-farmer approach and aspires to be a one-stop solution provider. We actively boarded our strategy in Mexico, Poland, Italy, Portugal, USA, India, Colombia, Hungary, and Spain.

## EXPAND & STRENGTHEN DISTRIBUTION PRESENCE

Our business is growing year-on-year, backed by expansion of geographical reach using existing library of dossiers. We are tracking and penetrating in the existing markets and entering new markets. We are using two-fold strategy approach to pull our business.

## FOCUS ON OPERATIONAL EFFICIENCIES

We are moving our focus on revenue generating investments and margin improvements. The Company measures the proportion of costs incurred during an economy or financial activity, where lower costs equate with greater efficiency. Our business is highly scalable that makes it more attractive with efficiency. With this we are eliminating Non-value added (NVAs) and moving towards better cost management.

## SUSTAINABILITY

- Increased productivity and value-addition in food systems
- Enhanced natural resources and used efficiently
- Fostered inclusive economic growth and improved livelihoods
- Enhanced the flexibility of communities, people and ecosystems
- Adapted governance to new challenges

Sustainability is a macro-term that comprises human right, quality of life and health. The Agrochemical industry is directly or indirectly connected with the environment, ecosystem, food system and community as a whole. The advancement in technology is driving sustainability across value chain and Agrochemical industry. Agricultural institutes and R&D are taking a step ahead and practicing towards sustainable agrochemical practice. The demand for organic food is increasing by double-digit because of multiple health benefits. The growth is mainly due to the companies resuming their operations and adapting to the new normal while recovering from the pandemic. The Organic market is expected to reach USD 380.84 billion in FY 2025 at a CAGR of 14%.

*(Source: <https://noadversary.org/global-organic-food-market-report-2021/>)*

## OUTLOOK

Agrochemical industry forms a macro part of growing economies with new technology globally, that is changing face of food production. It is providing wide scope in terms of smooth functioning of value chain and also helping for job opportunities globally. There are a lot more opportunities for the Company to tap into as the demand for food is increasing due to increase in global population. Further, demand for eco-friendly pesticides, which led to an increase in adoption of herbicides for plant growth regulators and fungicides gives additional opportunities

for the Company. Agriculture has always been a bright spot and the demand for agrochemicals is expected to continue.

## CULTURE AND INCLUSION

At Sharda Cropchem, we strive to be an inclusive workplace where our employees reflect the community, find purpose in their work, are valued, and grow and contribute to their full potential. We strive to meet the needs of our employees, shareholders, and customers through competitive rewards, policies, and practices. This supports the Company, as an employer of choice, in every market where we compete for talent.

Women are undervalued in workplace and organisations, that do not recognise this, are missing out. Not just in India, but also internationally, Sharda Cropchem employs 70-80% women. More women increase Company's success in addition to tripling the talent pool. Women are rising to the occasion as strong leaders and taking on the extra work that comes with it, compared to males at the same level.

Women are doing more to assist their teams and promote diversity, equality, and inclusive efforts.

We onboard the right talent, that empowers Sharda Cropchem to run independently. At our management level, we carry top notch experienced people, who propels the Company with a significant competitive advantage in the emerging market and to the newer geography. In a nutshell, we believe that HRM is the key, when it comes to successfully and strategically managing people.

## RISK MANAGEMENT

Foreseeing the risk and fencing it with silver lining plays a crucial role in our business. It drives in stability and adds value to the business and community as a whole. Our Risk Management System (RMS) is crafted with more than one factor, which includes, technology issues, strategic management errors, natural disasters, and adding more with changing era. We follow holistic approach to manage our risk and dilute it.





Risks	Impact	Mitigation
<b>Environmental Risk</b>	Climate plays an essential role in driving our business. Foreseeing the climatic change and predicting the demand for certain chemical is tricky.	We hold decades of experience in Agrochemical industry and have gained strong insights about the countries, where we operate.
<b>Delay in Product Registrations</b>	The delay in product registration and extension of patent, may cause delay in commencing business activities. Formulations and generic active ingredients, due to the law, differ from country-to-country, leading to higher risks for the Company.	We have taken multiple registrations in different geographies and are also expanding our product portfolio.
<b>Operational Risk</b>	The value chain of our business comprises of people, system, process, external and internal events, legal and compliance risk. These are integral to the business operations. Any lapses thereon may lead to business interruptions.	We have process in place to review these operational risks periodically and align our business strategy to mitigate such risks.
<b>Changes in Government Policies</b>	The mandatory rules and regulations might affect our decisions. Polices, like contraction of incentive and subsidy, new export policy for crop, impacts on business activity.  The constant change leading to continuous modifications is the challenge.	We have a global presence, which empowers us, while also giving us locational advantage.

## INTERNAL CONTROL SYSTEM

The internal controls of the Company are continually reviewed from 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, maintenance of proper accounting records and verification of the authenticity of all transactions.

The Company 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. The Company has renowned Internal Auditors, who provides guidance in smooth functioning of risk management policies. The Internal Auditors do so by building an organisation wide awareness of risks across businesses and corporate functions, developing formal reporting and monitoring processes, building risk management maintenance plans that would keep the information updated and refreshed, deploying an ERM framework in key business areas and corporate functions, aligning risk management with the business planning exercise and aligning the role of assurance functions.



### **CAUTIONARY STATEMENT**

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



## NOTICE

**NOTICE** is hereby given that the **Nineteenth** Annual General Meeting of the Members of **M/s. Sharda Cropchem Limited** will be held on **Tuesday, 02 August, 2022** at **12.00 noon** IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2022, together with the Report of the Auditors thereon.
3. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares of the Company for the Financial Year 2021-22.
4. To appoint a Director in place of Mr. Manish R. Bubna (DIN: 00137394), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Manish R. Bubna (DIN: 00137394), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

BY ORDER OF BOARD OF DIRECTORS

**JETKIN GUDHKA**

COMPANY SECRETARY

Membership No. A26487

Date: 13 May, 2022

Place : Mumbai

### **NOTES**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 05 May, 2020 read with circulars dated 08 April, 2020, 13 April, 2020, 13 January, 2021, 8 December, 2021, 14 December, 2021 & 5 May, 2022 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular dated 12 May, 2020, 15 January, 2021 & 13 May, 2022 (collectively referred to as "SEBI Circulars") permitted convening the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the SEBI circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for AGM shall be the registered office of the Company.
2. The 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.
3. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

## Notice (Contd.)

4. 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.
5. 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.
6. 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.
7. The Company has fixed **Tuesday, 26 July, 2022** as the "**Record Date**" for determining entitlement of members to final dividend for the financial year ended 31 March, 2022, if approved at the AGM. The Register of Members and the Share Transfer Books of the Company will remain closed on **Wednesday, 27 July, 2022**.
8. Members holding shares in dematerialised form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to RTA / Company at their email addressed given above.
9. Members seeking any information with regard to the financial statements are requested to write to the Company at least ten (10) days before the AGM to enable the management to keep the information ready at the Meeting.
10. In case of joint holders attending the AGM, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote provided the votes are not already cast by remote e-voting by the first holder.
11. The Notice of AGM and Annual Report is being sent in electronic mode to Members whose e-mail address is registered with the Company or the DP. Members (Physical / Demat) who have not registered their e-mail addresses with the Company can get the same registered by requesting our RTA at e-mail addresses given above. Physical copy of the Notice of the AGM along with Annual Report for the financial year 2021-22 shall be sent to those Members who request for the same. The AGM Notice is also disseminated on the website of our RTA.
12. Notice of AGM along with Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website **www.shardacropchem.com**, website of stock exchanges i.e BSE Limited at **www.bseindia.com** and National Stock Exchange of India Limited at **www.nseindia.com**.
13. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding', 'Register of Contracts and Arrangements' and 'Register of Members' maintained as per the Companies Act, 2013 shall be accessible to the members.
14. M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the AGM of the Members held on 30 August, 2018. Their appointment was subject to ratification by Members at every subsequent AGM. However, pursuant to the



## Notice (Contd.)

amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been dispensed with.

In view of the above, ratification by the Members for their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

15. During the year 2021-22, the Company declared and paid an Interim Dividend of ₹ 3.00 each per equity share. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made within Thirty (30) days from the AGM date to all the shareholders holding shares as on the record date.

During the year, the Company declared a final dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial Year ended 31 March, 2021 which has approved at the Annual General Meeting of the Company held on 29 July, 2021.

Further, Company had also declared interim dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial year 2021-22.

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.

Amounts lying in the Unclaimed Dividend account together with shares, if any, in respect of the Dividend for the Year 2014-15 will be transferred to Investor Education and Protection Fund on or before 22 September, 2022. Accordingly, shareholders who

have not claimed Dividend in respect of the said Dividend for the year 2014-15 are requested to claim the same on or before 22 September, 2022.

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 26 July, 2022. 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 26 July, 2022.
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

## Notice (Contd.)

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/mobileereg/mobileemailreg.aspx> for receiving soft copy of Notice and Annual Report along with e-voting user ID and password. In case of any query, Members may contact Mr. Raghunath Veedha on (040) 6716 1606 or write mail at [emeetings@kfintech.com](mailto:emeetings@kfintech.com).

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

- i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below.
  - a. Launch internet browser (chrome / firefox / safari) by typing the URL <http://emeetings.kfintech.com>.
  - b. Enter the login credentials (i.e. user id and password for e-voting).
  - c. After logging in, click on "Video Conference" option.
  - d. Then click on camera icon appearing against AGM event of the Company, to attend the meeting.
- ii. Members who do not have the user id and password for e-Voting or have forgotten the user id and password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- iii. Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

- iv. Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. Shareholders who would like to express their views/ask questions during the Meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, Members questions will be answered only, the shareholder continues to hold the shares as of cut-off date benpos. Members may post their queries from 9:00 AM (IST) on Friday, 29 July, 2022 till 5:00 PM (IST) on Monday, 01 August, 2022.

- vi. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr. Raghunath Veedha on (040) 6716 1606 or write at [emeetings@kfintech.com](mailto:emeetings@kfintech.com).

- vii. In case of decision to allow the Q&A session in the Meeting, Members may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence from 9:00 AM (IST) on Friday, 29 July, 2022 till 5:00 PM (IST) on Monday, 01 August, 2022.

### 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.



## Notice (Contd.)

- iii. Only those shareholders, who are present in the AGM and have not casted their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

### 24. Instructions for remote e-Voting:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and -Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December, 2020, the Members are provided with the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ["remote e-voting"] will be provided by our RTA.
- ii. The Board of Directors of the Company have appointed Mr. Alpesh Panchal from M/s. KJB & Co LLP Practicing Company Secretaries, Mumbai as Scrutiniser to scrutinise e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same. The Scrutiniser, after scrutinising the votes, will, not later than two (2) working days from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company

[www.shardacropchem.com](http://www.shardacropchem.com) and on the website of RTA <https://evoting.kfintech.com>. The results shall simultaneously be communicated to the Stock Exchanges.

- iii. **The remote e-voting period commences on Friday, 29 July, 2022 (9:00 am IST) and ends on Monday, 01 August, 2022 (5:00 pm).** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, **as on the cut-off date of Tuesday, 26 July, 2022**, 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 of Tuesday, 26 July, 2022**.
- 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:

## Notice (Contd.)

Procedure to login through websites of Depositories	
NSDL	CDSL
<p><b>1. Users already registered for IDeAS facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Click on URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>.</li> <li>ii. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>iii. Enter your User ID and Password for accessing IDeAS,</li> <li>iv. On successful authentication, you will enter your IDeAS service login.</li> <li>v. Click on "Access to e-Voting" under <b>Value Added Services</b> on the panel available on the left hand side.</li> <li>vi. Click on "Active e-voting Cycles" option under e-voting.</li> <li>vii. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.</li> </ol>	<p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Click on URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi</b></li> <li>ii. Enter your User ID and Password for accessing Easi / Easiest.</li> <li>iii. Click on <b>Company name</b> or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.</li> </ol>
<p><b>2. Users not registered for IDeAS facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, click on URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>.</li> <li>ii. Select "Register Online for IDeAS".</li> <li>iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.</li> <li>iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>	<p><b>2. Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, click on URL <a href="https://web.cdslindia.com/myeasi/Registration/">https://web.cdslindia.com/myeasi/Registration/</a> EasiRegistration</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.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>ii. Click on the button "Login" available under "Shareholder / Member" 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 "Active E-voting Cycles / VC or OAVMs" option under e-voting.</li> <li>vi. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.</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> / <a href="https://www.evotingindia.com">https://www.evotingindia.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>



## Notice (Contd.)

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

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

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

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

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

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

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

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

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

#### 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.

- After entering the details appropriately, click on LOGIN.
- 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.
- You need to login again with the new credentials.

## Notice (Contd.)

- 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 of Tuesday, 26 July, 2022**, may obtain the user ID and password in the manner as mentioned below:
- a. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.
- Example for NSDL:  
MYEPWD <SPACE> IN12345612345678
- Example for CDSL:  
MYEPWD <SPACE> 1402345612345678
- Example for Physical:  
MYEPWD <SPACE> XXXX1234567
- b. If e-mail address or mobile number of the member is registered against Folio No. or DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. A member may call KFinTech's toll free number 1-800-3454-001
- d. A member may send an e-mail request to **evoting@kfintech.com**.
- e. If the member is already registered with KFinTech's e-voting platform then he / 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**  
**JETKIN GUDHKA**  
**COMPANY SECRETARY**  
Membership No. A26487

Date : 13 May, 2022  
Place : Mumbai



## Notice (Contd.)

### ANNEXURE A

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

<b>Name of Director</b>	<b>Mr. Manish Bubna</b>
<b>Director Identification Number (DIN)</b>	00137394
<b>Date of Birth (Age)</b>	30 June, 1974 (48 Years)
<b>Date of first appointment</b>	12 March, 2004
<b>Category</b>	Executive Director
<b>Qualification</b>	Bachelor of Chemical Engineering (B.Ch.E)
<b>Experience &amp; Expertise</b>	28 years of experience in chemicals, agrochemicals and related businesses. He has spearheaded the Company's foray into the conveyor belt and general chemicals business.
<b>Number of shares held in Company</b>	1,51,80,000
<b>Name of other Listed entities in which person holds directorship and membership of committees</b>	Nil
<b>Relationships between Directors inter-se</b>	<ul style="list-style-type: none"><li>• Son of Mr. Ramprakash Bubna and Mrs. Sharda Bubna</li><li>• Brother of Mr. Ashish Bubna</li></ul>
<b>Chairmanship/Membership of committees of Company</b>	Nil

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

## 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, 2022. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from operations	2,94,643.58	2,03,261.95	3,57,976.68	2,39,560.77
Other income	4,840.88	8,092.02	2,887.77	4,593.56
Total Income	2,99,484.46	2,11,353.97	3,60,864.45	2,44,154.33
Expenses excluding interest, depreciation and amortisation expenses	2,35,548.94	1,65,647.41	2,89,685.80	1,95,887.67
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	63,935.52	45,706.56	71,178.65	48,266.66
Depreciation and amortisation expenses	24,529.26	17,039.34	24,533.49	17,044.00
Finance Cost	162.69	199.00	221.29	277.21
Profit before tax (PBT)	39,243.57	28,468.22	46,423.87	30,945.45
Tax Expense	10,954.49	7,488.88	11,496.13	8,023.68
Net Profit for the year	28,289.08	20,979.34	34,927.74	22,921.77
Other Comprehensive Income	15.18	6.10	305.12	37.64
Total Comprehensive Income	28,304.26	20,985.44	35,232.86	22,959.41
*Adjusted EBITDA	63,621.05	39,848.12	72,859.69	45,516.72

### STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

### OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:

The Company's consolidated revenue from operations increased by 49% to ₹ 3,57,976.68 Lakhs in FY 2021-22. This was driven by strong growth in Europe, NAFTA & LATAM regions in existing business as well as new business. The Company has 2,686 product registrations as on 31 March, 2022.

In FY 2021-22, EBITDA margins were higher by 60%. Depreciation and amortisation expense were higher due to high capital expenditure on intangible assets to support the future growth. PAT increased by 52% from last year driven by high revenue & effective management. The Company declared a Consolidated PAT of ₹ 34,927.74 Lakhs.

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



## Boards' Report (Contd.)

The Company shall continue to focus on investment in product registrations in developed countries and high growth agricultural driven economies. Your Company strongly believes that the future of agrochemicals business lies in obtaining early product registrations due to the high entry barrier for new entrants. The Company has also invested ₹ 413 Crores on product registrations during 2021-22.

We continue in our endeavour to fight waves of the COVID-19 pandemic, our priority remains the safety and well-being of our employees, and business continuity for our clients. Business continuity programs were tested and practiced, and the processes were proven to be resilient. Even amid an unprecedented global crisis, we continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

### **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 2021-22 till date which will have any material or significant impact on the financials of the Company.

### **TRANSFER TO RESERVE:**

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

### **DIVIDEND:**

During the year, the Board of Directors declared an Interim Dividend of ₹ 3.00 per share in their meeting dated 22 January, 2022 on the paid-up equity shares of the Company. The Directors have recommended a final dividend of ₹ 3.00 per share on the paid-up equity shares of the Company for the Financial Year ended 31 March, 2022 which, if approved at the ensuing Annual General Meeting of the Company, will be paid to all those equity shareholders of the Company whose names appear in the register of members as on the record date.

The aggregate gross amount of Interim Dividend Distributed is ₹ 2,706.61 Lakhs subject to TDS as applicable.

The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹ 2,706.61 Lakhs, subject to TDS as applicable.

The total dividend on equity shares for FY 2021-22 amounts to ₹ 6.00 per share and would involve a total cash outflow of ₹ 5,413.22 Lakhs, subject to TDS as applicable.

### **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, 2022 was ₹ 9,022.05 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor buy-back nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

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

### **DEPOSITS:**

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

### **SUBSIDIARY COMPANIES:**

#### **SUBSIDIARY COMPANIES - DIRECT**

##### **Axis Crop Science Private Limited**

Axis Crop Science Private Limited is engaged in marketing and distribution of agrochemicals in India. For the year ended 31 March, 2022, the Company's total income is

## Boards' Report (Contd.)

₹ 937.35 Lakhs (Previous year: ₹ 989.86 Lakhs) and Profit for the year is ₹ 85.30 Lakhs (Previous year: ₹ 81.53 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, 2022, the Company's total income is NIL (Previous year: ₹ 6.01 Lakhs) and Loss for the year is ₹ 0.47 Lakhs (Previous Year: Profit of ₹ 3.11 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, 2021, the Company's total income is 0.50 Lakhs (Previous Year: NIL) and Profit for the year is ₹ 0.44 Lakhs (Previous Year: Loss of ₹ 0.10 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, 2021, the Company's total income is ₹ 0.92 Lakhs (Previous Year: ₹ 12.73 Lakhs) and Loss for the year is ₹ 0.51 Lakhs (Previous Year: Profit of ₹ 0.23 Lakhs).

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

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

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

Sharda Cropchem Espana, S.L. is engaged in the business of distribution of agrochemical products in Spain and abroad. For the year ended 31 March, 2022, the Company's total income is ₹ 19,865.57 Lakhs (Previous year: ₹ 16,607.46 Lakhs) and Profit for the year is ₹ 626.21 (Previous year: Profit of ₹ 297.30 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, 2021, the Company's total income is ₹ 6.99 Lakhs (Previous Year: 0.47 Lakhs) and Profit for the year is ₹ 5.83 Lakhs (Previous Year: ₹ 0.28 Lakhs).

### **Sharda De Guatemala, S.A., Guatemala**

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

### **Sharda Del Ecuador CIA. Ltda., Ecuador**

Sharda Del Ecuador CIA. Ltda. is engaged in the business of dealing in agrochemical products in Ecuador. For the year ended 31 December, 2021, Company's total income is ₹ 44.86 Lakhs (Previous Year: ₹ 32.46 Lakhs) and Profit for the year is NIL (Previous year: NIL).

### **Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos Ltda, Brazil**

Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos Ltda is engaged in the business of dealing in agrochemical products in Brazil. During the year ended 31 December, 2021, the Company's total income is ₹ 23.19 Lakhs (Previous Year: ₹ 35.78 Lakhs) and Profit for the year is ₹ 23.19 Lakhs (Previous year: Loss of ₹ 4.78 Lakhs).

### **Sharda Dominicana S.R.L., Dominican Republic**

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

### **Sharda EL Salvador S. A. DE CV, EL Salvador**

Sharda EL Salvador S.A. DE CV is engaged in the business of dealing in agrochemical products in EL Salvador. During the year, there were no operations in the Company.

### **Sharda Hellas Agrochemicals Limited, Greece**

Sharda Hellas Agrochemicals Limited is engaged in the business of dealing in agrochemical products in Greece. For the year ended 31 December, 2021, the Company's total income is ₹ 1.31 Lakhs (Previous Year: ₹ 4.40 Lakhs) and Loss for the year is ₹ 1.79 Lakhs (Previous year: Profit of ₹ 1.01 Lakhs).

### **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, 2022, the Company's total income is ₹ 16,098.92 Lakhs (Previous year: ₹ 13,365.53 Lakhs) and Loss for the year is ₹ 65.78 Lakhs (Previous year: Profit of ₹ 146.83 Lakhs).

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

Sharda International DMCC is engaged in trading in agrochemicals, conveyor belts and chemicals in UAE and



## Boards' Report (Contd.)

abroad. For the year ended 31 March, 2022, the Company's total income is ₹ 58,202.08 Lakhs (Previous year: ₹ 34,070.71 Lakhs) and Profit for the year is ₹ 7,528.50 Lakhs (Previous year: ₹ 5,728.63 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, 2022, the Company's total income is ₹ 7,730.17 Lakhs (Previous Year: ₹ 6,879.64 Lakhs) and Profit for the year is ₹ 265.98 Lakhs (Previous year: ₹ 345.46 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, 2021, the Company's total income is ₹ 26.25 Lakhs (Previous Year: ₹ 38.33 Lakhs) and Profit for the year is ₹ 0.09 Lakhs (Previous year: Profit ₹ 9.13 Lakhs).

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

Sharda Poland SP. ZO.O. is engaged in the business of distribution of agrochemical products in Poland and abroad. For the year ended 31 March, 2022, the Company's total income is ₹ 8,562.56 Lakhs (Previous year: ₹ 5,876.79 Lakhs) and Loss for the year is ₹ 95.39 Lakhs (Previous year: Profit of ₹ 187.32 Lakhs).

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

Sharda Polska SP. ZO.O. is engaged in the business of dealing in agrochemical products in Poland. For the year ended 31 December, 2021, the Company's total income is NIL (Previous Year: ₹ 29.37 Lakhs) and Loss for the year is ₹ 1.81 Lakhs (Previous year: Profit of ₹ 19.11 Lakhs).

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

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

Sharda Spain, S.L. is engaged in the business of dealing in agrochemical products in Spain. For the year ended 31 December, 2021, the Company's total income is 0.26 Lakhs (Previous Year: NIL) and Loss for the year is ₹ 0.23 Lakhs (Previous year: ₹ 0.16 Lakhs).

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

Sharda Swiss SARL is engaged in the business of dealing in agrochemical products in Switzerland. For the year ended 31 December, 2021, the Company's total income is

NIL (Previous Year: ₹ 12.44 Lakhs) and Loss for the year is ₹ 0.07 Lakhs (Previous year: ₹ 0.08 Lakhs).

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

Sharda Taiwan Limited is engaged in the business of dealing in agrochemical products in Taiwan. For the year ended 31 December, 2021, the Company's total income is NIL (Previous Year: NIL) and Loss for the year is NIL (Previous year: ₹ 0.75 Lakhs).

### **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, 2021, the Company's total income is ₹ 12.17 Lakhs (Previous Year: ₹ 10.08 Lakhs) and Loss for the year is ₹ 0.32 Lakhs (Previous year: Profit of ₹ 0.01 Lakhs).

### **Sharda USA LLC, USA**

Sharda USA LLC is engaged in the business of dealing in agrochemical products in USA. For the year ended 31 December, 2021, the Company's total income is NIL (Previous Year: ₹ 2.01 Lakhs) and Loss for the year is ₹ 0.04 Lakhs (Previous year: Profit of ₹ 2.01 Lakhs).

### **Shardacan Limited, Canada**

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

### **Shardaserb DO.O., Serbia**

Shardaserb DO.O. is engaged in the business of dealing in agrochemical products in Serbia. For the year ended 31 December, 2021, the Company's total income is ₹ 5.15 Lakhs (Previous Year: ₹ 5.10 Lakhs) and Loss for the year is ₹ 0.01 Lakhs (Previous year: Profit of ₹ 0.38 Lakhs).

### **Sharzam Limited, Zambia**

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

### **Sharda Private (Thailand) Limited, Thailand**

Sharda Private (Thailand) Limited is engaged in the business of dealing in agrochemical products in Thailand. For the year ended 31 March, 2022, the Company's total income is ₹ 566.13 Lakhs (Previous Year: ₹ 562.19 Lakhs) and Profit for the year is ₹ 2.93 Lakhs (Previous year: ₹ 15.02 Lakhs).

## Boards' Report (Contd.)

### 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, 2021, the Company's total income is ₹ 1,012.41 Lakhs (Previous Year: NIL) and Loss for the year is ₹ 5.54 Lakhs (Previous year: NIL).

### 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, 2022, the Company's total income is ₹ 139.39 Lakhs (Previous Year: ₹ 122.14 Lakhs) and Loss for the year is ₹ 6.79 Lakhs (Previous year: Profit of ₹ 8.52 Lakhs).

#### Sharda Benelux BVBA, Belgium

Sharda Benelux BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended 31 December, 2021, the Company's total income is ₹ 1.76 Lakhs (Previous Year: ₹ 3.42 Lakhs) and Profit for the year is ₹ 0.79 Lakhs (Previous year: ₹ 3.03 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, 2021, the Company's total income is ₹ 0.34 Lakhs (Previous Year: ₹ 85.96 Lakhs) and Profit for the year is ₹ 4.81 Lakhs (Previous year Loss: ₹ 65.55 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, 2022, the Company's total income is ₹ 217.22 Lakhs (Previous year: ₹ 952.26 Lakhs) and Loss for the year is ₹ 70.66 Lakhs (Previous year: Profit of ₹ 35.04 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, 2022, the Company's total income is ₹ 9,051.40 Lakhs (Previous year: ₹ 8,640.36 Lakhs) and Loss for the year of ₹ 301.25 Lakhs (Previous year: Profit of ₹ 387.61 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, 2022, the Company's total income is ₹ 2.13 Lakhs (Previous Year: ₹ 5.21 Lakhs) and Loss for the year is ₹ 0.28 Lakhs (Previous year: Profit of ₹ 2.71 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, 2022, the Company's total income is ₹ 2,892.22 Lakhs (Previous year: ₹ 1,709 Lakhs) and Profit for the year is ₹ 279.31 Lakhs (Previous year: ₹ 19.23 Lakhs).

#### Sharda Malaysia SDN BHD, Malaysia

Sharda Malaysia SDN BHD has been dissolved on 15th December, 2020.

#### 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, 2021, the Company's total income is ₹ 8.79 Lakhs (Previous Year: ₹ 10.73 Lakhs) and Profit for the year is ₹ 0.09 Lakhs (Previous year: Loss of ₹ 0.17 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, 2022, the Company's total income is ₹ 5.07 Lakhs (Previous Year: ₹ 6.17 Lakhs) and Profit for the year is ₹ 4.40 Lakhs (Previous year: ₹ 3.20 Lakhs).

#### Sharda Agrochem Limited, United Kingdom

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

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

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

### MATERIAL SUBSIDIARY

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



## Boards' Report (Contd.)

### 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, 2022, the Company has Eight (8) Directors consisting of Four (4) Independent Directors, Three (3) Executive Directors and One (1) Chairman & Managing Director.

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

During the year, the Company has re-appointed Mrs. Sharda R Bubna (DIN: 00136760) at Annual General Meeting dated 29 July, 2021 as she was retiring by rotation and being eligible, offered herself for re-appointment.

The Company has received declarations from the Independent Directors confirming that they met with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations").

#### Woman Director

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

#### Directors Retiring by Rotation

In accordance with the provision of Section 152 of the Companies Act, 2013 and Articles of Association of the

Company, Mr. Manish R Bubna (DIN: 00137394), Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

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

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

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

In terms of Section 2(51) and Section 203 of the Companies Act, the following are the KMPs of the Company as on 31 March, 2022:

Mr. Ramprakash V. Bubna, Chairman & Managing Director  
Mrs. Sharda R. Bubna, Whole-time Director  
Mr. Ashish R. Bubna, Whole-time Director  
Mr. Manish R. Bubna, Whole-time Director  
Mr. Ashok Vashisht, Chief Financial Officer  
Mr. Jetkin Gudhka, Company Secretary & Compliance Officer

#### Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses.

The Board met Four times during the FY 2021-22 viz 26 May, 2021, 27 July, 2021, 26 October, 2021 and 22 January, 2022.

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 22 January, 2022, wherein the performance of the Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors at their meeting also

## Boards' Report (Contd.)

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 ₹ 5,67,43,456/- towards CSR activities out of which during the year, the Company has spent ₹ 5,96,39,463/- 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



## Boards' Report (Contd.)

are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

### **RISK MANAGEMENT POLICY:**

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

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

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

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

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

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

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

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

The Company has in place a policy for Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. This Policy has been uploaded on the website of

the Company at <http://www.shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 2020. The Company has not received any complaint of sexual harassment during 2021-22.

### **AUDITORS:**

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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Associates, (Firm No. 116231W/W-100024) Chartered Accountants, were appointed as the Statutory Auditor of the Company to hold office from the Conclusion of the 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting of the Company.

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 2021-22. The Secretarial Audit Report is annexed to this report as Annexure – 3.

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

**Qualification:** The Company had annexed the report on Corporate Social Responsibility to Board's report for the

## Boards' Report (Contd.)

financial year ended 31 March, 2021 in the old format instead of revised format introduced as amendment to section 135 of the Companies Act 2013 with effect from 22 January, 2021 by Ministry of Corporate Affairs and in further amendment to the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Reply: Inadvertently, we had annexed the report in old format instead of new format. For the year ended 31 March, 2022, we have annexed the report in new format.

### 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 Annual Return of the Company for the financial year ended 31 March, 2022 is uploaded on the website of the Company and can be accessed at [www.shardacropchem.com](http://www.shardacropchem.com).

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

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

### PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company are given in Annexure - 4 and Annexure - 5 hereunder and forms part of this report.

### DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during 2021-22.

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

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- b. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies



## Boards' Report (Contd.)

- 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.

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

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund Authority ("the IEPF Authority") established by the Central Government, after completion of seven years. Further, according to the IEPF Rules, the underlying shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more, shall also be transferred to the demat account of the IEPF Authority.

The Company will be transferring the unpaid / unclaimed dividends and corresponding underlying shares for the financial year ended on 31 March, 2015 to the IEPF Authority on or before 22 September, 2022. Members, therefore, are requested to immediately claim their dividends (and shares referred above), before they are transferred by the Company to the IEPF Authority. Details of shares / shareholders in respect of which dividend has not been claimed are available on the Company's website at <http://shardacropchem.com/unclaimed-unpaid-dividend.html>. Members are hereby advised to verify their records and claim their dividends in respect of all the earlier seven years, if not already claimed.

### STATUTORY DISCLOSURES:

#### 1) Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo:

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

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

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

##### B. Foreign Exchange Earnings and Outgo

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

Particulars	₹ in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Foreign Exchange Earnings	2,89,300.05	2,09,043.37
Foreign Exchange Outgo	2,43,882.88	1,45,310.40

#### 2) Maintenance of Cost Record:

Pursuant to Section 148 of the Companies Act, the Company has maintained the Cost Accounting Records for 2021-22. The Company has received Cost Compliance Certificate from M/s. N. Ritesh & Associates, Cost Accountants.

#### 3) Secretarial Standards:

The Company has complied with the applicable Secretarial Standards as amended from time to time.

#### 4) Fraud Reporting:

During the year under review, no fraud has been reported by Auditors under sub-section 12 of Section 143 of the Companies Act, 2013.

**5) MOA & AOA:**

During the year under review, there is no change in the Memorandum of Association and Articles of Association of the Company.

**6) Credit Rating:**

During the year under review, CRISIL has given the credit rating of "CRISIL A1+" on the short-term banking facilities of the Company.

**LISTING OF THE COMPANY'S EQUITY SHARES:**

The equity shares of your Company are listed on The BSE Limited and The National Stock Exchange of India Limited. There is no default in paying annual listing fees.

**ACKNOWLEDGEMENT:**

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

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

For and on behalf of Board of Directors

**RAMPRAKASH V. BUBNA**

PLACE : MUMBAI      CHAIRMAN & MANAGING DIRECTOR

DATE : 13 MAY, 2022      (DIN: 00136568)



# ANNEXURE - 1

**Form AOC-1**  
**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures 2021-22**  
**(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	(289.34)	730.63	519.97	-	893.06	85.30	-	85.30	-	100%
2	Nihon Agro Service Kabushiki Kaisha	Apr-Mar	JPY	0.6467	0.59	1.00	2.05	0.45	-	-	0.00	0.47	(0.47)	-	100%
3	Sharda Agrochem Doel Skopje	Jan-Dec	MKD	1.3742	3.68	0.44	4.22	0.11	-	-	0.44	-	0.44	-	100%
4	Sharda Balkan Agrochemicals Limited	Jan-Dec	EURO	84.3348	2.82	(2.82)	0.00	-	-	-	(0.51)	-	(0.51)	-	100%
5	Sharda Costa Rica SA*	Apr-Mar	CRC	0.1159	0.00	0.00	0.00	-	-	-	-	-	-	-	99%
6	Sharda Cropchem Espana, S.L.	Apr-Mar	EURO	83.8506	2.59	1,085.40	8,013.06	6,925.06	-	19,748.47	866.92	240.71	626.21	-	100%
7	Sharda Cropchem Israel Limited*	Jan-Dec	NIS	-	-	-	-	-	-	-	-	-	-	-	100%
8	Sharda Cropchem Tunisia SARL	Jan-Dec	TND	25.9388	0.76	5.41	8.32	2.15	-	-	6.85	1.02	5.83	-	99%
9	Sharda De Guatemala S.A.	Jan-Dec	GTQ	9.6470	0.34	(0.32)	0.05	0.03	-	-	-	-	-	-	98%
10	Sharda Del Ecuador CIA. Ltda.	Jan-Dec	US\$	74.3300	0.20	0.06	1.65	1.39	-	-	-	-	-	-	99.50%
11	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	Jan-Dec	BRL	13.3500	8.29	(8.29)	-	-	-	-	23.19	-	23.19	-	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 Hellas Agrochemicals Limited	Jan-Dec	EURO	84.3348	2.82	(2.82)	-	-	-	-	(1.79)	-	(1.79)	-	100%
15	Sharda Hungary Kft	Apr-Mar	HUF	0.2287	7.23	590.18	6,997.09	6,399.68	-	16,098.92	(65.78)	-	(65.78)	-	100%
16	Sharda International DMCC***	Apr-Mar	US\$	75.7800	41.25	16,095.55	26,428.31	10,291.50	-	59,192.20	7,658.68	-	7,658.68	-	100%
17	Sharda Italia SRL	Apr-Mar	EURO	83.8506	7.81	921.61	6,129.34	5,199.91	-	7,706.19	259.56	(6.41)	265.98	-	99%
18	Sharda Maroc SARL*	Jan-Dec	DHS	7.8616	8.12	(5.60)	463.98	461.45	-	996.51	5.09	10.63	(5.54)	-	99.80%
19	Sharda Peru SAC	Jan-Dec	PEN	18.6759	0.33	0.35	1.54	0.86	-	-	-	(0.09)	0.09	-	99.95%
20	Sharda Poland SP.ZO.O.	Apr-Mar	PLN	18.0668	5.34	268.28	6,302.05	6,028.44	-	8,550.22	(67.94)	27.45	(95.39)	-	100%
21	Sharda Polska SP.ZO.O.***	Jan'21 - Feb'22	PLN	18.1493	-	-	-	-	-	-	(1.81)	-	(1.81)	-	100%
22	Sharda Spain S.L.	Jan-Dec	EURO	84.3348	1.96	(1.96)	-	-	-	-	(0.23)	-	(0.23)	-	100%
23	Sharda Swiss SARL	Jan-Dec	CHF	81.6903	8.62	(1.86)	9.62	2.87	-	-	(0.07)	-	(0.07)	-	100%
24	Sharda Taiwan Limited	Jan-Dec	TWD	2.6809	2.04	(0.10)	1.94	-	-	-	0.00	-	0.00	-	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)		Proposed Dividend	% of Shareholding
											before Taxation	after Taxation		
25	Sharda Ukraine LLC	Jan-Dec	UAH	2.7248	4.25	(4.16)	0.39	0.29	-	-	(0.32)	(0.32)	-	100%
26	Sharda USA LLC	Jan-Dec	US\$	74.3300	-	1.89	1.89	-	-	-	(0.04)	(0.04)	-	100%
27	Shardacan Limited*	Jan-Dec	CAD	-	-	-	-	-	-	-	-	-	-	100%
28	Shardaserb. D.O.O.	Jan-Dec	RSD	0.7167	0.17	(0.17)	0.01	-	-	-	(0.01)	(0.01)	-	100%
29	Sharzam Limited*	Jan-Dec	ZMW	-	-	-	-	-	-	-	-	-	-	99.99%
30	Sharda Agrochem Limited (From 11 February, 2021)	Apr-Mar	Pound Sterling	-	-	-	-	-	-	-	-	-	-	100%
31	Euroazijski Pesticidi d.o.o. ***	Apr-Mar	HRK	11.1275	2.23	4.87	11.03	3.93	-	-	(6.57)	(6.57)	-	100%
32	Sharda Benelux BVBA ***	Jan-Dec	EURO	84.3348	5.23	(4.28)	1.01	-	-	-	0.76	0.76	-	100%
33	Sharda Impex Trading LLC *** (From 17 March, 2021)	Apr-Mar	AED	20.6273	61.88	(68.43)	26.56	33.11	-	-	(56.25)	(56.25)	-	100%
34	Sharda Bolivia SRL ***	Jan-Dec	BOB	10.7853	1.08	(1.07)	13.97	13.95	-	-	(0.41)	(5.22)	4.81	99%
35	Sharda Colombia S.A.S. ***	Apr-Mar	COP	0.0202	58.30	64.93	236.81	113.57	-	225.36	(77.98)	(4.48)	(73.49)	99.48%
36	Sharda De Mexico S. De RI De Cv ***	Apr-Mar	MXN	3.8151	355.28	(143.25)	9,977.90	9,765.87	-	9,417.81	(297.79)	15.76	(313.56)	99.99%
37	Sharda Europe BVBA ***	Apr-Mar	EURO	83.8506	5.20	(2.20)	3.27	0.27	-	-	(0.27)	(0.27)	-	100%
38	Sharda International Africa (PTY) Ltd ***	Apr-Mar	ZAR	5.2205	0.01	393.99	1,530.77	1,136.77	-	3,001.93	432.50	142.29	290.20	100%
39	Sharpar S.A. ***	Jan-Dec	PYG	0.0111	3.34	18.46	33.11	11.31	-	-	0.29	0.08	0.20	90%
40	Siddhivinayak International Limited ***	Apr-Mar	US\$	75.7800	536.58	(26.21)	510.37	-	-	-	4.47	-	4.47	100%
41	Sharda Private (Thailand) Limited **	Apr-Mar	THB	2.2803	41.67	10.45	185.51	133.39	-	565.99	5.36	2.43	2.93	100%

Notes:

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

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

\*\* During the year ended 31 March, 2021, the Company entered into a Memorandum of Understanding ('MOU') with other shareholders of Sharda Impex Trading LLC. In terms of the said MOU dated 17 March, 2021 the Company has gained 100% control over Sharda Impex Trading LLC as the other shareholders shall not be entitled to participate in the profits / losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company w.e.f. 17 March, 2021

\*\*\* Exchange rate taken is closing rate.

# For remaining subsidiaries, exchange rates for Balance Sheet figures are taken at closing rate and for Statement of Profit & Loss Account figures at average rate.

Since there is no Associate or Joint Ventures of the Company, Part B is not applicable.

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



## 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):

₹ 2,83,71,72,789/-

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

₹ 5,67,43,456/-

#### 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):  
₹ 5,67,43,456/-

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)		
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	Amount
5,96,39,463			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
Not applicable											

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No).	Mode of implementation	
				State	District			Name	CSR registration number
1	Sponsorship for Animal food and medical care	Animal Welfare	Yes	Rajasthan	Sikar	60,00,000	Yes	N.A.	CSR00023961
2	Sponsorship for vocational training, healthcare, spiritual and mental well being	Promoting health and education	Yes	Maharashtra	Lonavala	1,00,00,000	Yes	N.A.	CSR00001190
3	Supporting procurement of wooden logs for cremation of excessive number of dead bodies in crematorium.	Rural Development projects	Yes	Rajasthan	Nawalgarh	1,00,000	Yes	N.A.	Applied
4	Providing various educational facilities.	Promoting Education	Yes	Maharashtra	Mumbai	1,21,00,000	Yes	N.A.	CSR00002265
5	Sponsorship for higher studies	Promoting Education	Yes	Rajasthan	Jhunjhunu	24,79,800	Yes	N.A.	CSR00028164
6	Sponsorship for operations and surgeries.	Promoting health care	Yes	Maharashtra	Mumbai	2,50,000	Yes	N.A.	NA



## 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
7	Educational support	Promoting Education	Yes	Maharashtra	Thane	79,060	Yes	N.A.	NA
8	Sponsorship for higher studies	Promoting Education	Yes	Maharashtra	Mumbai	50,000	Yes	N.A.	NA
9	Distribution of Anajdaan, medicines, wheelchair and tricycle, books, raincoats and umbrellas to the needy and poor people.	Eradicating hunger	Yes	Maharashtra	Mumbai	1,00,000	Yes	N.A.	CSR00025092
10	Distribution of food to needy and poor people	Eradicating hunger	Yes	Maharashtra	Raigad	2,81,000	Yes	N.A.	Applied
11	Religious help	Religious purpose	Yes	Maharashtra	Mumbai	25,001	Yes	N.A.	CSR00005241
12	Religious help	Religious purpose	Yes	Maharashtra	Mumbai	30,000	Yes	N.A.	Applied
13	Animal welfare	Animal welfare	Yes	Rajasthan	Jhunjhunu	4,00,000	Yes	N.A.	Applied
14	Religious activities	Religious purpose	Yes	Rajasthan	Jhunjhunu	40,000	Yes	N.A.	Applied
15	Providing shelter, food grains to outstation patients.	Promoting health care	Yes	Maharashtra	Mumbai	51,57,500	Yes	N.A.	CSR00013398
16	Sponsorship for medical relief, healthcare and education	Promoting Education and health care	Yes	Maharashtra	Mumbai	3,01,000	Yes	N.A.	Applied
17	Distribution of food grains to the needy and deserving people.	Eradicating hunger	Yes	Maharashtra	Mumbai	71,000	Yes	N.A.	Applied
18	Providing help on education and medical.	Promoting Education and health care	Yes	Rajasthan	Udaipur	35,35,000	Yes	N.A.	Applied
19	Distribution of food to needy and poor people.	Eradicating hunger	Yes	Maharashtra	Mumbai	90,000	Yes	N.A.	Applied
20	Organising eye camp for needy and poor people.	Promoting health care	Yes	Rajasthan	Jhunjhunu	2,74,102	Yes	N.A.	Applied

## 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
21	Providing help on education and medical.	Promoting Education and health care	Yes	Maharashtra	Mumbai	9,00,000	Yes	N.A.	Applied
22	Providing medical treatment to needy and deserving patient.	Promoting health care	Yes	Maharashtra	Mumbai	1,75,000	Yes	N.A.	Applied
23	Provide online vocational courses to slum dwelling youth and young women.	Enhancing vocation skills and women empowerment	Yes	Maharashtra	Mumbai	11,00,000	Yes	N.A.	CSR00004550
24	Setting up a school with medical facilities for tribal students.	Promoting Education and health care	Yes	Rajasthan	Kota	1,00,000	Yes	N.A.	CSR00019471
25	Providing education and healthcare to tribals	Promoting Education and health care	Yes	Maharashtra	Mumbai	50,00,000	Yes	N.A.	CSR00003396
26	Payment of school fees, medical help and financial help. Animal welfare, Promoting health care.	Promoting Education and health care	Yes	Maharashtra	Mumbai	37,50,000	Yes	N.A.	CSR00004165
27	Sponsorship for education	Promoting Education	Yes	Maharashtra	Mumbai	100,000	Yes	N.A.	Applied
28	Medical relief for animals	Animal welfare	Yes	Rajasthan	Jhunjhunu	11,00,000	Yes	N.A.	CSR00015362
29	Providing education to under privileged children	Promoting Education	Yes	Madhya Pradesh	Satna	51,000	Yes	N.A.	CSR00023771
30	Sponsorship of fees for education	Promoting Education	Yes	Maharashtra	Mumbai	50,000	Yes	N.A.	Applied
31	To support and rebuilding rural livelihoods of rural families	Eradicating hunger and poverty	Yes	Maharashtra	Mumbai	5,00,000	Yes	N.A.	CSR00000440
32	Promoting Sports and Games, Training, Coaching Equipment	Promoting sports	Yes	Maharashtra	Mumbai	5,00,000	Yes	N.A.	CSR00001100
33	Providing education to needy and deserving students	Promoting Education	Yes	Maharashtra	Raigadh	5,00,000	Yes	N.A.	CSR00009594



## 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
34	Providing educational help through various programmes	Promoting Education	Yes	Gujarat	Ahemdabad	10,00,000	Yes	N.A.	CSR00009344
35	Providing education to needy and deserving students	Promoting Education	Yes	Kolkata	Bonogram	7,00,000	Yes	N.A.	CSR000000052
36	Medical treatment of Animals	Animal Welfare	Yes	Maharashtra	Thane	7,50,000	Yes	N.A.	CSR000002280
37	Providing educational help to deserving students	Promoting Education	Yes	Gujarat	Navsari	10,00,000	Yes	N.A.	CSR000003450
38	Providing education to needy and deserving students	Promoting Education	Yes	Odisha	Bhubaneswar	10,00,000	Yes	N.A.	CSR000000319
	<b>Total</b>					<b>5,96,39,463</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): ₹ 5,96,39,463/-.

(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)	5,67,43,456/-
ii.	Total amount spent for the Financial Year	5,96,39,463/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	28,96,007/-
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)]	28,96,007/-

## 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

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

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

**ASHOK VASHISHT**  
CHIEF FINANCIAL OFFICER

PLACE : MUMBAI  
DATE : 13 May, 2022



## ANNEXURE 3

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022.**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March, 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2022, 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 ("**PITR 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) Regulations, 2014 – **Not applicable to the Company for the year under review**;
  - f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company for the year under review**;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review**;

## ANNEXURE 3 (Contd.)

- 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;**
- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review.**

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

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except the following:

1. *The Company had annexed the report on Corporate Social Responsibility to Board's report for the financial year ended 31 March, 2021 in the old format instead of revised format introduced as amendment to section 135 of the Companies Act 2013 with effect from 22 January 2021 by Ministry of Corporate Affairs and in further amendment to the Companies (Corporate Social Responsibility Policy) Rules, 2014.*

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads, the Company has identified and complied with the following laws applicable to the Company:

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

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

**Alpeshkumar Panchal**

Partner

ACS No.: 49008

C P No.: 20120

UDIN: A049008D000320301

Date: 13 May, 2022 / Vaishakh 23, 1944

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 Secretary  
Firm Unique Identification No. – L2020MH006600  
Peer Review Certificate No. – 934/2020

**Alpeshkumar Panchal**  
Partner  
ACS No.: 49008  
C P No.: 20120  
UDIN: A049008D000320301

Date: 13 May, 2022 / Vaishakh 23, 1944  
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	98.49
Mrs. Sharda R. Bubna	5.88
Mr. Ashish R. Bubna	71.75
Mr. Manish R. Bubna	71.75
<b>Non-Executive Directors</b>	
Mr. M. S. Sundara Rajan	0.59
Mr. Shitin Desai	0.65
Mr. Shobhan Thakore	0.35
Ms. Sonal Desai	0.76

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	12.46
Mrs. Sharda R. Bubna	-
Mr. Ashish R. Bubna	11.34
Mr. Manish R. Bubna	11.34
Mr. M. S. Sundara Rajan	-
Mr. Shitin Desai	-
Mr. Shobhan Thakore	-
Ms. Sonal Desai	18.18
Mr. Ashok Vashisht, Chief Financial Officer *	413.31
Mr. Jetkin Gudhka, Company Secretary	11.20

\* Remuneration of Mr. Ashok Vashisht, Chief Financial Officer is not comparable, as he was appointed on 27 January, 2021 in financial year 2020-21.

3. The percentage increase in the median remuneration of employees during the Financial Year: 10.50%
4. The number of permanent employees on rolls of the Company: 175
5. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 8.98% as against increase of 12.46% 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	5,02,79,220	Contractual	B-Tech., (Chemical Engineering)	54	12 March, 2004	75	NIL	15.5759
2	Mr. Ashish R. Bubna	Executive Director	3,66,27,078	Contractual	B.Com	32	12 March, 2004	49	NIL	16.8254
3	Mr. Manish R. Bubna	Executive Director	3,66,27,078	Contractual	B.E (Chemical Engineering)	30	12 March, 2004	47	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 2020-21 is paid in the year 2021-22.

# CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is prepared for the financial year ended 31 March, 2022 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, 2022, 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, 2022 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)	3	-	2	-	-
6	Mr. Shitin Desai (Non-Executive, Independent Director)	2	1	1	-	-
7	Mr. Shobhan Thakore (Non-Executive, Independent Director)	5	1	5	Alkyl Amines Chemicals Limited	Non-Executive, Independent Director
					Prism Johnson limited	Non-Executive, Independent Director, Chairperson
8	Ms. Sonal Desai (Non-Executive, Independent Director)	1	-	1	Care Ratings Limited	Non-Executive, Independent Director

### Appointment / Re-appointment of Director:

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

During the year, the Company has re-appointed Mrs. Sharda R Bubna (DIN: 00136760) at Annual General Meeting dated 29 July, 2021 as she was retiring by rotation and being eligible, offered herself for re-appointment.

### Independent Director:

Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website <http://shardacropchem.com/policy.html>.

The details of the familiarisation programme of the Independent Directors are available on the Company's website <http://shardacropchem.com/announcement.html>

During the year, one meeting of the Independent Directors was held on 22 January, 2022. All the Independent Directors attended the meeting.

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

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

### Resignation of Independent Directors and reasons thereof:

During the financial year 2021-22, none of the Independent Directors resigned from the Company's Board.

## Corporate Governance Report (Contd.)

### Board skill matrix:

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

The following Skill Matrix for Board:

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

### Board Meetings & Attendance of Directors:

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

The attendance of the Directors at the Board Meetings and at the last Annual General Meeting is given below:

Name of the Director	No. of Board Meetings attended during 2021-22	Attendance at the AGM held on 29 July, 2021
Mr. Ramprakash V. Bubna	4	Yes
Mrs. Sharda R. Bubna	4	Yes
Mr. Ashish R. Bubna	3	Yes
Mr. Manish R. Bubna	4	Yes
Mr. M. S. Sundara Rajan	4	Yes
Mr. Shitin Desai	4	Yes
Mr. Shobhan Thakore	4	Yes
Ms. Sonal Desai	4	Yes

The Board of Directors met 4 times during the Financial Year 2021-22 on 26 May, 2021, 27 July, 2021, 26 October, 2021 and 22 January, 2022.

During the year, information as mentioned in Part A of Schedule II of the SEBI Regulations, has been placed before the Board for its consideration.

### Governance Codes:

#### Code of Business Conduct & Ethics:

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

#### Conflict of Interest:

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



## Corporate Governance Report (Contd.)

### Code of Conduct for Insider Trading:

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

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website <http://shardacropchem.com/code-conduct.html>. The Policy was last updated on 26 May, 2021.

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

### 3. AUDIT COMMITTEE:

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

#### Terms of Reference:

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommending to the Board of Directors, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- Reviewing with the management the Annual Financial Statements before submission to the Board of Directors for approval, with particular reference to:
  - ◆ Matters required to be included in the Director's Responsibility Statement to be

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

- ◆ Changes, if any, in accounting policies and practices and reasons for the same;
- ◆ Major accounting entries involving estimates based on the exercise of judgment by management;
- ◆ Significant adjustments made in the Financial Statements arising out of audit findings;
- ◆ Compliance with listing and other legal requirements relating to Financial Statements;
- ◆ Disclosure of any Related Party Transactions;
- ◆ Modified opinion(s) in the draft Audit Report;
- Reviewing with the management the quarterly/half yearly Financial Statements before submission to the Board of Directors for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independency and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the Company;
- Evaluation of internal financial controls and risk management systems;

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

The Audit Committee met 4 times during the Financial Year 2021-22 on 26 May, 2021, 27 July, 2021, 26 October, 2021 and 22 January, 2022.

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



## Corporate Governance Report (Contd.)

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

The Chairman of the Audit Committee, Mr. Shitin Desai was present at the 18th Annual General Meeting of the Company held on 29 July, 2021.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Regulations read with Section 178 of the Companies Act, 2013.

##### Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- To fix and finalise remuneration including salary, perquisites, benefits, bonuses and allowances;
- To frame suitable policies and systems to ensure that:
  - a) There is no violation, by an employee of any applicable laws in India or overseas, including:
    - i. The Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 or;
    - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
  - b) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - c) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - d) Remuneration payable to Directors, Key Managerial Personnel and other Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To fix performance linked incentives along with the performance criteria;
- To fix Increments and promotions;
- To enter into service contracts, notice period, severance fees;
- To make Ex-gratia payments;
- To formulate detailed terms and conditions of Employee Stock Option Schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise and perform such other functions as are required to be performed by the Nomination and Remuneration Committee under The Securities and Exchange Board of India (SEBI) has notified the SEBI (Share Based Employee Benefits) Regulations, 2014 (New ESOP Regulations).
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report; and
- To carry out such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

## Corporate Governance Report (Contd.)

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

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

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

The Nomination and Remuneration Committee met once during the Financial Year 2021-22. The necessary quorum was present for the meeting held on 22 January, 2022.

The Chairman of the Nomination & Remuneration Committee, Mr. Shitin Desai was present at the 18th Annual General Meeting of the Company held on 29 July, 2021.

### Performance Evaluation criteria for Independent Directors:

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

### Nomination and Remuneration Policy:

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

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

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;

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

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

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

- The Executive Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the person authorised by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 and if it is 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.



## Corporate Governance Report (Contd.)

- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

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

- The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- The Company paid sitting fees of ₹ 30,000/- per meeting to the Non-Executive Directors for attending meetings of the Board and its Committees.
- Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- An Independent Director shall not be entitled to any stock option of the Company.
- There were no pecuniary relationships or transactions of the Non-executive Directors vis-à-vis the Company during the financial year 2021-22.

The Company does not have any Employee Stock Option Scheme.

### Details of Remuneration paid to Directors for the year ended 31 March, 2022.

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

Particulars	Name of the Executive Director			
	Ramprakash V. Bubna	Sharda R. Bubna	Ashish R. Bubna	Manish R. Bubna
Gross Salary (₹)	1,80,00,000	30,00,000	1,50,00,000	1,50,00,000
Commission for 2020-21, paid in 2021-22 (₹)	3,22,79,220	-	2,16,27,078	2,16,27,078
Date of Agreement	01 January, 2019	01 January, 2019	01 January, 2019	01 January, 2019
No. of Years	5	5	5	5
Period of Agreement	31 December, 2023	31 December, 2023	31 December, 2023	31 December, 2023
Notice Period	3 months	3 months	3 months	3 months
Stock Options	-	-	-	-

### Details of Sitting Fees paid to the Independent Directors for the year ended 31 March, 2022:

Name of the Director	Sitting fees (₹)
Mr. M. S. Sundara Rajan	3,00,000
Mr. Shitin Desai	3,30,000
Mr. Shobhan Thakore	1,80,000
Ms. Sonal Desai	3,90,000

### 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.

## Corporate Governance Report (Contd.)

### 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 2021-22. The necessary quorum was present for the meeting held on 22 January, 2022.

The Chairman of the Nomination & Remuneration Committee, Mr. Shobhan Thakore was present at the 18th Annual General Meeting of the Company held on 29 July, 2021.

### Name, Designation and address of Compliance Officer:

Mr. Jetkin Gudhka  
 Company Secretary & Compliance Officer  
 Prime Business Park, Dashrathlal Joshi Road,  
 Vile Parle (West), Mumbai – 400 056.  
 Tel. No.: 91 22 6678 2800  
 Fax No.: 91 22 6678 2828  
 Email: co.sec@shardaintl.com

A total of zero complaints were received from the Shareholders during the Financial Year 2021-22 and as on 31 March, 2022, no complaints are pending with the Company.

No request for transfer or dematerialisation of shares was received or pending as on 31 March, 2022.

### 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013.

#### Terms of Reference:

The terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy (Policy) indicating activities to be undertaken by the Company in Compliance with the provisions of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the implementation of the framework of CSR Policy;
- To collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.



## Corporate Governance Report (Contd.)

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 2021-22. The necessary quorum was present for the meeting held on 22 January, 2022.

### 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. Ashok Vashisht	Member	Chief Financial Officer	2

The Risk Management Committee met twice during the Financial Year 2021-22. The necessary quorum was present for the meetings held on 26 October, 2021 and 22 January, 2022.

## Corporate Governance Report (Contd.)

### 8. GENERAL BODY MEETINGS:

Details of Last Three Annual General Meetings (AGM):

Financial Year	Date	Time	Venue
2018-19	27 August, 2019	3.00 p.m.	Golden Gate Banquet, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056.
2019-20	30 September, 2020	12.00 Noon	Through Video Conference/ Audio Visual means
2020-21	29 July, 2021	12.00 Noon	Through Video Conference/ Audio Visual means

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
2018-19	27 August, 2019	4	<p>To re-appoint Mr. M. S. Sundara Rajan (DIN: 00169775) as an Independent Director of the Company.</p> <p>To re-appoint Mr. Shitin Desai (DIN: 00009905) as an Independent Director of the Company.</p> <p>To re-appoint Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company.</p> <p>To appoint Ms. Sonal Desai (DIN: 08095343) as an Independent Director of the Company.</p>
2019-20	30 September, 2020	NIL	NA
2020-21	29 July, 2021	NIL	NA

### Extra Ordinary General Meeting:

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

### Postal Ballot:

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

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

### 9. SUBSIDIARY COMPANIES:

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

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

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

### 10. DISCLOSURES:

- During the year, all Related Party Transactions as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Regulations were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 2022.
- During the year, no non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2019-20, 2020-21 and 2021-22 respectively except that the Company had conducted a Board Meeting on 28 October, 2020 for the quarter ended 30 September, 2020 inter alia to



## Corporate Governance Report (Contd.)

consider and declare the interim dividend to the shareholders of the Company. There was a delay of 1 day while intimating the Stock Exchanges about the same as per Regulation 29(2) of the SEBI LODR. BSE Limited and National Stock Exchange of India Limited (NSE) both levied fine of ₹ 10,000/- (plus GST) each which was duly paid by the Company.

- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Regulations to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Ethics. It is affirmed that no personnel of the Company has been denied access to Chairman of the Audit Committee. The said policy has been 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, 2022.
- 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, 2020.
- The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents as defined under Regulation 9 of the SEBI Regulations. The said policy has been put on the Company's website viz. <http://shardacropchem.com/policy.html>. The Policy was last updated on 22 January, 2022.
- 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 ₹ 59,66,278/- was paid by the Company and its subsidiaries, on a consolidated basis, for all the services to B S R & Associates LLP, our Statutory Auditors and all entities in the network firm / network entity of which they are part.
- The Company has adopted Policy on Prevention of Sexual Harassment at Work Place as required by The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has not received any complaints during the FY 2021-22 and there are no pending complaints as on 31 March, 2022. 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 2021-22.

## Corporate Governance Report (Contd.)

The Secretarial Audit Report forms part of the Director's Report.

- A certificate has been received from M. D. Parmar & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- The Company has given loan to its Wholly Owned Subsidiary Company i.e. M/s. Sharda International DMCC amounting to US\$ 21,00,000 during FY 2021-22.

### 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 under the tab "Investor Relations".

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

### GENERAL SHAREHOLDER INFORMATION:

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

#### Annual General Meeting for FY 2021-22:

Date	: Tuesday, 2 August, 2022
Time	: 12:00 Noon IST
Venue	: Meeting is being conducted through VC / OAVM
Financial Year	: 1 April to 31 March
Interim Dividend	
Payment Date (FY 2021-22)	: 7 February, 2022
Final Dividend	
Payment Date (FY 2020-21)	: 3 August, 2021

Listing on Stock Exchanges : **The National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex,  
Bandra (East) Mumbai-400 051

#### BSE Limited

Phiroze Jeejeebhoy  
Towers, Dalal Street,  
Mumbai – 400 001

Stock Code	
NSE	: SHARDACROP EQ
BSE	: 538666

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

The Company has paid Annual Listing Fees for the Financial Year 2021-22.



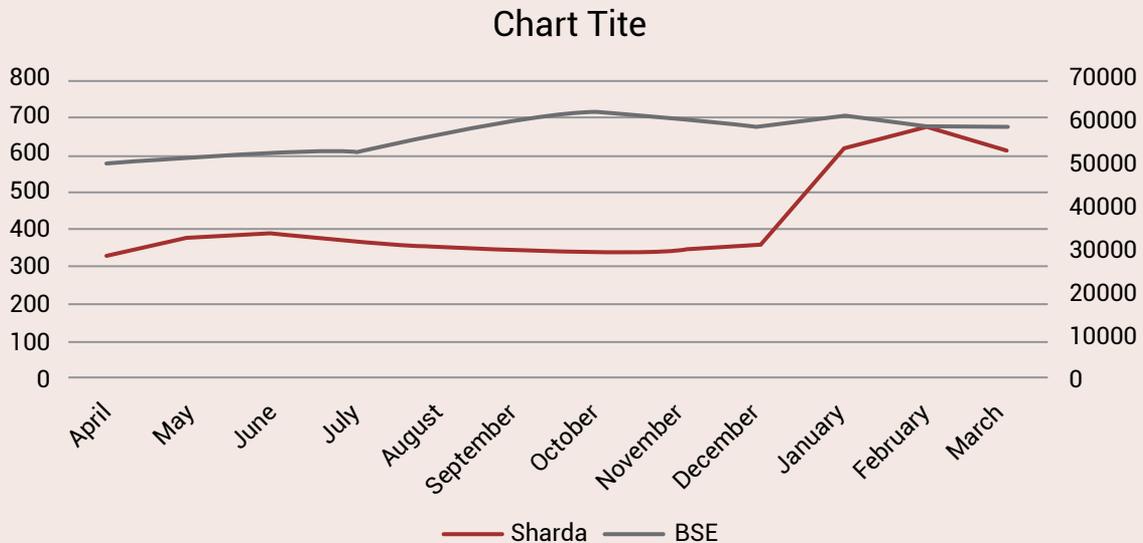
## Corporate Governance Report (Contd.)

### Market Information:

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

Month	NSE			BSE		
	High (₹)	Low (₹)	Total No. of equity shares traded	High (₹)	Low (₹)	Total No. of equity shares traded
Apr-21	314.50	274.15	19,37,832	327.00	274.00	2,49,858
May-21	380.00	300.95	84,30,220	380.00	300.85	6,11,451
Jun-21	387.00	341.75	50,81,010	387.05	340.30	4,75,562
Jul-21	374.25	335.40	39,70,159	374.00	339.65	5,00,544
Aug-21	357.30	285.65	37,57,508	357.00	287.75	2,78,395
Sep-21	344.40	302.00	39,86,466	343.70	302.70	2,27,990
Oct-21	346.95	299.00	39,19,947	346.45	299.00	8,00,563
Nov-21	341.00	300.00	17,60,028	344.75	300.05	1,88,596
Dec-21	359.90	300.60	43,38,838	360.00	305.05	2,43,529
Jan-22	620.00	345.50	2,88,57,674	619.95	345.25	20,32,325
Feb-22	673.00	500.25	87,28,714	673.00	500.60	7,56,340
Mar-22	615.00	511.05	57,66,641	614.95	511.80	5,43,555

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



### Share Registrar and Transfer Agent:

#### KFin Technologies Limited

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

### Share Transfer System:

Effective from 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.

## Corporate Governance Report (Contd.)

### Distribution of shareholding as on 31 March, 2022:

Sr. No.	Category	No. of Cases	% of cases	Amount	% of Amount
1	1- 5000	47,694	99.63	43,29,988	4.80
2	5001 - 10000	68	0.14	4,93,276	0.55
3	10001 - 20000	55	0.11	7,54,914	0.84
4	20001 - 30000	8	0.02	1,98,576	0.22
5	30001 - 40000	6	0.01	2,06,298	0.23
6	40001 - 50000	7	0.01	3,18,945	0.35
7	50001 - 100000	11	0.02	7,50,232	0.83
8	100001 and above	23	0.05	831,68,266	92.18
	<b>TOTAL:</b>	<b>47,872</b>	<b>100</b>	<b>9,02,20,495</b>	<b>100</b>

### Shareholding pattern as on 31 March, 2022:

Sr. No.	Category of Shareholders	Total Holding	% to Total Holding
1	Alternative Investment Fund	1,21,032	0.13
2	Bodies Corporates	23,84,044	2.64
3	Clearing Members	2,07,392	0.23
4	Foreign Portfolio - Corp	15,20,371	1.69
5	Foreign Portfolio Investors	130	0.00
6	H U F	2,08,181	0.23
7	Mutual Funds	1,15,92,220	12.85
8	Non Resident Indian Non Repatriable	91,116	0.10
9	Non Resident Indians	3,15,070	0.35
10	Promoters Individuals	6,75,03,833	74.82
11	Resident Individuals	62,73,294	6.95
12	Trusts	3,812	0.00
	<b>Total</b>	<b>9,02,20,495</b>	<b>100</b>

### Top ten equity shareholders of the Company as on 31 March, 2022:

Sr. No.	Name of the Shareholder	Number of equity shares held	Percentage of holding
1	Manish Ramprakash Bubna	1,51,80,000	16.83
2	Ashish Ramprakash Bubna	1,51,80,000	16.83
3	Sharda Ramprakash Bubna	1,40,91,147	15.62
4	Ramprakash Vilasrai Bubna	1,40,52,686	15.58
5	HDFC Small Cap Fund	81,13,060	8.99
6	Anisha Manish Bubna	45,00,000	4.99
7	Seema Ashish Bubna	45,00,000	4.99
8	DSP Equity Savings Fund	32,55,589	3.61
9	Dolly Khanna	12,43,710	1.38
10	ARC Digital Solutions Private Limited	6,30,498	0.70



## Corporate Governance Report (Contd.)

### Dematerialisation of shares and liquidity:

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

As on 31 March, 2022, only 02 shares were held in physical form.

### Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on 31 March, 2022, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

### Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

### Equity Shares in the suspense account:

The Company does not have any equity shares in the suspense account.

### Transfer of unclaimed/unpaid amount to the Investor Education and Provident Fund:

The Company does not have any instances of transferring any amount to the Investor Education and Provident Fund.

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

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2014-15	23 September, 2015	23 September, 2022
2015-16	28 March, 2016	28 March, 2023
2016-17	22 November, 2016	22 November, 2023
	3 April, 2017	3 April, 2024
2017-18	9 November, 2017	9 November, 2024
	4 September, 2018	4 September, 2025
2018-19	7 February, 2019	7 February, 2026
	30 August, 2019	30 August, 2026

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2019-20	5 February, 2020	5 February, 2027
	11 March, 2020	11 March, 2027
2020-21	18 November, 2020	18 November, 2027
2021-22	29 July, 2021	29 July, 2028
	22 January, 2022	22 January, 2029

### Credit Rating:

CRISIL has given the credit rating of "CRISIL A1+" on the short-term banking facilities of the Company as per their report dated 14 July, 2021.

### Plant Location:

The Company does not have any plant locations.

### Address for correspondence:

Sharda Cropchem Limited  
 Secretarial Department  
 Prime Business Park,  
 Dashrathlal Joshi Road,  
 Vile Parle (West)  
 Mumbai – 400 056  
 Tel.: +91 6678 2800  
 Fax: + 91 6678 2828  
 Email Id: co.sec@shardaintl.com  
 Website: www.shardacropchem.com

### DECLARATION PURSUANT TO REGULATION 26(3) OF THE SEBI REGULATIONS

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

I confirm that the Company has in respect of the year ended 31 March, 2022, 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.

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

Date : 13 May, 2022  
 Place : MUMBAI

## Corporate Governance Report (Contd.)

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

We, Ramprakash V. Bubna, Chairman & Managing Director and Mr. Ashok Vashisht, Chief Financial Officer do hereby certify to the Board that in respect to the Financial Year ended on 31 March, 2022.

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.

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

**ASHOK VASHISHT**  
CHIEF FINANCIAL OFFICER

Date : 13 May, 2022  
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 2022, 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. -L2020MH006600  
Peer Review Certificate No.-934/2020

**Alpeshkumar Panchal**  
Partner  
Mem No. - 49008  
C. P. No. - 20120  
UDIN: A049008D000320279

Date: 13 May, 2022 / Vaishakh 23, 1944  
Place: Vadodara.

## Corporate Governance Report (Contd.)

### ANNEXURE

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**SHARDA CROPCHEM LIMITED**  
CIN: L51909MH2004PLC145007  
2nd Floor, Prime Business Park,  
Dashrathlal Joshi Road, Vile Parle (West),  
Mumbai – 400056, Maharashtra, India

I have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of M/s. Sharda Cropchem Limited having CIN: L51909MH2004PLC145007 and having registered office at 2nd Floor, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai - 400056 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2022 have 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 other Statutory Authority.

Sr. No.	Name of Director	DIN (Director Identification Number)	Date of appointment in Company
1	RAMPRAKASH VILASRAI BUBNA	00136568	12/03/2004
2	SHARDA RAMPRAKASH BUBNA	00136760	12/03/2004
3	MANISH RAMPRAKASH BUBNA	00137394	12/03/2004
4	ASHISH RAMPRAKASH BUBNA	00945147	12/03/2004
5	MITTUR SWAMINATHAN SUNDARARAJAN	00169775	26/07/2011
6	SHITIN DAYALJI DESAI	00009905	16/12/2013
7	SHOBHAN MADHUKANT THAKORE	00031788	16/12/2013
8	SONAL GUNVANT DESAI	08095343	01/04/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M D PARMAR AND ASSOCIATES**  
Practising Company Secretary

**CS MAYUR DINESH PARMAR**  
Proprietor  
Membership No: **A44894**  
COP No.: **18299**  
UDIN: **A044894D000161373**

Place: Mumbai  
Date: 19 April, 2022



# BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Information
1	Corporate Identity Number (CIN) of the Company	L51909MH2004PLC145007
2	Name of the Company	Sharda Cropchem Limited
3	Registered Office	2nd Floor, Prime Business Park, Dashrathlal Joshi Road, Vile Parle (West), Mumbai – 400 056
4	Website	www.shardacropchem.com
5	Email-id	co.sec@shardaintl.com
6	Financial Year Reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	46,692 – Agrochemicals
8	List three key products/services that the Company manufactures/provides (as in balance sheet):	Agrochemicals, Conveyor Belts & Rubber products
9	Total number of locations where business activity is undertaken by the Company	One (1). Its registered office
10	Markets served by the Company - Local/State/National/International	International Market

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Information
1	Paid up Capital (₹ In Lakhs)	9,022.05
2	Total Turnover (Revenue from operations) (₹ In Lakhs)	2,94,643.58
3	Total profit after taxes (₹ In Lakhs)	28,289.08
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.11
5	List of activities in which expenditure in 4 above has been incurred.	Education Healthcare Medical Relief Skill Development Woman Welfare

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies? Yes.
- Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? No
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]. No

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a. Details of the Director/Director responsible for implementation of the BR policy/policies:-

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

## Business Responsibility Report (Contd.)

### b. Details of the BR head

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

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

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

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

### a. Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.shardacropchem.com/policy.html">http://www.shardacropchem.com/policy.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**Note:**

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



## Business Responsibility Report (Contd.)

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

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

Not Applicable

### 3. Governance related to BR

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

Annually

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company publishes Business Responsibility Reports. The report is part of Annual Report of 2021-22. The link of Annual Report - <http://shardacropchem.com/annual-report.html>

### SECTION E: PRINCIPLE – WISE PERFORMANCE

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. - Yes

Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? - No

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. None

**Principle 2** - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company does not conduct any manufacturing activity and is a trading company, hence not applicable.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not applicable

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company does not procure goods and services from local & small producers.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company does not conduct any manufacturing activity and is a trading company. Hence mechanism to recycle products and waste does not apply to the Company.

## Business Responsibility Report (Contd.)

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

**1. Please indicate the total number of employees.**

The Company has 175 employees as on 31 March, 2022

**2. Please indicate the total number of employees hired on temporary / contractual / casual basis.**

None

**3. Please indicate the number of permanent women employees.**

The Company has 98 permanent women employees as on 31 March, 2022.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the Financial Year 2021-22	No of complaints pending as on 31 March, 2022
1	Child labour / forced labour / involuntary labour	Nil	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

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

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

**Principle 4** - Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes

**4. Please indicate the number of permanent employees with disabilities.**

None

**5. Do you have an employee association that is recognised by management?**

No

**6. What percentage of your permanent employees is member of this recognised employee association?**

Not Applicable

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

Yes. The Company has taken initiatives to engage with the disadvantaged, vulnerable and marginalised stakeholders by providing sustainable livelihood & education to unemployed youths, women and scheduled castes and tribes through its Corporate Social Responsibility projects.



## Business Responsibility Report (Contd.)

**Principle 5** - Business should respect and promote human rights.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The policy covers only the Company.

2. **How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?**

None

**Principle 6** - Business should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

The policy covers the Company and its employees.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

No

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No

5. **Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

Yes. Use of energy efficient LED lighting system in office premises.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the Financial Year being reported?**

Not Applicable

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.**

None

**Principle 7** - Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- Federation of Indian Export Organisations (FIEO)
- Indian Merchant Chambers
- Chemexcil

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

Yes, we do from time to time take up issues through the Associations on matters of public interest.

**Principle 8** - Business should support inclusive growth and equitable development.

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company, through its CSR activities supports social and economic development of the under-privileged. The Company contributes to work focusing mainly on child education, women empowerment, skill development, health and other social and economic development programs.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?**

The CSR activities are implemented through external NGO / agencies.

3. **Have you done any impact assessment of your initiative?**

The agencies that the Company supports through its CSR activities report back to the Company with a progress / evaluation report stating details of how the funds were utilised and the benefits derived therein. These qualitative feedback reports collected from

## Business Responsibility Report (Contd.)

the beneficiaries of projects undertaken provide a monitoring mechanism and impact assessment system and also help plan future CSR efforts.

#### 4. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

During the year ended 31 March, 2022, the Company has spent an amount of ₹ 5,96,39,463/- towards CSR activities in the following projects:

- Promotion of Education
- Eradication of hunger and providing water sanitation facilities
- Empowerment of Women
- Animal Welfare
- Promotion of Sports
- Rural Development projects
- Medical help and healthcare

#### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The several initiatives that the Company supports through its CSR initiatives aim at productivity enhancement, income generation and livelihood development through basic skill development thus enabling them integrate with the mainstream in a constructive manner.

**Principle 9** - Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentages of customer complaints / consumer cases are pending as on the end of financial year? Nil
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company displays what is required as per regulatory requirements.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. None

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Consumer surveys are routinely carried out by the Company at the distributor / farmer level.



*Sharda Cropchem Limited*

## **FINANCIAL STATEMENTS**

**Standalone Financial Statements : 103-179**

**Consolidated Financial Statements : 180-255**

# 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 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Description of Key Audit Matters

#### Revenue Recognition (Refer Note 2.7)

The key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>(Refer Note :- 2.7 and 33 to the standalone financial statements)</p> <p>The Company's revenue is derived primarily from sale of products. The principal products of the Company comprise agro-chemicals.</p> <p>Revenue from sale of goods is recognised on transfer of control of the products to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery, formal customer acceptance or upon surrender of bill of lading in the favor of customer, depending on contract terms.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of Company's accounting policies relating to revenue recognition as per the applicable accounting standard.</li> <li>- Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end.</li> </ul>

### 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.



## Independent Auditor's Report (Contd.)

The key audit matter	How our audit addressed the key audit matter
<p>There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Company, we have identified timing of the revenue recognition as a key audit matter.</p>	<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, transporter documents and customer acceptances.</li> <li>- Selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents.</li> <li>- Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> </ul>

### Impairment testing of intangible assets and intangible assets under development Refer Note 2.11

The key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of impairment of intangible assets and intangible assets under development</b></p> <p>As disclosed in Note 2.11, 4 and 4A, the Company's intangible assets comprised product registrations and licenses.</p> <p>The carrying amount of the intangible assets and intangible assets under development represents 23% of the Company's total assets.</p> <p>The Company applies for product registrations in different countries to sell its products. As disclosed in Note 2.11, 4 and 4A to the standalone financial statements, the Company capitalizes costs incurred to apply for product registrations.</p> <p>The impairment assessment is performed, based on value in use of product registrations for the specific regions.</p> <p>The measurement of value of intangible assets involves significant judgments and estimates in the Company's annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets and intangible assets under development as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the Company's process for determining likelihood of product registration, future benefits expected from product registrations in the specific regions using discounted future cash flows.</li> <li>- Comparing the Company's assessment with the past trend of product registrations awarded.</li> <li>- We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used.</li> <li>- We compared the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying workings.</li> <li>- We assessed Company's sensitivity analysis over the key assumptions to determine any possible change in these assumptions which would result in an impairment.</li> <li>- We involved our valuation expert to assess the assumptions and methodology used by the Company to determine the recoverable amount.</li> <li>- Assessing the adequacy of the Company's disclosures and their compliance with Ind AS.</li> </ul>

## Independent Auditor's Report (Contd.)

### Other Information

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

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

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

### Management's and Board of 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.



## Independent Auditor's Report (Contd.)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act.

## Independent Auditor's Report (Contd.)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 2022 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
- b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts -- Refer Note 35 to the standalone financial statements.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act. As stated in Note 13 to the standalone financial statements, the Board of Directors of the



## Independent Auditor's Report (Contd.)

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.

- e) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to

any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.116231W/W100024

**Shabbir Readymadewala**

Partner

Membership No. 100060

UDIN: 22100060AIYTNG1358

Place: Mumbai

Date: 13 May 2022

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(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.
- (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, 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 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 on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) (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 given any guarantee or security or granted any 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 companies, in respect of which the requisite information is as below:

Particulars	Amount INR in lakhs
Investment in Bonds	
HDFC Bank – 8.85% Perpetual – 29 Units of Rs.10 lakhs each	299.40
The Bombay Burmah Trading Corporation – 100 units of Rs.10 lakhs each	1,019.32



## Annexure A to the Independent Auditor's Report on Standalone Financial Statements (Contd.)

The Company has not made any investments in firms, limited liability partnership or any other parties.

- The Company has during the year granted unsecured loans to a wholly owned subsidiary and other party in respect of which the requisite information is detailed below:

Particulars	Amount INR in lakhs
Aggregate amount granted during the year	
Wholly owned subsidiary (*)	1584.70
Others	50.00
Balance outstanding as at balance sheet date in respect of above cases	
Wholly owned subsidiary	Nil
Others	50.04

(\*) – granted by and refunded to the Company during the year

The Company has not granted any loans, secured or unsecured, to any limited liability partnerships during the year.

- (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 and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company -
  - the loan given to a wholly owned subsidiary during the year as referred to in paragraph (a) above, was repayable on demand and has been repaid during the year. Interest on the said loan was payable on demand and has been paid by the wholly owned subsidiary during the year.
  - the loan of INR 50 lakhs given to Mr. Amit Jhaveri during the year (referred to as other party in paragraph (a) above), is

repayable on demand. As informed to us, the Company has not demanded repayment of the principal amount as also payment of interest on the aforesaid loan during the year. Thus, there has been no default in repayment of principal and payment of interest on the part of the party to whom the money has been lent.

- the loan given to another wholly owned subsidiary (Axis Crop Science Private Limited) in earlier years, in respect of which the outstanding balance as at 31 March 2022 is INR 272 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 not demanded payment of interest on the aforesaid loan during the year. Thus, there has been no default in payment of interest by the wholly owned subsidiary.

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 loans granted as referred to in paragraph (c) above are repayable on demand and there are no overdue amounts.
- (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, in our opinion the Company has during the year granted loans repayable on demand to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act") and to other party.

## Annexure A to the Independent Auditor's Report on Standalone Financial Statements (Contd.)

Particulars	All Parties	Related Parties
Aggregate of loans repayable on demand (INR in lakhs)	1,634.70	1,584.70
Percentage of loans to the total loans	100%	96.94%

Further, the Company has not granted any advance in the nature of loan to any party during the year.

- (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 have 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'), Provident fund, 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 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded (INR in lakhs)	Amount not deposited under dispute (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	785.14	785.14	2007-08 to 2012-13	CESTAT, Mumbai	None
Income Tax Act, 1961	Income-tax	90.61	90.61	AY 2015-16	Commissioner of Income Tax (Appeals)	None
Income Tax Act, 1961	Income-tax	2,497.31	1,998.63	AY 2016-17	Assistant Commissioner of Income Tax	None
Income Tax Act, 1961	Income-tax	4,115.80	3,315.80	AY 2017-18	Assistant Commissioner of Income Tax	None



## Annexure A to the Independent Auditor's Report on Standalone Financial Statements (Contd.)

- (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.
- (xi) (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 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, clauses 3(xii) (a) to 3(xii) (c) of the Order are 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 Indian Accounting Standards (Ind AS).
- (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.

## Annexure A to the Independent Auditor's Report on Standalone Financial Statements (Contd.)

(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 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) (a) 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.

(b) 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 ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

**For B S R & Associates LLP**

Chartered Accountants

Firms Registration No: 116231W/W-100024

**Shabbir Readymadewala**

Partner

Mumbai  
13 May 2022

Membership No: 100060  
UDIN: 22100060AIYTNG1358



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED

for the year ended 31 March 2022

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

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

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Sharda Cropchem Limited ("the Company") as of 31 March 2022 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 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

## Annexure B to the Independent Auditors' report on the standalone financial statements of Sharda Cropchem Limited for the year ended 31 March 2022 (Contd.)

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 standalone financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management

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

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Membership No. 100060

UDIN: 22100060AIYTNG1358

Mumbai

13 May 2022



Sharda Cropchem Limited

## Standalone Balance Sheet

as at 31 March, 2022

	Note No.	As at 31 March, 2022	(₹ Lakhs) As at 31 March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A&3B	1,429.50	2,077.29
Intangible assets	4	57,740.00	52,310.07
Intangible assets under development	4A	21,217.59	13,103.82
Financial assets			
Investments	5	114.50	114.50
Loans	6	272.00	291.00
Other financial assets	7	687.65	689.42
Income tax assets (net)	8A	7,160.13	7,362.78
<b>Total non-current assets</b>		<b>88,621.37</b>	<b>75,948.88</b>
<b>Current assets</b>			
Inventories	9	82,991.80	47,703.84
Financial assets			
Investments	5	13,439.50	8,301.31
Trade receivables	10	1,31,860.64	1,09,376.42
Cash and cash equivalents	11	4,292.03	3,876.70
Bank balance other than cash and cash equivalents	11	10,456.80	17,294.68
Loans	6	50.04	-
Other financial assets	7	4,802.54	2,713.34
Other current assets	12	6,553.25	3,767.39
<b>Total current assets</b>		<b>2,54,446.60</b>	<b>1,93,033.68</b>
<b>Total Assets</b>		<b>3,43,067.97</b>	<b>2,68,982.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	9,022.05	9,022.05
Other equity	14	1,64,136.89	1,41,245.86
<b>Total equity</b>		<b>1,73,158.94</b>	<b>1,50,267.91</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities		347.17	837.88
Trade payables	15	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		235.58	240.44
Other financial liabilities	16	159.14	321.67
Provisions	17	209.26	283.32
Deferred tax liabilities (net)	8C	12,886.42	9,286.81
<b>Total non-current liabilities</b>		<b>13,837.57</b>	<b>10,970.12</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	3,803.96	6,784.72
Lease liabilities		513.69	453.10
Trade payables	15	-	-
total outstanding dues of micro enterprises and small enterprises		872.46	321.40
total outstanding dues of creditors other than micro enterprises and small enterprises		1,06,249.74	75,678.74
Other financial liabilities	16	32,380.42	14,845.92
Other current liabilities	19	3,920.66	4,828.63
Provisions	17	8,330.53	4,832.02
<b>Total current liabilities</b>		<b>1,56,071.46</b>	<b>1,07,744.53</b>
<b>Total Equity and Liabilities</b>		<b>3,43,067.97</b>	<b>2,68,982.56</b>
Summary of significant accounting policies	2		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

Place: Mumbai

Date : 13 May, 2022

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place: Mumbai

Date : 13 May, 2022

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022

## Standalone Statement of Profit and Loss

for the year ended 31 March, 2022

(₹ Lakhs)

	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>INCOME</b>			
Revenue from operations	20	2,94,643.58	2,03,261.95
Other income	21	4,840.88	8,092.02
<b>Total Income</b>		<b>2,99,484.46</b>	<b>2,11,353.97</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	1,33,109.02	93,947.92
Purchase of stock in trade		84,808.98	45,329.52
Changes in Inventories of finished goods and stock in trade	23	(16,686.45)	(2,343.05)
Employee benefits expenses	24	3,493.01	3,054.77
Finance costs	25	162.69	199.00
Foreign exchange (gain) / loss (net)		1,603.31	(1,598.64)
Depreciation and amortisation expense	26	24,529.26	17,039.34
Other expenses	27	29,221.07	27,256.89
<b>Total expenses</b>		<b>2,60,240.89</b>	<b>1,82,885.75</b>
<b>Profit before tax</b>		<b>39,243.57</b>	<b>28,468.22</b>
<b>Tax expense</b>			
Current tax	8B	7,567.69	4,995.94
Adjustment of tax relating to earlier years	8B	(204.66)	139.82
Deferred tax charge	8B & 8C	3,591.46	2,353.12
<b>Total tax expense</b>		<b>10,954.49</b>	<b>7,488.88</b>
<b>Profit for the year</b>		<b>28,289.08</b>	<b>20,979.34</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	23.33	9.37
Income tax relating to items that will not be reclassified to profit or loss	8B & 8C	(8.15)	(3.27)
<b>Total other comprehensive income</b>		<b>15.18</b>	<b>6.10</b>
<b>Total Comprehensive Income for the year</b>		<b>28,304.26</b>	<b>20,985.44</b>
<b>Earnings per share (₹ per share)</b>			
Basic and diluted (Face value per share of ₹ 10 each)	28	<b>31.36</b>	<b>23.25</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

Place: Mumbai

Date : 13 May, 2022

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place: Mumbai

Date : 13 May, 2022

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022



## Standalone Statement of Cash Flows

for the year ended 31 March, 2022

	Year ended 31 March, 2022	Year ended 31 March, 2021
		(₹ Lakhs)
<b>Cash flows from operating activities</b>		
Profit before tax	39,243.57	28,468.22
<b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>		
Depreciation and amortisation expense	24,529.26	17,039.34
Loss on disposal of property, plant and equipment	0.30	-
Unrealised exchange loss / (gain) (net)	560.84	(956.25)
Discard / Write-off of intangible assets and intangible assets under development	2,923.10	3,832.22
Gain on redemption of current investments	(149.83)	(655.13)
Fair valuation gain on current investments	(483.07)	(450.76)
Provision for gratuity	50.19	46.44
Allowances for doubtful debts (net)	198.05	-
Reversal of doubtful debts	-	(312.71)
Liabilities/ provisions no longer required written back	(1,209.16)	(1,000.77)
Liabilities of capital creditors no longer required written back	(100.84)	(226.98)
Finance costs	162.69	199.00
Interest income	(663.84)	(872.62)
Dividend income	(2,227.78)	(4,573.05)
Bad debts	27.83	821.25
Loss on sale of Bond	5.73	-
Misc Income	(14.63)	-
<b>Operating profit before working capital changes</b>	<b>62,852.41</b>	<b>41,358.20</b>
Movements in working capital:		
Increase in trade receivables	(21,765.52)	(20,749.22)
Increase in inventories	(35,287.96)	(12,216.50)
(Increase) / decrease in loan	(50.00)	0.03
Increase in other assets	(2,847.42)	(1,520.78)
Increase in other financial assets	(1,969.60)	(1,042.79)
Increase in trade payables	31,293.23	16,065.32
Increase in provisions	3,397.59	2,486.36
(Decrease) / Increase in other financial liabilities and other liabilities	(723.70)	1,206.90
<b>Cash generated from operations</b>	<b>34,899.03</b>	<b>25,587.52</b>
Income taxes paid (net of refunds)	(7,160.38)	(5,343.93)
<b>Net cash flows from operating activities (A)</b>	<b>27,738.65</b>	<b>20,243.59</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(35.88)	(7.53)
Purchase of intangible assets (including intangible assets under development and capital advances)	(23,397.84)	(23,338.26)
Proceeds from sale of property, plant and equipment	6.48	-
Investment in subsidiaries	-	(8.11)
Purchase of current investments	(9,950.00)	(10,874.56)
Proceeds from sale of current investments	6,763.42	15,232.63
Purchase of current investments (Bonds)	(1,394.45)	-
Proceeds from sale of current investments (Bonds)	70.00	-
Interest on Bond	28.14	-
Investment of bank deposit	(1,865.34)	(9,962.82)
Redemption of bank deposits / other bank balances	8,703.22	31.06
Interest from fixed deposit	501.32	513.45
Loans to subsidiaries - given	(1,584.70)	-

## Standalone Statement of Cash Flows

for the year ended 31 March, 2022 (Contd.)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Loans to subsidiaries - principal received	1,618.47	26.00
Loans to subsidiaries - interest received	19.35	25.76
Dividends received from subsidiary	2,227.78	4,555.86
Dividends received from current investments	-	17.19
<b>Net cash flows (used in) investing activities (B)</b>	<b>(18,290.03)</b>	<b>(23,789.33)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	11,975.51	12,474.79
Repayment of borrowings	(14,997.88)	(5,677.77)
Repayment of principal towards lease liability	(474.33)	(418.37)
Interest paid on lease liability	(89.67)	(121.63)
Finance costs paid	(38.18)	(39.12)
Dividend paid on equity shares	(5,412.66)	(1,804.41)
<b>Net cash flows (used in) / from financing activities (C)</b>	<b>(9,037.21)</b>	<b>4,413.49</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>411.41</b>	<b>867.75</b>
Cash and cash equivalents at the beginning of the year	3,876.70	3,020.64
Exchange differences on translation of foreign currency cash and cash equivalents	3.92	(11.69)
<b>Cash and cash equivalents at the end of the Year</b>	<b>4,292.03</b>	<b>3,876.70</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.17	0.75
with banks	4,291.86	3,875.95
<b>Total cash and cash equivalents as per the cash flows statement (refer note 11)</b>	<b>4,292.03</b>	<b>3,876.70</b>

### Notes:

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening balance	6,784.73	-
Add: Loan taken during the year	11,975.51	12,474.79
Less: Repayment made during the year	(14,997.88)	(5,677.76)
Less: Forex Adjustments	41.60	(12.30)
<b>Closing balance</b>	<b>3,803.96</b>	<b>6,784.73</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022

Place: Mumbai

Date : 13 May, 2022

Place: Mumbai

Date : 13 May, 2022



## Standalone Statement of Changes in Equity

for the year ended 31 March, 2022

### A. Equity share capital (Note 13)

	(₹ Lakhs)
<b>As at 01 April, 2020</b>	9,022.05
Changes in equity share capital	-
<b>As at 31 March, 2021</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2022</b>	<b>9,022.05</b>

### B. Other equity

	Reserves and surplus				Other comprehensive income	Total
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserve (Note 14)	General reserve (Note 14)	Re-measurement of the net defined benefit plan	
<b>As on 01 April, 2020</b>	2,148.55	1,17,781.10	1,491.29	664.93	(21.04)	<b>1,22,064.83</b>
Profit for the year	-	20,979.34	-	-	-	20,979.34
Other comprehensive Income	-	-	-	-	6.10	6.10
<b>Total comprehensive Income</b>	-	<b>20,979.34</b>	-	-	<b>6.10</b>	<b>20,985.44</b>
Payments of dividends	-	(1,804.41)	-	-	-	(1,804.41)
<b>As on 31 March, 2021</b>	<b>2,148.55</b>	<b>1,36,956.03</b>	<b>1,491.29</b>	<b>664.93</b>	<b>(14.94)</b>	<b>1,41,245.86</b>

	Reserves and surplus				Other comprehensive income	Total
	Security premium (Note 14)	Retained earnings (Note 14)	Capital reserve (Note 14)	General reserve (Note 14)	Re-measurement of the net defined benefit plan	
<b>As on 01 April, 2021</b>	2,148.55	1,36,956.03	1,491.29	664.93	(14.94)	<b>1,41,245.86</b>
Profit for the year	-	28,289.08	-	-	-	28,289.08
Other comprehensive Income	-	-	-	-	15.18	15.18
<b>Total comprehensive Income</b>	-	<b>28,289.08</b>	-	-	<b>15.18</b>	<b>28,304.26</b>
Payments of dividends	-	(5,413.23)	-	-	-	(5,413.23)
<b>As on 31 March, 2022</b>	<b>2,148.55</b>	<b>1,59,831.88</b>	<b>1,491.29</b>	<b>664.93</b>	<b>0.24</b>	<b>1,64,136.89</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

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

**Sharda Cropchem Limited**

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022

Place: Mumbai

Date : 13 May, 2022

Place: Mumbai

Date : 13 May, 2022

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022

## 1. CORPORATE INFORMATION

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

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

The standalone financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on 13 May, 2022.

### 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.
- (i) 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.



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 2.4 Current and non-current classification

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

### Assets

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

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

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

All other assets are classified as non-current.

### Liabilities

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

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

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

All other liabilities are classified as non-current.

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

## Operating cycle

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

## 2.5 Foreign currency translation

### Transactions and balances

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

## 2.6 Derivative financial instruments

### Initial recognition and subsequent measurement

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

## 2.7 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

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 in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

## Interest income

Interest income from financial assets is recognised when it is probable that economic

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

## Dividends

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

## Insurance claims

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

## Export incentives

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

## 2.8 Taxation

### Current tax

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

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



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## Minimum Alternative tax

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognised as current tax in the Statement of Profit and loss. The credit available under the Act

in respect of MAT paid is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability and hence is grouped with Deferred Tax Asset. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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

### Recognition and measurement

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

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

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

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

### Depreciation and amortisation

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

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

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

### 2.10 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried

at cost less accumulated amortisation and accumulated impairment losses, if any.

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

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

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

### Research and Development costs, Product Registration and Licences

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Company and the Company has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the government authorities, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management and revised to actual amounts on conclusion of agreements.



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

## 2.11 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the

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

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

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

## 2.12 Leases

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

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Company as a lessee:

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

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

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

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

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

Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

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

## 2.13 Inventories

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

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

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

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

## 2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

## 2.15 Contingent liabilities and contingent assets

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

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

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

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

## 2.16 Employee benefit expenses

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

### Post-employment benefit plans

#### Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

### Defined benefit plans

The Company operates defined benefit plans - gratuity fund.

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

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

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

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

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

### Short-term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Provision for compensation absence is determined on the basis of leave credit balance

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

of individual employee as at year end and last drawn salary and is charged to statement of profit or loss for the year.

## 2.17 Financial instruments

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

### Financial assets

#### Initial recognition and initial measurement

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

#### Classification and subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principle & interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are 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



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

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
  - (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

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

- 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 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:



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## **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 or loss.

## **Loans and borrowings**

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

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

## **Derecognition**

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

## **Offsetting of financial instruments**

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

## **2.18 Cash and cash equivalents**

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

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

## **2.19 Dividend to Equity shareholders**

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

## **2.20 Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year is adjusted for the

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

## 2.21 Segment reporting

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

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments based on their relationship to the operating activities of the segment. Inter segment revenue is accounted based on transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

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

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

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

of the revision and future periods if the revision affects both current and future periods.

### (i) Critical Judgements

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

#### Contingences and commitments

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

### (ii) Key sources of estimation uncertainty

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

#### Taxes

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



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

involves estimation of several factors including future taxable income.

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

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

### **Impairment of financial assets**

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

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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount

of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

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

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

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

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## **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, 2022 (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, 2020	261.53	697.92	57.92	51.89	497.16	199.27	<b>1,765.69</b>
Additions	-	0.59	-	6.93	-	-	<b>7.52</b>
Disposals	(41.00)	(100.80)	-	(43.47)	-	-	<b>(185.27)</b>
<b>At 31 March, 2021</b>	<b>220.53</b>	<b>597.71</b>	<b>57.92</b>	<b>15.35</b>	<b>497.16</b>	<b>199.27</b>	<b>1,587.94</b>
<b>Accumulated depreciation</b>							
At 01 April, 2020	133.46	193.00	6.47	39.54	193.75	76.33	<b>642.55</b>
Depreciation charge during the year	48.44	67.85	8.82	7.97	82.91	33.23	<b>249.22</b>
Disposals	(40.96)	(99.96)	-	(43.48)	-	-	<b>(184.40)</b>
<b>At 31 March, 2021</b>	<b>140.94</b>	<b>160.89</b>	<b>15.29</b>	<b>4.03</b>	<b>276.66</b>	<b>109.56</b>	<b>707.37</b>
<b>Net carrying value</b>							
At 01 April, 2020	128.07	504.92	51.45	12.35	303.41	122.94	<b>1,123.14</b>
<b>At 31 March, 2021</b>	<b>79.59</b>	<b>436.82</b>	<b>42.63</b>	<b>11.32</b>	<b>220.50</b>	<b>89.71</b>	<b>880.57</b>

(₹ Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Leasehold improvements	Electrical installation	Total
<b>Cost</b>							
At 01 April, 2021	220.53	597.71	57.92	15.35	497.16	199.27	<b>1,587.94</b>
Additions	0.41	-	19.53	15.94	-	-	<b>35.88</b>
Disposals	-	-	(12.69)	-	-	-	<b>(12.69)</b>
<b>At 31 March, 2022</b>	<b>220.94</b>	<b>597.71</b>	<b>64.76</b>	<b>31.29</b>	<b>497.16</b>	<b>199.27</b>	<b>1,611.13</b>
<b>Accumulated depreciation</b>							
At 01 April, 2021	140.94	160.89	15.29	4.03	276.66	109.56	<b>707.37</b>
Depreciation charge during the year	47.98	65.15	9.22	11.04	82.91	33.23	<b>249.53</b>
Disposals	-	-	(5.91)	-	-	-	<b>(5.91)</b>
<b>At 31 March, 2022</b>	<b>188.92</b>	<b>226.04</b>	<b>18.60</b>	<b>15.07</b>	<b>359.57</b>	<b>142.79</b>	<b>950.99</b>
<b>Net carrying value</b>							
At 01 April, 2021	79.59	436.82	42.63	11.32	220.50	89.71	<b>880.57</b>
<b>At 31 March, 2022</b>	<b>32.02</b>	<b>371.67</b>	<b>46.16</b>	<b>16.22</b>	<b>137.59</b>	<b>56.48</b>	<b>660.14</b>

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 3B. RIGHT OF USE ASSET

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

	(₹ Lakhs)
	<b>Leasehold premises</b>
<b>Cost</b>	
At 01 April, 2021	2,095.65
Additions	44.22
Disposals	-
<b>At 31 March, 2022</b>	<b>2,139.87</b>
<b>Accumulated depreciation</b>	
At 01 April, 2021	898.93
Depreciation charge during the year	471.58
Disposals	-
<b>At 31 March, 2022</b>	<b>1,370.51</b>
<b>Net carrying value</b>	
At 01 April, 2021	1,196.72
<b>At 31 March, 2022</b>	<b>769.36</b>

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



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 4. INTANGIBLE ASSETS

	(₹ Lakhs)		
	Computer software	Product registration and licences	Total
<b>Cost</b>			
At 01 April, 2020	104.83	75,638.04	<b>75,742.87</b>
Additions *	5.92	30,107.16	<b>30,113.08</b>
Disposals *	-	(1,465.38)	<b>(1,465.38)</b>
<b>At 31 March, 2021</b>	<b>110.75</b>	<b>1,04,279.82</b>	<b>1,04,390.57</b>
<b>Accumulated amortisation</b>			
At 01 April, 2020	58.39	36,877.92	<b>36,936.31</b>
Amortisation during the year	13.76	16,326.90	<b>16,340.66</b>
Disposals *	-	(1,196.47)	<b>(1,196.47)</b>
<b>At 31 March, 2021</b>	<b>72.15</b>	<b>52,008.35</b>	<b>52,080.50</b>
<b>Net carrying value</b>			
At 01 April, 2020	46.44	38,760.12	<b>38,806.56</b>
<b>At 31 March, 2021</b>	<b>38.60</b>	<b>52,271.47</b>	<b>52,310.07</b>

	(₹ Lakhs)		
	Computer software	Product registration and licences	Total
<b>Cost</b>			
At 01 April, 2021	110.75	1,04,279.82	<b>1,04,390.57</b>
Additions*	-	30,307.50	<b>30,307.50</b>
Disposals *	-	(3,207.48)	<b>(3,207.48)</b>
<b>At 31 March, 2022</b>	<b>110.75</b>	<b>1,31,379.84</b>	<b>1,31,490.59</b>
<b>Accumulated amortisation</b>			
At 01 April, 2021	72.15	52,008.35	<b>52,080.50</b>
Amortisation during the year	12.95	23,795.20	<b>23,808.15</b>
Disposals *	-	(2,138.06)	<b>(2,138.06)</b>
<b>At 31 March, 2022</b>	<b>85.10</b>	<b>73,665.49</b>	<b>73,750.59</b>
<b>Net carrying value</b>			
At 01 April, 2021	38.60	52,271.47	<b>52,310.07</b>
<b>At 31 March, 2022</b>	<b>25.65</b>	<b>57,714.35</b>	<b>57,740.00</b>

\* The data compensation elements of product registration was initially capitalised based on management estimates. The gross block of product registration and licenses have been reduced as an outcome of negotiations / arbitration with contracting parties by ₹ 386.25 Lakhs (31 March, 2021: ₹ Nil)

The Company has written off certain assets during the current year having net written down value of ₹ 683.17 Lakhs (31 March, 2021: ₹ 166.53 Lakhs) based on internal assessment.

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 4A. Intangible assets under development

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

	(₹ Lakhs)
	<b>Intangible assets under development</b>
At 01 April, 2021	13,103.82
Additions	40,730.78
Disposals	(2,309.51)
Capitalised	(30,307.50)
<b>At 31 March, 2022</b>	<b>21,217.59</b>

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. Capital-Work-in Progress (CWIP)

#### (i) CWIP ageing schedule as on 31 March, 2021

Projects	Amount in CWIP for a period of				Total
	Upto 1 year	1-2 years	2-3 years	more than 3 years	
Product Registration	10,590.94	1,757.55	516.84	232.39	13,097.72
Computer Software	-	-	-	6.10	6.10
	<b>10,590.94</b>	<b>1,757.55</b>	<b>516.84</b>	<b>232.39</b>	<b>13,103.82</b>

#### (ii) CWIP ageing schedule as on 31 March, 2022

Projects	Amount in CWIP for a period of				Total
	Upto 1 year	1-2 years	2-3 years	more than 3 years	
Product Registration	17,992.92	1,981.85	1,042.13	194.59	21,211.49
Computer Software	-	-	-	6.10	6.10
	<b>17,992.92</b>	<b>1,981.85</b>	<b>1,042.13</b>	<b>200.69</b>	<b>21,217.59</b>

b) For capital-work-in progress, 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 cost incurred in the process are recorded as



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

intangible asset under development. 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, 2022, there are 1,130 product registrations (numbers) in pipelines across geographies.

## 5. INVESTMENTS

### Non-current investments

	As at 31 March, 2022	As at 31 March, 2021
	(₹ Lakhs)	
<b>Investment in equity instruments</b>		
<b>Investment in subsidiaries (Unquoted), carried at cost</b>		
-Axis Crop Science Private Limited 50,00,000 (31 March, 2021: 50,00,000) equity shares of ₹ 10 each fully paid up	544.00	544.00
-Provision for investment in Axis Crop Science Private Limited	(544.00)	(544.00)
	-	-
-Nihon Agro Service Kabushiki Kaisha 10 (31 March, 2021: 10) equity shares of JPY 10,000 each fully paid	0.59	0.59
-Sharda Polska SP. ZO.O. (Refer note 'c; below) Nil (31 March, 2021: 20) equity shares of PLN 1,000 each fully paid-up	-	2.99
-Sharda Ukraine LLC 62,500 (31 March, 2021: 62,500) equity shares of UAH 1 each fully paid-up	4.25	4.25
-Sharda Del Ecuador CIA. LTDA. 398 (31 March, 2021: 398) equity shares of US\$ 1 each fully paid-up	0.20	0.20
-Sharda Peru SAC 1,999 (31 March, 2021: 1,999) equity share of PEN 1 each fully paid-up	0.33	0.33
-Sharda Swiss SARL 20 (31 March, 2021: 20) equity shares of CHF 1,000 each fully paid-up	8.62	8.62
-Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA. 30,690 (31 March, 2021: 30,690) equity shares of BRL 1 each fully paid-up	8.20	8.20
-Sharda Hellas Agrochemicals Limited 150 (31 March, 2021: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Sharda Balkan Agrochemicals Limited 150 (31 March, 2021: 150) equity shares of EURO 30 each fully paid-up	2.82	2.82
-Shardaserb DO.O. 1 (31 March, 2021: 1,) Partly paid-up equity share of EURO 500 each (50% of face value has been paid)	0.17	0.17
-Sharda Agrochem Dooel Skopje. 1 (31 March, 2021: 1) equity share of Euro 5,000 each fully paid-up	3.67	3.67
-Sharda Spain, S.L. 3,050 (31 March, 2021: 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, 2022 (Contd.)

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
-Sharda Costa Rica S.A. (refer note 'a' below) 99 (31 March, 2021: 99) equity shares of COLON 20 each fully paid-up	0.00	0.00
-Sharda De Guatemala S.A. 49 (31 March, 2021: 49) equity shares of GTQ 100 each fully paid-up	0.34	0.34
-Sharda International DMCC 2 (31 March, 2021: 2) equity shares of AED 1,00,000 each fully paid-up	27.68	27.68
-Sharda Italia SRL 9,900 (31 March, 2021: 9,900) equity shares of EURO 1 each fully paid-up	7.74	7.74
-Sharda Hungary Kft 1 (31 March, 2021: 1) equity share of HUF 30,00,000 each fully paid-up	7.23	7.23
-Sharda Cropchem Espana, S.L. 61 (31 March, 2021: 61) equity shares of EURO 50 each fully paid	2.59	2.59
-Sharda Poland SP. ZO.O. 588 (31 March, 2021: 100,) equity shares of PLN 50 each fully paid	3.97	0.98
-Sharda Taiwan Limited 10,000 (31 March, 2021: 10,000) equity shares of Taiwan \$ 10 each fully paid	2.04	2.04
Sharda Private (Thailand) Limited 8,300 (31 March, 2021: 8,300) equity shares of THB 100 each fully paid	17.29	17.29
Sharda Private (Thailand) Limited 1,500 (31 March, 2021: 1,500) Preferential shares of THB 100 each fully paid	3.13	3.13
-Sharda Cropchem Tunisia SARL 99 (31 March, 2021: 99) equity shares of EURO 10 each fully paid	0.75	0.75
-Sharda Maroc SARL (refer note 'b' below) 998 (31 March, 2021: 998) equity shares of EURO 10 each fully paid	8.11	8.11
<b>Total</b>	<b>114.50</b>	<b>114.50</b>

Notes:

- Amount rounded off in Lakhs hence not appearing. The actual amount of investment is ₹ 206 (31 March, 2021: ₹ 206).
- This Company was formed on 02 February, 2017 and share capital was remitted on March 19, 2021.
- Persuant to order of Court Sharda Polska SP. Z.O.O was merged with Sharda Poland SP. Z.O.O. w.e.f 01 March, 2022.



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Current investments

	As at 31 March, 2022	As at 31 March, 2021
(₹ Lakhs)		
<b>Investments carried at fair value through statement of profit or loss (FVTPL)</b>		
<b>Investments in mutual funds (Unquoted)</b>		
-Axis Banking & PSU Debt Fund 50,067 (31 March, 2021: 50,067) units of ₹ 1,000 each	1,071.79	1,031.08
-Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan 3,48,569 (31 March, 2021: NIL) units of ₹ 10 each	1,032.73	-
DSP Corporate Bond Fund Growth 70,48,697 (31 March, 2021: 70,48,697) units of ₹ 10 each	929.88	896.47
DSP Banking and PSU Debt Fund- Reg-Growth 41,95,404 (31 March, 2021: 41,95,404) units of ₹ 10 each	816.12	785.88
-HDFC Ultra Short Term Fund-Regular Growth 11,44,194 (31 March, 2021: NIL) units of ₹ 10 each	140.48	-
-HDFC Corporate Bond Fund - Regular Growth 57,40,234 (31 March, 2021: 57,40,234) units of ₹ 10 each	1,500.10	1,430.92
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 35,39,859 (31 March, 2021: 35,39,859) units of ₹ 10 each	837.38	803.12
-ICICI Prudential Equity Arbitrage Fund - Growth 18,49,841 (31 March, 2021: NIL) units of ₹ 10 each	514.86	-
-IDFC Corporate Bond Fund Regular Plan - Growth 1,34,72,307 (31 March, 2021: 1,01,92,105) units of ₹ 10 each	2,119.81	1,531.16
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) 17,07,827 (31 March, 2021: NIL) units of ₹ 10 each	515.93	-
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 12,00,788 (31 March, 2021: 12,00,788) units of ₹ 10 each	633.95	604.18
Kotak Floating Rate Fund Growth (Regular Plan) 42,613 (31 March, 2021: NIL) units of ₹ 1000 each	517.67	-
-Union Corporate Bond Fund Regular Plan - Growth * 43,11,268 (31 March, 2021: 26,76,792) units of ₹ 10 each	539.26	321.66
-Union Medium Duration Fund - Regular Plan - Growth * 19,99,900 (31 March, 2021: 19,99,900) units of ₹ 10 each	213.31	204.08
-Union Hybrid Equity Fund - Regular Plan - Growth 9,99,940 (31 March, 2021: 9,99,940) units of ₹ 10 each	123.89	106.09
-Union Corporate Bond Fund - Direct Plan - Growth * 48,43,808 (31 March, 2021: 48,43,808) units of ₹ 10 each	613.62	586.67
<b>(A)</b>	<b>12,120.78</b>	<b>8,301.31</b>
<b>Investment In Bonds carried at fair value (Quoted)</b>		
HDFCBANK-8.85%PREPETUAL-PVT-INE040A. 28 (31 March, 2021 : Nil) units of ₹ 10,00,000 each	299.40	-
THE BOMBAY BURMAH TRADING CORPORATION 100 Units (31 March, 2021 : Nil) units of ₹ 10,00,000 each	1,019.32	-
<b>(B)</b>	<b>1,318.72</b>	<b>-</b>
<b>Total</b>	<b>13,439.50</b>	<b>8,301.31</b>

\* Lien marked on the units of Union Corporate Bond Fund Regular Plan - Growth for ₹ 229.99 Lakhs (31 March, 2021: ₹ 220.71 Lakhs), Union Medium Duration Fund - Regular Plan - Growth for ₹ 213.31 Lakhs (31 March, 2021: ₹ 204.08) and Union Corporate Bond Fund - Direct Plan - Growth for ₹ 613.62 Lakhs (31 March, 2021: ₹ 586.67) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Aggregate amount of unquoted investments	12,235.28	8,415.81
Aggregate amount of quoted investments	1,318.72	-
Investments carried at cost	114.50	114.50
Investments carried at fair value through statement of profit or loss (FVTPL)	13,439.50	8,301.31
Investments impaired	544.00	544.00

### 6. LOANS

#### Non-current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Loans to related party (Refer note 34 & 39)	272.00	291.00
<b>Total</b>	<b>272.00</b>	<b>291.00</b>

#### Current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Others loans		
Others	50.04	-
<b>Total</b>	<b>50.04</b>	<b>-</b>

### 7. OTHER FINANCIAL ASSETS

#### Non-current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Goods and service tax receivable	12.54	12.64
Statutory dues receivable from government authorities	325.48	244.73
Export incentive receivable	335.66	419.11
Security deposit	13.97	12.94
<b>Total</b>	<b>687.65</b>	<b>689.42</b>

#### Current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Derivative instrument - foreign currency forward contracts (refer note 35)	31.64	79.11
Goods and service tax receivable	4,251.40	986.73
Statutory dues receivable from government authorities	519.50	1,647.50
<b>Total</b>	<b>4,802.54</b>	<b>2,713.34</b>



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 8A. Income tax assets (net)

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Advance tax [Net of provision for income tax of ₹ 47,630.80 Lakhs (31 March, 2021: ₹ 40,273.30 Lakhs)]	7,160.13	7,362.78
<b>Total</b>	<b>7,160.13</b>	<b>7,362.78</b>

## 8B. Tax expense

The major components of income tax expense for the years ended 31 March, 2022 and 31 March, 2021 are:

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Current income tax:</b>		
Current income tax charge	7,567.69	4,995.94
Adjustments in respect of current income tax of previous year	(204.66)	139.82
<b>Deferred taxes:</b>		
Relating to origination and reversal of temporary differences	3,591.46	2,353.12
<b>Income tax expense reported in the statement of Profit &amp; Loss</b>	<b>10,954.49</b>	<b>7,488.88</b>

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

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Net (gain) / loss on remeasurement of defined employee benefit plans	(8.15)	(3.27)
<b>Total</b>	<b>(8.15)</b>	<b>(3.27)</b>

### Reconciliation of effective tax rate (ETR)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Profit from operations before income taxes</b>	<b>39,243.57</b>	<b>28,468.22</b>
Tax @34.944% (31 March, 2021: 34.944%) (Indian statutory income tax rate)	13,713.27	9,947.93
Tax effect on income not taxable/taxable at different rates for tax purposes:		
Adjustment of tax relating to earlier years	204.66	(139.82)
Dividend received in investment in subsidiary	1,167.71	1,111.27
On account of new tax rate	520.75	-
Others	970.92	1,646.01
	<b>2,864.04</b>	<b>2,617.46</b>
Tax effect on non-deductible expenses for tax purposes:		
Corporate social responsibility (CSR) expenditure	105.26	114.53
Others	-	43.88
	<b>105.26</b>	<b>158.41</b>
<b>Income tax expense</b>	<b>10,954.49</b>	<b>7,488.88</b>

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Deferred tax assets</b>		
Provision for gratuity	61.06	76.44
Provision for investment in subsidiary	124.47	124.47
Others	17.42	6.97
Lease liability	216.66	377.70
Provision for doubtful debts	436.57	386.73
Provision for inventories	223.38	140.28
Gain / loss on derivatives (Foreign currency forward contracts)	-	30.68
Sales Return & Purchase Return Ind AS Impact (Net)	678.11	-
Deferred Sales Ind AS	306.35	-
Minimum Alternate Tax (MAT) credit	-	2,871.02
<b>Gross deferred tax assets</b>	<b>2,064.02</b>	<b>4,014.29</b>
<b>Deferred tax liabilities</b>		
Tangible and intangible assets	14,371.12	12,999.91
Lease assets	193.63	301.19
Unrealised gain / loss on investment carried at fair value through statement of profit and loss	377.73	-
Unrealised gain / loss on investment derivative contract at fair value through statement of profit and loss	7.96	-
<b>Gross deferred tax liabilities</b>	<b>14,950.44</b>	<b>13,301.10</b>
<b>Net deferred tax (liabilities)</b>	<b>(12,886.42)</b>	<b>(9,286.81)</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, 2022 and 31 March, 2021

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Net deferred tax (liabilities) at the beginning of the year</b>	(9,286.81)	(6,930.42)
(Charge) relating to temporary differences	(3,591.46)	(2,353.12)
Temporary differences on other comprehensive Income	(8.15)	(3.27)
<b>Net deferred tax (liabilities) at the end of the year</b>	<b>(12,886.42)</b>	<b>(9,286.81)</b>



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 9. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Raw materials including packing materials [Stock in transit ₹ 17,299.72 Lakhs (31 March, 2021: ₹ 5,116.97 Lakhs)]	44,442.60	25,841.10
Finished Goods [Stock in transit ₹ 8,560.81 Lakhs (31 March, 2021: ₹ 1,958.54 Lakhs)]	34,109.06	20,580.93
Traded goods [Stock in transit ₹ 3518.06 Lakhs (31 March, 2021: ₹ 668.74 Lakhs)]	4,440.14	1,281.81
<b>Total</b>	<b>82,991.80</b>	<b>47,703.84</b>

### Notes:

- i) Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is ₹ 1,187.98 Lakhs (31 March, 2021: ₹ 401.29 Lakhs).
- ii) The carrying amount of inventories are pledged as security against credit facilities availed by the Company from bank of ₹ 3,803.96 Lakhs (31 March, 2021: ₹ 6,784.72 Lakhs) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 18).

## 10. TRADE RECEIVABLES

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Related parties (refer note 34)	33,043.05	30,688.17
Others	98,817.59	78,688.25
<b>Significant increase in credit risk</b>		
Others	1,725.33	1,536.58
	1,33,585.97	1,10,913.00
Less: Allowances for credit losses	(1,725.33)	(1,536.58)
<b>Total</b>	<b>1,31,860.64</b>	<b>1,09,376.42</b>

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

Trade receivables are pledged as security against credit facilities availed by the Company from bank of ₹ 3,803.96 Lakhs (31 March, 2021: ₹ 6,784.72 Lakhs) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 18).

## 11A. CASH AND CASH EQUIVALENTS

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Balances with banks</b>		
in current accounts	4,291.86	3,875.95
Cash on hand	0.17	0.75
<b>Total</b>	<b>4,292.03</b>	<b>3,876.70</b>

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 11B. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
In fixed deposit accounts		
with original maturity of more than three months but less than twelve months *	10,450.46	17,288.90
In earmarked accounts		
Unpaid dividend accounts	6.34	5.78
<b>Total</b>	<b>10,456.80</b>	<b>17,294.68</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 10,450.46 Lakhs (31 March, 2021: ₹ 17,288.90 Lakhs) against credit facilities availed by the Company.

### 12. OTHER ASSETS

#### Current

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Advance to vendors for supply of goods and services	621.82	22.53
Right of recoveries against expected sales return	5,554.41	3,265.10
Prepaid expenses	274.69	315.87
Interest accrued on fixed deposits with bank *	102.33	163.89
<b>Total</b>	<b>6,553.25</b>	<b>3,767.39</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 102.32 Lakhs (31 March, 2021: ₹ 163.89 Lakhs) against credit facilities availed by the Company.

### 13. EQUITY SHARE CAPITAL

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Authorised share capital</b>		
10,50,00,000 (31 March, 2021: 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, 2021: 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, 2022		As at 31 March, 2021	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
At the beginning of the year	9,02,20,495	9,022.05	9,02,20,495	9,022.05
<b>Outstanding at the end of the year</b>	<b>9,02,20,495</b>	<b>9,022.05</b>	<b>9,02,20,495</b>	<b>9,022.05</b>



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## (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, 2022		As at 31 March, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr. Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%
Mrs. Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%
Mr. Ashish R. Bubna*	1,51,80,000	16.83%	1,51,80,000	16.83%
Mr. Manish R. Bubna**	1,51,80,000	16.83%	1,51,80,000	16.83%
HDFC Small Cap Fund	81,13,060	8.99%	83,14,223	9.22%
<b>Total</b>	<b>6,66,16,893</b>	<b>73.85%</b>	<b>6,68,18,056</b>	<b>74.08%</b>

\* Shareholding includes 10 Equity shares held jointly by Mr. Ashish R. Bubna and Mrs. Seema A. Bubna, with Mr. Ashish R. Bubna as the first holder.

\*\* Shareholding includes 10 Equity shares held jointly by Mr. Manish R. Bubna and Mrs. Anisha M. Bubna, with Mr. Manish R. Bubna as the first holder.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## (d) Shareholding of Promoters:

Shares held by promoters at the end of the year	As at 31 March, 2022		As at 31 March, 2021		% Change
	No. of Shares	% of total shares	No. of Shares	% of total shares	
1. Mr. Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%	-
2. Mrs. Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%	-
3. Mr. Ashish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
4. Mr. Manish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
5. Mrs. Seema A Bubna	45,00,000	4.99%	45,00,000	4.99%	-
6. Mrs. Anisha A Bubna	45,00,000	4.99%	45,00,000	4.99%	-

## (e) In the period of five years, immediately preceding March, 2022

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

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### (f) Distribution made and proposed

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Cash dividends on equity shares declared:</b>		
Interim dividend on equity shares for the year ended 31 March, 2022: ₹ 3.00 (31 March, 2021: ₹ 2.00) per share	2,706.61	1,804.41
<b>Proposed dividends on equity shares:</b>		
Final cash dividend for the year ended 31 March, 2022: ₹ 3.00 (31 March, 2021: ₹ 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, 2022: ₹ 3.00 (31 March, 2021: ₹ 2.00) per share	2,706.61	1,804.41
Final dividend on equity shares for the year ended 31 March, 2021: ₹ 3.00 (31 March, 2020: ₹ Nil) per share	2,706.61	-

### 14. OTHER EQUITY

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<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>		
<b>Balance at the end of the year</b>	-	<b>2,148.55</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	1,36,941.09	1,17,760.06
Add: Profit for the year	28,289.08	20,979.34
Add: Other comprehensive income / (loss)	15.18	6.10
Less: Payment of dividends	5,413.23	1,804.41
<b>Balance at the end of the year</b>	<b>1,59,832.12</b>	<b>1,36,941.09</b>
<b>Total</b>	<b>1,64,136.89</b>	<b>1,41,245.86</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 bonus shares.



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 15. TRADE PAYABLES

### Non Current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 34)	-	-
Others	235.58	240.44
<b>Total</b>	<b>235.58</b>	<b>240.44</b>

### Current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 41)*	872.46	321.40
Total outstanding dues of creditors other than micro enterprises and small enterprises *		
Related parties (refer note 34 & 37)	-	-
Others	1,06,249.74	75,678.74
<b>Total</b>	<b>1,07,122.20</b>	<b>76,000.14</b>

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

## 16. OTHER FINANCIAL LIABILITIES

### Non-current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Security deposits	-	14.63
Creditors for capital purchases	159.14	307.04
<b>Total</b>	<b>159.14</b>	<b>321.67</b>

### Current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Unclaimed dividend*	6.34	5.78
Interest accrued on borrowings	15.21	20.80
Creditors for capital purchases	31,434.41	14,073.96
Directors commission	569.45	432.47
Salaries and bonus	355.01	312.91
<b>Total</b>	<b>32,380.42</b>	<b>14,845.92</b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March, 2022 (31 March, 2021: Nil).

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 17. PROVISIONS

#### Non-current

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Employee benefits obligation:</b>		
Provision for gratuity (refer note 29)	209.26	283.32
<b>Total</b>	<b>209.26</b>	<b>283.32</b>

#### Current

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Provision for gratuity (refer note 29)	33.35	32.43
Provision for leave encashment	48.43	51.74
Expected return from customers	8,248.75	4,747.85
<b>Total</b>	<b>8,330.53</b>	<b>4,832.02</b>

### 18. BORROWINGS

#### Current

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Buyer's credit from bank (Secured) *	3,803.96	6,784.72
<b>Total</b>	<b>3,803.96</b>	<b>6,784.72</b>

Note: Quarterly statements of current assets are filed with Banks, are in agreement with books and no discrepancies found.

\*Buyer's credit facility utilised within overall credit facility availed by the Company against hypothecation of stocks meant for exports and book debts. Buyer's credit carries interest @ 3M SOFR plus 90 basis points p.a.

### 19. OTHER CURRENT LIABILITIES

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Advance from customers (refer note 33)	392.15	797.91
Provision for reward scheme	1,793.17	1,504.12
Book overdraft	114.56	137.15
Statutory liabilities (including provident fund, tax deducted at source and others)	1,620.78	2,389.45
<b>Total</b>	<b>3,920.66</b>	<b>4,828.63</b>



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 20. REVENUE FROM OPERATIONS

### Non-current

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Sale of goods (refer note 33)	2,94,173.55	2,02,892.77
Other operating revenue		
Export incentives	315.23	354.72
Miscellaneous receipts	154.80	14.46
<b>Total</b>	<b>2,94,643.58</b>	<b>2,03,261.95</b>

## 21. OTHER INCOME

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest income on		
Bank deposits carried at amortised cost	439.76	477.77
Income tax refund received	175.34	325.80
Foreign VAT refund	1.29	8.09
Loan to subsidiary	19.31	23.88
Interest on Loan to Party	0.05	-
Delay payment from customer	-	37.08
Interest from Bond	28.14	-
Reversal of doubtful debts	-	312.71
Dividend received on investments		
On mutual fund units	-	17.19
On investment in subsidiary	2,227.78	4,555.86
Liabilities / provisions no longer required written back	1,209.16	1,000.77
Liabilities no longer required written back on creditors for capital purchases	100.84	226.98
Profit on sale of mutual fund	149.83	655.13
Gain on financial instruments at fair value (Mutual fund)	483.07	450.76
Miscellaneous income	6.31	-
<b>Total</b>	<b>4,840.88</b>	<b>8,092.02</b>

## 22. COST OF MATERIALS CONSUMED

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventory at the beginning of the year	25,841.10	15,967.65
Add: Purchases	1,51,710.52	1,03,821.37
	1,77,551.62	1,19,789.02
Less: Inventory at the end of the year	(44,442.60)	(25,841.10)
<b>Total</b>	<b>1,33,109.02</b>	<b>93,947.92</b>

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventories at the end of the year		
Stock in trade	4,440.13	1,281.81
Finished goods	34,109.06	20,580.93
<b>Total</b>	<b>38,549.19</b>	<b>21,862.74</b>
Inventories at the beginning of the year		
Stock in trade	1,281.81	576.84
Finished goods	20,580.93	18,942.85
<b>Total</b>	<b>21,862.74</b>	<b>19,519.69</b>
<b>Changes in inventories of finished goods and stock in trade</b>	<b>(16,686.45)</b>	<b>(2,343.05)</b>

### 24. EMPLOYEE BENEFIT EXPENSES

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages and bonus	3,431.44	2,996.43
Contribution to provident and other funds (refer note 29)	5.26	5.39
Gratuity expenses (refer note 29)	50.19	46.44
Staff welfare expenses	6.12	6.51
<b>Total</b>	<b>3,493.01</b>	<b>3,054.77</b>

### 25. FINANCE COSTS

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expenses on		
Borrowing from bank	32.18	42.23
Lease liabilities	89.67	121.63
Delayed payment of statutory dues	0.22	17.73
Others	40.62	17.41
<b>Total</b>	<b>162.69</b>	<b>199.00</b>

### 26. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation of property, plant and equipment (refer note 3A)	249.53	249.22
Depreciation of right-of-use asset (refer note 3B)	471.58	449.46
Amortisation of intangible assets (refer note 4)	23,808.15	16,340.66
<b>Total</b>	<b>24,529.26</b>	<b>17,039.34</b>



## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 27. OTHER EXPENSES

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Freight and forwarding expenses	4,629.61	3,595.17
Rates and taxes	585.17	124.39
Insurance charges	485.11	570.20
Repairs and maintenance		
Buildings	9.89	1.67
Others	32.61	24.68
Advertising and sales promotion	138.56	147.74
Sales commission	808.54	519.44
Travelling and conveyance	929.63	477.17
Communication expenses	135.31	154.65
Office expenses	773.79	689.56
Legal and professional fees	15,655.90	14,296.39
Directors sitting fees	12.00	11.40
Corporate social responsibility expense (refer note 42)	596.39	644.68
Payment to auditor (refer note 'a' below)	59.66	51.14
Bad debts	27.83	821.25
Allowance for doubtful debts	198.05	-
Bank charges	1,154.91	1,242.03
Discard / write-off of intangible assets and intangible assets under development	2,923.10	3,832.22
Miscellaneous expenses	59.28	53.11
Loss on sale of bond	5.73	-
<b>Total</b>	<b>29,221.07</b>	<b>27,256.89</b>

**Note a:**

**Details of payment to auditor :**

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
As auditors		
Audit fees	53.00	45.00
Reimbursement of expense	2.76	2.30
In other capacities		
Other services - certification	3.90	3.84
<b>Total</b>	<b>59.66</b>	<b>51.14</b>

### 28. EARNINGS PER SHARE (EPS)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit after tax attributable to equity shareholders	28,289.08	20,979.34
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 (₹)	31.36	23.25

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (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":

(₹ Lakhs)		
	As at 31 March, 2022	As at 31 March, 2021
Contribution to employees provident fund	3.97	3.85
Contribution to ESI	1.29	1.54
<b>Total</b>	<b>5.26</b>	<b>5.39</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)		
	As at 31 March, 2022	As at 31 March, 2021
<b>Changes in benefit obligations</b>		
Benefit obligations at the beginning of the year	318.23	288.46
Current service cost	31.78	29.00
Interest cost	18.41	17.44
Actuarial (gains)/ losses	(17.59)	(8.82)
Benefits paid	(1.45)	(7.85)
<b>Benefit obligations at the end of the year</b>	<b>349.38</b>	<b>318.23</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	2.48	9.78
Return on plan assets excluding amounts included in interest income	5.74	0.55
Contributions	100.00	-
Benefits paid	(1.45)	(7.85)
<b>Fair value of plan assets at the end of the year</b>	<b>106.77</b>	<b>2.48</b>
<b>Net benefit obligation at the end of the year</b>	<b>242.61</b>	<b>315.75</b>



## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Current service cost	31.78	29.00
Net interest cost	18.41	17.44
<b>Net gratuity cost charged to statement of profit and loss</b>	<b>50.19</b>	<b>46.44</b>

### Amounts recognised in Statement of Other Comprehensive Income

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Remeasurements of the net defined benefit liability / (asset)</b>		
Actuarial (gains) / losses	(17.59)	(8.82)
(Return)/ loss on plan assets excluding amounts included in the net interest	(5.74)	(0.55)
	<b>(23.33)</b>	<b>(9.37)</b>

### Plan assets comprise of the following

	As at 31 March, 2022	As at 31 March, 2021
Policy of Insurance	100%	100%

### Actuarial assumptions as at the Balance Sheet date:

	Year ended 31 March, 2022	Year ended 31 March, 2021
Discount rate	7.00%	6.45%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Attrition rate		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Ultimate	Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### Expected Benefit Payments in Future Years

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Year 1	68.90	65.50
Year 2	26.08	17.09
Year 3	24.36	22.27
Year 4	18.56	21.04
Year 5	19.40	15.67
Year 6 to 10	141.92	115.70

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

(₹ Lakhs)

Name of the shareholder	31 March, 2022		31 March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	335.78	364.08	305.26	332.29
Future salary growth rate varied by 0.5%	354.90	342.42	324.07	311.84
Withdrawal rate varied by 10%	353.11	345.41	320.95	315.20

## 30. CAPITAL AND OTHER COMMITMENTS

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for	21,893.56	17,981.53

## 31. CONTINGENT LIABILITIES

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Income tax matters (refer note (i) below)	6,703.71	6,661.97
Service tax matter (refer note (ii) below)	785.14	785.14
<b>Total</b>	<b>7,488.85</b>	<b>7,447.11</b>

### Note:

- i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim by the Company (common for all years) which has been settled and allowed in favour of the Company by the Hon'ble ITAT, Mumbai for the earlier years, and therefore the management is of the opinion that the contingent liabilities would not have an adverse impact on the Company in view of the favourable decisions given by the higher authorities in the Company's own case as mentioned above. Further, for FY 2014-15 (AY 2015-16), the Company has considered ₹ 90.61 Lakhs as contingent liability as in view of the management the Company has a refund of ₹ 1,340.48 Lakhs as per the return of income filed and once the issue is decided in favour of the Company for the respective year, the Company will be entitled to a refund of ₹ 1,340.48 Lakhs along with the applicable interest.
- ii) Future cash flows, if any, in respect of Service tax matter is determinable only on receipt of the judgement/decision pending with relevant authorities. The Company does not expect the outcome of the matter stated above to have a material adverse effect on the Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.
- iv) During March 2022, the Company has voluntarily paid/ reversed GST ITC Credit 'Under Protest' aggregating to ₹ 3,678.72 Lakhs and disclosed the same as recoverable. The Company believes that the amount is refundable based on legal advice obtained from an eminent expert.



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 32. SEGMENT INFORMATION

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses or income which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Business segment of the Company primarily identified and reported taking into account, the different risks and returns, the organisation structure and the internal reporting systems are as follows:

**Agrochemicals** : Insecticides, Herbicides, Fungicides and Biocides

**Belts** : Conveyor Belts, V Belts and Timing Belts

### Information about operating segments

(₹ Lakhs)

	Agrochemicals		Belts		Total	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
<b>Revenue</b>						
External sales	2,94,373.63	2,02,819.47	269.95	442.48	2,94,643.58	2,03,261.95
Other income	1,310.92	1,585.63	-	-	1,310.92	1,585.63
<b>Revenue from operations</b>	<b>2,95,684.55</b>	<b>2,04,405.10</b>	<b>269.95</b>	<b>442.48</b>	<b>2,95,954.50</b>	<b>2,04,847.58</b>
<b>Results</b>						
Segment results	37,271.99	23,524.19	0.17	80.51	37,272.16	23,604.70
Other income (Unallocated)					3,529.96	6,506.39
Unallocated expenses					(1,428.04)	(1,486.10)
<b>Operating profit</b>					<b>39,374.08</b>	<b>28,624.99</b>
Finance costs					(130.51)	(156.77)
<b>Profit before tax</b>					<b>39,243.57</b>	<b>28,468.22</b>
Income taxes					(10,954.49)	(7,488.88)
<b>Profit after tax</b>					<b>28,289.08</b>	<b>20,979.34</b>
<b>Other segment information</b>						
Segment assets	3,05,676.97	2,28,989.62	14.51	73.07	3,05,691.48	2,29,062.69
Unallocated assets					37,376.49	39,919.87
<b>Total assets</b>	<b>3,05,676.97</b>	<b>2,28,989.62</b>	<b>14.51</b>	<b>73.07</b>	<b>3,43,067.97</b>	<b>2,68,982.56</b>
Segment liabilities	1,56,805.17	1,09,178.50	9.72	48.64	1,56,814.89	1,09,227.14
Unallocated liabilities					13,094.14	9,487.51
<b>Total liabilities</b>	<b>1,56,805.17</b>	<b>1,09,178.50</b>	<b>9.72</b>	<b>48.64</b>	<b>1,69,909.03</b>	<b>1,18,714.65</b>

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

(₹ Lakhs)

	Agrochemicals		Belts		Total	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
<b>Capital expenditure:</b>						
Tangible assets (Unallocated)					80.09	7.52
Intangible assets (Including IAUD*) (Allocated)	40,730.78	30,876.18	-	-	40,730.78	30,876.18
Intangible assets (Unallocated)					-	5.92
Depreciation (Tangible) (Unallocated)					721.11	698.68
Amortisation (Allocated)	23,808.14	16,340.63	0.01	0.03	23,808.15	16,340.66
Capital employed	1,48,871.80	1,19,811.12	4.79	24.43	1,48,876.59	1,19,835.55
Capital employed (Unallocated)	-	-	-	-	24,282.35	30,432.36

\* IAUD - Intangible Asset Under Development

## Notes

- (i) The business of the Company is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
  - a) Agrochemicals – This is the main area of the Company's operation and includes the trading of agrochemical products.
  - b) Belts – Trading of products such as conveyor belts and rubber belts/sheets
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year
- (iv) Segment Revenue in the geographical segments considered for disclosure are as follows:
  - a) Revenue within India includes sales to customers located within India.
  - b) Revenue outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).
- (v) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (vi) The Group does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Group's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

## Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue are based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated between within India and Outside India.



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

Outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).

(₹ Lakhs)

Name of the shareholder	31 March, 2022		31 March, 2021	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
India	-	8,971.09	-	10,190.20
Europe	1,32,705.35	37,877.81	1,03,184.95	38,642.18
LATAM	31,466.42	2,073.69	14,634.19	2,243.41
NAFTA	1,16,377.06	35,157.11	72,171.97	19,595.47
ROW	14,094.75	4,155.17	13,270.84	4,872.12
<b>Total</b>	<b>2,94,643.58</b>	<b>88,234.87</b>	<b>2,03,261.95</b>	<b>75,543.38</b>

\* Non-current assets exclude financial instruments.

No customer individually accounted for more than 10% of the revenues in the years ended 31 March, 2022 and 31 March, 2021

### 33. REVENUE FROM CONTRACTS WITH CUSTOMER (IND AS 115)

The Company is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world. The product shelf life being short, revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The Company, however, has a policy for replacement of the damaged goods.

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

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Opening contract liability	797.91	232.18
Add: Addition to contract liability during the year	15,658.88	11,220.51
Less: Recognised as revenue during the year	(15,802.97)	(10,579.10)
Less: Other adjustments	(261.67)	(75.68)
<b>Closing contract liability</b>	<b>392.15</b>	<b>797.91</b>

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

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from contract with customer as per contract price	3,09,021.76	2,17,508.69
Less: Discounts and incentives	(2,574.27)	(3,704.14)
Less: Sales returns / credits / reversals	(12,243.63)	(11,025.65)
Less: Other adjustments	(30.31)	113.87
<b>Total</b>	<b>2,94,173.55</b>	<b>2,02,892.77</b>

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### C) Disaggregation of revenue from contract with customers

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Agrochemical</b>		
Europe	1,32,492.33	1,02,994.86
Latin America	31,372.38	14,382.76
North America	1,16,151.62	72,004.87
Rest of the world	13,887.28	13,067.80
<b>Total (A)</b>	<b>2,93,903.61</b>	<b>2,02,450.29</b>
<b>Belt</b>		
Europe	(0.11)	-
Latin America	44.03	227.18
North America	39.03	34.57
Rest of the world	186.99	180.73
<b>Total (B)</b>	<b>269.94</b>	<b>442.48</b>
<b>Total (A)+(B)</b>	<b>2,94,173.55</b>	<b>2,02,892.77</b>

### 34. RELATED PARTY TRANSACTIONS

#### (A) Names of related parties and their relationship

##### (a) Name of subsidiaries

	Place of business/ country of incorporation	Ownership interest held by the Company	
		Year ended 31 March, 2022	Year ended 31 March, 2021
		%	%
Axis Crop Science Private Limited	India	100.00	100.00
Sharda Peru SAC	Peru	99.95	99.95
Sharda Del Ecuador CIA. LTDA.	Ecuador	99.50	99.50
Sharda Polska SP. Z.O.O.(Note c)	Poland	-	100.00
Sharda Ukraine LLC	Ukraine	100.00	100.00
Shardaserb D.O.O.	Serbia	100.00	100.00
Sharda Hungary Kft	Hungary	100.00	100.00
Sharda Spain, S.L.	Spain	100.00	100.00
Sharda Swiss SARL	Switzerland	100.00	100.00
Sharda Do Brasil Comercio De Productos Quimicos E Agroquimicos LTDA	Brazil	99.00	99.00
Sharda Balkan Agrochemicals Limited	Greece	100.00	100.00
Sharda Hellas Agrochemicals Limited	Greece	100.00	100.00
Sharda Costa Rica SA	Costa Rica	99.00	99.00
Sharda De Guatemala, S.A.	Guatemala	98.00	98.00
Sharda Italia SRL	Italy	99.00	99.00
Sharda Cropchem Espana, S.L.	Spain	100.00	100.00
Sharda Poland SP. Z.O.O.(Note c)	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



## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

	Place of business/ country of incorporation	Ownership interest held by the Company	
		Year ended 31 March, 2022	Year ended 31 March, 2021
		%	%
Nihon Agro Service Kabushiki Kaisha	Japan	100.00	100.00
Sharda Private (Thailand) Limited (refer note 'a' below)	Thailand	49.00	49.00
Shardacan Limited	Canada	100.00	100.00
Sharda Dominicana, S.R.L.	Dominican Republic	99.00	99.00
Sharda EL Salvador S.A. DE CV	El Salvador	99.00	99.00
Sharda Cropchem Israel Limited	Israel	100.00	100.00
Sharda USA LLC	USA	100.00	100.00
Sharzam Limited	Zambia	99.99	99.99
Sharda Maroc SARL	Morocco	99.80	99.80
Sharda Agrochem Limited (from 11.02.2021)	United Kingdom	100.00	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 (from 17.03.2021) (refer note 'b' below)	UAE	49.00	49.00
Siddhivinayak International Limited	UAE	100.00	100.00
Sharda International Africa (Pty) Limited	South Africa	100.00	100.00
Sharda Bolivia SRL	Bolivia	99.00	99.00
Sharda Colombia S.A.S.	Colombia	99.48	99.48
Sharda Europe BVBA	Belgium	100.00	100.00
Sharda De Mexico S. De RL DE CV	Mexico	99.99	99.99
Sharpar S.A.	Paraguay	90.00	90.00
Sharda Malaysia SDN. BHD. (upto 15.12.2020)	Malaysia	100.00	100.00

**Note:**

- During the year ended 31 March, 2018 the Company entered into a Memorandum of Understanding ('MOU') with other shareholders of Sharda Private (Thailand) Limited (an Associate Company). In terms of the said MOU dated November 10, 2017 the Company has gained 100% control over Sharda Private (Thailand) Limited as the other shareholders shall not be entitled to participate in the profits/losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company w.e.f. November 10, 2017 in the consolidated financial results of the Company for and from the year ended 31 March, 2019 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.
- During the year ended 31 March, 2021, the Company entered into a Memorandum of Understanding ('MOU') with other shareholders of Sharda Impex Trading LLC (an Associate Company). In terms of the said MOU dated 17 March, 2021 the Company has gained 100% control over Sharda Impex Trading LLC as the other shareholders shall not be entitled to participate in the profits / losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company w.e.f. 17 March, 2021 in the consolidated financial results of the Company for the year ended 31 March, 2021 and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110.
- Persuant to order of Court Sharda Polska SP. Z..O.O was merged with Sharda Poland SP. Z.O.O. w.e.f 01 March, 2022.

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### (b) Key Managerial personnel and their relatives

Mr. Ramprakash V. Bubna	Chairman & Managing Director
Mrs. Sharda R. Bubna	Whole-time Director
Mr. Ashish R. Bubna	Whole-time Director
Mr. Manish R. Bubna	Whole-time Director
Mrs. Seema A. Bubna	Wife of Whole-time Director
Mrs. Anisha M. Bubna	Wife of Whole-time Director
Ms. Kevika A. Bubna	Daughter of Whole-time Director
Mr. M.S. Sundara Rajan	Independent Director
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Ms. Sonal Desai	Independent Director
Mr. Abhinav Agarwal	Chief Financial Officer (resigned effective 09 January, 2021)
Mr. Ashok Vashisht	Chief Financial Officer (effective from 27 January, 2021)
Mr. Jetkin N. Gudhka	Company Secretary

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

Jankidevi Bilasrai Bubna Trust

### (B) Transactions during the year

#### (a) Key managerial personnel compensation:

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Short- term employee benefits	1,625.75	1,366.94
Post-employment benefits	1.79	2.15

#### (b) With subsidiaries:

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Loans given to:</b>		
Sharda International DMCC #	1,584.70	-
<b>Repayment of principal</b>		
Axis Crop Science Private Limited *	19.00	26.00
Sharda International DMCC #	1,599.47	-
<b>Interest received</b>		
Axis Crop Science Private Limited *	15.07	25.76
Sharda International DMCC #	4.28	-
<b>Interest income / accrual</b>		
Axis Crop Science Private Limited *	15.07	23.88
Sharda International DMCC #	4.25	-
<b>Sale of finished goods</b>		
Sharda Cropchem Espana, S.L.	17,939.35	15,479.69
Sharda Hungary Kft	14,820.09	12,375.31
Sharda De Mexico S. De RL DE CV	10,048.54	8,318.64
Sharda Poland SP.ZO.O	7,245.19	7,418.21



## Notes to Standalone Financial Statements for the year ended 31 March, 2022 (Contd.)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Sharda International Africa (PTY) Limited	1,793.93	1,518.41
Sharda Colombia S.A.S	143.56	376.47
Sharda Italia SRL	7,007.47	6,600.22
Sharda Private (Thailand) Limited	627.77	503.87
Sharda Maroc Sarl	1,177.13	-
<b>Dividend received</b>		
Sharda International DMCC	2,227.78	4,555.86
<b>Purchase of finished goods</b>		
Sharda International DMCC	827.27	-
Sharda International Africa (PTY) Limited	15.92	-
<b>Reimbursement of (income) / expenses (net)</b>		
Sharda International DMCC	(33.48)	(90.36)

# Loans were given in accordance with the terms and conditions of the loan agreement and carry an interest rate of Libor +100 bps and is repayable on demand. Difference in repayment is on account of exchange rates.

\* Loans 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. With effect from 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 31 March, 2022	Year ended 31 March, 2021
<b>Rent paid to:</b>		
Mr. Ramprakash V. Bubna	270.00	270.00
Mrs. Sharda R. Bubna	24.00	-
Mr. Ashish R. Bubna	86.40	86.40
Mr. Manish R. Bubna	94.50	94.50
Mrs. Seema A. Bubna	44.55	77.96
Mrs. Anisha M. Bubna	44.55	11.14
<b>Remuneration to Key Managerial Personnel</b>		
Mr. Ramprakash V. Bubna	183.09	182.32
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	153.78	151.92
Mr. Manish R. Bubna	153.43	151.21
Ms. Kevika A. Bubna	23.29	22.02
Mr. Abhinav Agarwal	-	43.46
Mr. Ashok Vashisht	68.27	13.30
Mr. Jetkin N. Gudhka	19.32	17.38

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Director's Sitting Fees</b>		
Mr. M.S. Sundara Rajan	3.00	3.00
Mr. Shitin Desai	3.30	3.30
Mr. Shobhan M. Thakore	1.80	1.80
Ms. Sonal Desai	3.90	3.30
<b>Directors' commission</b>		
Mr. Ramprakash V. Bubna	425.03	322.79
Mr. Ashish R. Bubna	284.77	216.27
Mr. Manish R. Bubna	284.77	216.27
<b>Dividend paid</b>		
Mr. Ramprakash V. Bubna	843.16	281.05
Mrs. Sharda R. Bubna	845.47	281.82
Mr. Ashish R. Bubna	910.80	303.60
Mr. Manish R. Bubna	910.80	303.60
Mrs. Seema A. Bubna	270.00	90.00
Mrs. Anisha M. Bubna	270.00	90.00
Mr. Abhinav Agarwal	-	0.01
Mr. Jetkin N. Gudhka	0.01	0.03
<b>Fixed deposits of directors placed as lien with bank for credit facility:</b>		
Mr. Ramprakash V. Bubna	-	220.29
Mrs. Sharda R. Bubna	-	1,539.73
<b>Post-employment benefits:</b>		
Mr. Ramprakash V. Bubna	-	-
Mrs. Sharda R. Bubna	-	-
Mr. Ashish R. Bubna	(0.07)	0.70
Mr. Manish R. Bubna	(0.15)	0.66
Ms. Kevika A. Bubna	0.33	0.25
Mr. Ashok Vashisht	1.34	0.22
Mr. Jetkin N. Gudhka	0.34	0.32

**(d) With Enterprises owned or significantly influenced by key managerial personnel or their relatives**

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Donations Paid to:</b>		
Jankidevi Bilasrai Bubna Trust	37.50	17.00



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## (C) Outstanding balance as at Balance Sheet date

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Loan given to subsidiaries</b>		
Axis Crop Science Private Limited	272.00	291.00
<b>Trade receivables</b>		
Sharda De Mexico S. De RL DE CV - Sale of finished goods	8,446.49	5,278.58
Sharda Cropchem Espana, S. L.	6,471.31	5,348.26
Sharda Colombia S.A.S	63.71	377.33
Sharda Poland SP.ZO.O	5,399.94	4,502.51
Sharda Hungary KFT	6,155.96	8,672.09
Sharda International Africa (PTY) Limited	851.16	1,584.13
Sharda Italia SRL	5,082.85	4,842.65
Sharda Private (Thailand) Limited	114.58	82.62
Sharda Maroc Sarl	457.05	
<b>Advance to vendors for supply of goods and services</b>		
Sharda De Mexico S. De RL DE CV	515.54	-
<b>Fixed deposits of directors placed / (released) as lien with bank for credit facility:</b>		
Mr. Ramprakash V. Bubna	-	220.29
Mrs. Sharda R. Bubna	-	1,539.73
<b>Directors commission payable</b>		
Mr. Ramprakash V. Bubna	243.35	184.81
Mr. Ashish R. Bubna	163.05	123.83
Mr. Manish R. Bubna	163.05	123.83
<b>Post-employment benefits:</b>		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	11.05	11.12
Mr. Manish R. Bubna	10.42	10.57
Ms. Kevika A. Bubna	0.58	0.25
Mr. Ashok Vashisht	1.56	0.22
Mr. Jetkin N. Gudhka	3.39	3.05

### Terms and conditions of transactions with related parties

The sales to and purchases of goods and services from related parties are made on terms equivalent to those that prevail in arm's length transactions and are in compliance with the provisions of Companies Act and SEBI Regulations. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 35. HEDGING ACTIVITIES AND DERIVATIVES

#### Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Nature of instrument	Foreign currency	As at 31 March, 2022		As at 31 March, 2021	
		Amount (FC Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
Forward contract- Sell	US\$	-	-	-	-
	US\$ to ₹	3.75	2,901.11	-	-
	EUR	1.25	1,083.14	2.75	2,611.94
	EUR to ₹	-	-	-	-
	CAD	1.25	761.36	4.15	2,419.32
	GBP			0.50	514.27

### 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, 2022

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial Assets</b>								
<b>Financial assets measured at fair value</b>								
Investments	31 March, 2022	-	-	114.50	-	-	-	-
Loans	31 March, 2022	-	-	272.00	-	-	-	-
Other financial assets	31 March, 2022	-	-	687.65	-	-	-	-
<b>Current</b>								
Investment in mutual funds	31 March, 2022	13,439.50	-	-	-	13,439.50	-	13,439.50
Trade receivables	31 March, 2022	-	-	1,31,860.64	-	-	-	-
Cash and cash equivalents	31 March, 2022	-	-	4,292.03	-	-	-	-
Bank balance other than cash and cash equivalents	31 March, 2022	-	-	10,456.80	-	-	-	-
Derivative financial assets	31 March, 2022	31.64	-	-	-	31.64	-	31.64
Other financial assets other than derivative financial assets	31 March, 2022	-	-	4,770.90				
<b>Total Financial Assets</b>		<b>3,471.14</b>	<b>-</b>	<b>1,52,454.52</b>	<b>-</b>	<b>13,471.14</b>	<b>-</b>	<b>13,471.14</b>



## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial liabilities measured at fair value</b>								
Trade payables	31 March, 2022	-	-	235.58	-	-	235.58	235.58
Lease liabilities	31 March, 2022	-	-	347.17	-	347.17	-	347.17
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	159.14	-	-	-	-
<b>Current</b>								
Borrowings	31 March, 2022	-	-	3,803.96	-	-	-	-
Trade payables	31 March, 2022	-	-	1,07,122.20	-	-	-	-
Lease liabilities	31 March, 2022	-	-	513.69	-	513.69	-	513.69
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	32,380.42	-	-	-	-
<b>Total Financial liabilities</b>		-	-	<b>1,44,562.16</b>	-	<b>860.86</b>	<b>235.58</b>	<b>1,096.44</b>

### As at 31 March, 2021

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial Assets</b>								
<b>Financial assets measured at fair value</b>								
Investments	31 March, 2021	-	-	114.50	-	-	-	-
Loans	31 March, 2021	-	-	291.00	-	-	-	-
Other financial assets	31 March, 2021	-	-	689.42	-	-	-	-
<b>Current</b>								
Investment in mutual funds	31 March, 2021	8,301.31	-	-	-	8,301.31	-	8,301.31
Trade receivables	31 March, 2021	-	-	1,09,376.42	-	-	-	-
Cash and cash equivalents	31 March, 2021	-	-	3,876.70	-	-	-	-
Bank balance other than cash and cash equivalents	31 March, 2021	-	-	17,294.68	-	-	-	-
Derivative financial assets	31 March, 2021	79.11	-	-	-	79.11	-	79.11
Other financial assets other than derivative financial assets	31 March, 2021	-	-	2,634.23	-	-	-	-
<b>Total Financial Assets</b>		<b>8,380.42</b>	<b>-</b>	<b>1,34,276.95</b>	<b>-</b>	<b>8,380.42</b>	<b>-</b>	<b>8,380.42</b>
<b>Financial liabilities measured at fair value</b>								
Trade payables	31 March, 2021	-	-	240.44	-	-	240.44	240.44
Lease liabilities	31 March, 2021	-	-	837.88	-	837.88	-	837.88
Other financial liabilities other than lease liabilities	31 March, 2021	-	-	321.67	-	-	-	-

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Current</b>								
Borrowings	31 March, 2021	-	-	6,784.72	-	-	-	-
Trade payables	31 March, 2021	-	-	76,000.14	-	-	-	-
Lease liabilities	31 March, 2021	-	-	453.10	-	453.10	-	453.10
Other financial liabilities other than lease liabilities	31 March, 2021	-	-	14,845.92	-	-	-	-
<b>Total Financial liabilities</b>		-	-	<b>99,483.87</b>	-	<b>1,290.98</b>	<b>240.44</b>	<b>1,531.42</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, buyers credit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The mutual funds are valued using the closing NAV.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**Valuation Technique used to determine Fair Value:-**

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments at fair value in the balance sheet.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Mutual Funds (Level 2)	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as on the reporting date provided by respective Asset Management Companies. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable
Foreign Currency Forward Contracts (Level 2)	The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Loans (Level 2)	Fair value is derived based on Discounted cash flows. The valuation model considers the present value of expected payment, discounting using a risk adjusted discount rate.	Not applicable	Not applicable



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

### Market risk

The Company operates internationally and a major portion of its business is transacted in United States Dollars and Euros and purchases from overseas suppliers mainly in US Dollars. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (Refer note 35).

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Nature of instrument	Foreign currency	As at 31 March, 2022		As at 31 March, 2021	
		Amount (FCY Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
<b>Unhedged currency exposure on:-</b>					
a) <b>Receivables</b>	<b>US\$</b>	48.05	36,412.30	46.80	34,215.17
	<b>EUR</b>	73.11	61,299.93	56.19	48,186.55
	<b>HUF</b>	2,523.10	5,771.09	3,523.01	8,336.49
	<b>CZK</b>	22.43	770.87	23.69	779.09
	<b>PLN</b>	24.14	4,361.42	20.32	3,747.27
	<b>MXN</b>	44.38	1,694.17	26.71	956.86
	<b>GBP</b>	1.55	1,540.62	0.90	903.83
	<b>CAD</b>	32.86	19,926.83	20.98	12,208.48
	<b>COP</b>	317.10	63.71	382.13	74.94
	<b>ZAR</b>	9.59	497.86	31.98	1,584.13
	<b>HRK</b>	1.22	135.21	2.43	275.83

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

Nature of instrument	Foreign currency	As at 31 March, 2022		As at 31 March, 2021	
		Amount (FCY Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
<b>b) Payables</b>	US\$	149.12	1,12,999.75	106.85	78,110.53
	EUR	28.60	23,978.57	16.61	14,244.65
	HUF	746.61	1,707.72	491.04	1,161.94
	CZK	6.79	233.53	5.87	193.02
	PLN	2.28	412.78	3.83	706.96
	CHF	0.03	28.45	0.01	6.70
	GBP	0.24	240.47	0.02	23.22
	PHP	0.22	3.16	0.22	3.29
	CAD	0.34	203.38	2.15	1,252.86
	ZAR	0.99	51.51	0.40	19.96
	JPY	4.86	30.27	2.61	17.25
	AUD	-	-	0.01	7.67
	MXN	0.48	18.39	-	-
	HRK	0.17	19.21	0.30	33.84
<b>b) Balance in EEFC Accounts</b>	US\$	1.63	1,237.88	0.28	208.11
	EUR	3.38	2,830.74	3.67	3,143.73
	CAD	0.02	10.79	0.02	14.46
	CZK	-	-	-	-
	PLN	1.08	195.13	2.40	441.98
	GBP	0.01	5.38	0.02	22.49

Further, the Company has not hedged its investments in subsidiaries outside India (For list of subsidiaries refer Note 5).

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US\$ and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ Lakhs)			
	Change in US\$ Rate	Effect on profit and loss	Effect on equity
31 March, 2022	1%	(765.87)	(552.08)
	(1%)	765.87	552.08
31 March, 2021	1%	(438.95)	(323.48)
	(1%)	438.95	323.48

(₹ Lakhs)			
	Change in EUR Rate	Effect on profit and loss	Effect on equity
31 March, 2022	1%	373.21	269.03
	(1%)	(373.21)	(269.03)
31 March, 2021	1%	339.42	250.13
	(1%)	(339.42)	(250.13)



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

The movement in the pre-tax effect is a result of a change in the fair value of of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

## Foreign currency sensitivity

With all other variables held constant , for the year ended 31 March, 2022 and 31 March, 2021, every percentage point depreciation/appreciation in the exchange rate between the Indian rupee and respective major currencies (viz.US\$, EUR & CAD) pertaining to trade payables , trade receivables & capital creditors has affected the Company's incremental profit before tax margins by approximately 0.30 % each.

## 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 ₹ 1,31,860.64 Lakhs and ₹ 1,09,376.42 Lakhs as of 31 March, 2022 and 31 March, 2021, 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 review external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The following table represents ageing of trade receivables 31 March, 2022:

Particulars							(₹ Lakhs)
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivable - considered good	1,19,432.42	12,389.04	363.63	286.18	89.90	1,024.80	1,33,585.97
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit Impaired	-	138.03	186.42	286.18	89.90	1,024.80	1,725.33
iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

The following table represents ageing of trade receivables 31 March, 2021:

Particulars							(₹ Lakhs)
	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	1,04,196.73	5,179.69	391.87	92.05	1,135.86	149.38	1,11,145.58
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit Impaired	-	-	391.87	92.05	1,135.86	149.38	1,769.16
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

### Movement in allowances for credit losses

	(₹ Lakhs)			
	Opening	Addition	Reversal	Closing
31 March, 2022	1,536.58	452.37	263.62	1,725.33
31 March, 2021	1,849.29	698.70	1,011.41	1,536.58

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks. with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. Loans represent loan given to related parties & employees for which the Company does not foresee any impairment loss.

### Liquidity Risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach of managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation. The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables & other financial liabilities.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is 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, 2022, the Company had a working capital of ₹ 98,877.74 Lakhs including cash and cash equivalents of ₹ 4,292.03 Lakhs and current investments of ₹ 13,439.50 Lakhs. As of 31 March, 2021, the Company had a working capital of ₹ 85,289.15 Lakhs including cash and cash equivalents of ₹ 3,876.70 Lakhs and current investments of ₹ 8,301.31 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2022:



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Trade payable ageing schedule as per amendment in revised schedule III for 31 March, 2022

(₹ Lakhs)

Particulars	Not Yet Due	Upto 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>Trade payables:</b>						
MSME	60	201.11	-	-	-	261.11
Other	81286.71	12,670.87	9.22	0.41	-	93,967.21
Disputed dues - MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total of Trade Payables</b>						94,228.32
Accruals	-	-	-	-	-	13,129.46
<b>Total</b>						<b>1,07,357.78</b>

(₹ Lakhs)

	Upto 1 year	1-2 years	Total
Other financial liabilities	33,241.28	159.14	33,400.42
Borrowings	3,803.96	-	3,803.96

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2021:

## Trade payable ageing schedule as per amendment in revised schedule III for 31 March, 2021

(₹ Lakhs)

Particulars	Not Yet Due	Upto 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>Trade payables:</b>						
MSME	-	113.77	-	-	-	113.77
Other	62,084.46	6,208.05	241.98	318.14	240.50	69,093.13
Disputed dues - MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total of Trade Payables</b>						69,206.90
Accruals						7,033.68
<b>Total</b>						<b>76,240.58</b>

(₹ Lakhs)

	Upto 1 year	1-2 years	Total
Other financial liabilities	15,299.02	1,159.55	16,458.57
Borrowings	6,784.72	-	6,784.72

### 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, 2022 (Contd.)

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total debt (bank and other borrowings)	3,803.96	6,784.72
Lease Liabilities (non current and current)	860.86	1,290.98
	4,664.82	8,075.70
Equity	1,73,158.94	1,50,267.91
<b>Debt to equity (net)</b>	<b>0.03</b>	<b>0.05</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	2021-22		2020-21	
	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 8% p.a.))	272.00	291.00	291.00	320.75
<b>Total</b>	<b>272.00</b>		<b>291.00</b>	

Note:

- Loans given are unsecured and repayable on demand. Loans have been given to meet their working capital requirements.
- The Company has written off its loan given by ₹ Nil (31 March, 2021: ₹ Nil) due to the subsidiary's inability to repay the loan on account of accumulated losses and liquidity issue.

### 40. DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:

#### (a) Details of investment made:

(₹ Lakhs)

Name of subsidiary	Opening	Investments	Provision	Closing
<b>Axis Crop Science Private Limited</b>				
31 March, 2022	544.00	-	544.00	-
31 March, 2021	544.00	-	544.00	-

#### (b) Details of Loan given:

(₹ Lakhs)

Name of subsidiary	Opening	Investments	Provision	Closing
<b>Axis Crop Science Private Limited</b>				
31 March, 2022	291.00	15.07	34.07	<b>272.00</b>
31 March, 2021	318.88	23.88	51.76	<b>291.00</b>

Note - During the year the Company has given loan of ₹ 1,584.70 Lakhs (US\$ 21 Lakhs) to Sharda International DMCC for business purpose at arm's length which was repaid during the year. (Ref note 34)



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

**(c) As per amendment in Schedule III of Companies Act 2013, following are additional notes to accounts :**

Loans or advances in the nature of loans granted to promoters, directors, KMP and other related parties either severally or jointly

Type of Borrower	Outstanding Amount as on 31 March, 2022	% to Total Loans and advances
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	272.00	84%

**41. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:</b>		
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	253.33	-
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	22.78	-
<b>Total</b>	<b>276.11</b>	<b>-</b>
i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
ii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iii) the amounts of interest accrued and remaining unpaid at the end of accounting year	22.78	-
iv) the amount of interest written back during the period as the same is not payable	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>22.78</b>	<b>-</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 42. DETAILS OF CSR EXPENDITURE (AS PER THE PROVISIONS OF SECTION 135 OF THE COMPANIES ACT, 2013):

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
1) Gross amount required to be spent by the Company	567.43	562.96
2) Shortfall from previous year	-	17.19
<b>Total</b>	<b>567.43</b>	<b>580.15</b>
3) Amount spent		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 27)	596.39	644.68
<b>Total</b>	<b>596.39</b>	<b>644.68</b>
4) Amount (spent in excess) / unspent	<b>(28.96)</b>	<b>(64.53)</b>

Note:

- CSR activities were mainly undertaken towards promoting education, healthcare assistance, eradicating hunger & malnutrition, promoting sports and animal welfare.
- Gross amount required to be spent by the Company is ₹ 567.43 Lakhs (31 March, 2021: ₹ 562.96 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- The Company has spent ₹ 596.39 Lakhs during the current year. Excess amount spent of ₹ 28.96 Lakhs (31 March, 2021: ₹ 64.53 Lakhs).
- For contribution made to related party ref note 34.

### 43. AS PER AMENDMENT IN SCHEDULE III OF COMPANIES ACT 2013, FOLLOWING ARE ADDITIONAL NOTES TO ACCOUNTS :

	Year ended 31 March, 2022	Year ended 31 March, 2021	Variance	explanation where variation is more than 25%
a) Current Ratio (Current Assets/Current Liabilities)	1.63	1.79	(9%)	
b) Debt Equity Ratio  (Short term debt+Long term debt/ Total Equity)	0.03	0.05	(50%)	The debt equity ratio has declined as there was repayment of borrowings during the year
c) Debt Service Coverage Ratio  (Net Operating Income/Debt Service)	9.13	3.96	130%	Increased due to repayment of borrowings of ₹ 2,980.76 Lakhs and EBIT has also increased.
d) Net Profit Ratio (Net Profit / Net Sales)	10%	10%	0%	
e) Return on Equity (Net Income/ Shareholder's Equity)	16%	14%	14%	
f) Return on Capital Employed (EBIT/Capital Employed)	16%	14%	14%	
g) Return on Investment	13%	14%	(8%)	



# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

	Year ended 31 March, 2022	Year ended 31 March, 2021	Variance	explanation where variation is more than 25%
h) Net Capital Turnover Ratio (Total Sales/Shareholder's Equity)	1.70	1.35	26%	Increased as the Sales have increased by 49%
i) Trade Receivables Turnover Ratios (Net Sales/ Avg Trade Receivables)	2.44	2.02	21%	
j) Trade Payable Turnover Ratio (Net Purchases/Avg Trade Payables)	2.58	2.12	22%	

#### 44. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19:

The Governments of various countries notified lockdown to contain the outbreak of COVID-19. Due to this, there have been several restrictions imposed by the Governments across the globe. However, the operations of the Company did not face any disruption. There is no significant impact of COVID-19 pandemic on the financial position and performance of the Company for the financial year ended 31 March, 2022.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventories, trade receivables, property plant and equipment, Intangibles assets and Intangible assets under development, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the data and based on current estimates, the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

#### 45. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time

On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, key amendments are as below:

##### a) IND AS 16 - Property Plant and Equipment-

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

##### b) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets-

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental cost of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

None of these amendment is expected to have material impact on the financial statements of the Company.

# Notes to Standalone Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 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

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

## 48. PREVIOUS YEAR COMPARATIVE

The figures for the previous year have been regrouped / reclassified to correspond with the current year's classification / disclosures pursuant to amendment of the revised Schedule III to the Companies Act 2013.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

Place: Mumbai

Date : 13 May, 2022

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place: Mumbai

Date : 13 May, 2022

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022



# 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 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, 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.

### Description of Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition</b>  (Refer Note 2.7 and 34 to the consolidated financial statements)  The Group's revenue is derived primarily from sale of products. The principal products of the Group comprise agro-chemicals and belts.	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:  - Assessed the appropriateness of Group's accounting policies relating to revenue recognition as per the applicable accounting standard.

## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>There is a risk that revenue could be recognized at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Group, we have identified timing of the revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- Obtained an understanding of the Group's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end.</li> <li>- For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions of the customer orders including the shipping terms, transporter documents and customer acceptances.</li> <li>- Selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents.</li> <li>- Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> </ul>
<p><b>Key audit matter</b></p> <p><b>Assessment of impairment of intangible assets and intangible assets under development</b></p> <p>As disclosed in Note 4, the Group's intangible assets comprised product registrations and licenses.</p> <p>The carrying amount of the intangible assets and intangible assets under development represents 21% of the Group's total assets.</p> <p>The Group applies for product registrations in different countries to sell its products. As disclosed in Note 4 and 4A to the consolidated financial statements, the Group capitalizes costs incurred to apply for product registrations</p> <p>The impairment assessment is performed, based on value in use of product registrations for the specific regions..</p>	<p><b>How our audit addressed the key audit matter</b></p> <p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the Group's process for determining likelihood of product registration, future benefits expected from product registrations in the specific regions using discounted future cash flows.</li> <li>- Comparing the Group's assessment with the past trend of product registrations awarded.</li> <li>- We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used.</li> <li>- We compared the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying workings.</li> </ul>



## Independent Auditor’s Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
The measurement of value of intangible assets involves significant judgments and estimates in the Group’s annual impairment assessment, the significance and magnitude of the costs capitalised and likelihood of obtaining product registration. We identified the measurement of value of intangible assets and intangible assets under development as a key audit matter.	<ul style="list-style-type: none"> <li>- We assessed Group’s sensitivity analysis over the key assumptions to determine any possible change in these assumptions which would result in an impairment.</li> <li>- We involved our valuation expert to assess the assumptions and methodology used by the Group to determine the recoverable amount.</li> <li>- Assessing the adequacy of the Group’s disclosures and their compliance with Ind AS.</li> </ul>

### Other Information

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s annual report, but does not include the consolidated financial statements and our 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 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.

## Independent Auditor's Report (Contd.)

### 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, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



## Independent Auditor's Report (Contd.)

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) We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 66,455 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs.124,991 lakhs and net cash flows (before consolidation adjustments) amounting to Rs.(3,307) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

One of the aforesaid subsidiary (including ten step down subsidiaries) is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report

of the other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of twenty one subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.30 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs.Nil and net cash flows (before consolidation adjustments) amounting to Rs.5.93 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

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

## Independent Auditor's Report (Contd.)

- the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group - Refer Note 32 to the consolidated financial statements.
- b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 36 to the consolidated financial statements in respect of such items as it relates to the Group.
- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company, incorporated in India during the year ended 31 March 2022.
- d) (i) The respective Managements 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 46 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 or its subsidiary company incorporated in India to or in any other persons or entities, 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



## Independent Auditor's Report (Contd.)

- manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The respective Managements 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 46 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that
- the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- 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. The interim dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act. As stated in note 14 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- (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 to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.116321W/W-100024

**Shabbir Readymadewala**

Partner

Place: Mumbai

Date: 13 May 2022

Membership No. 100060

UDIN:22100060AIYTSN8906

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order, 2020 report of the subsidiary company incorporated in India and included in the consolidated financial statements.

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Membership No: 100060

UDIN:22100060AIYTSN8906

Mumbai  
13 May 2022



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARDA CROPCHEM LIMITED for the year ended 31 March 2022

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

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Sharda Cropchem Limited ("hereinafter referred to as 'the Holding Company") and its subsidiary company which is incorporated in India under the Companies Act, 2013 (the "Act") as of that date.

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to

the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Annexure B to the Independent Auditors' report on the consolidated financial statements of Sharda Cropchem Limited for the year ended 31 March 2022 (Contd.)

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or

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

### Other 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 the subsidiary company incorporated in India, is based on the corresponding report of the auditors of the subsidiary company incorporated in India.

**For B S R & Associates LLP**

Chartered Accountants

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

**Shabbir Readymadewala**

Partner

Mumbai  
13 May 2022

Membership No: 100060  
UDIN:22100060AIYTSN8906



# Consolidated Balance Sheet

as at 31 March, 2022

	Note	As at 31 March, 2022	(₹ Lakhs) As at 31 March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A & 3B	1,439.86	2,088.14
Goodwill	5	0.79	42.54
Other intangible assets	4	57,740.52	52,311.12
Intangible assets under development	4A	21,217.59	13,103.82
<b>Financial assets</b>			
Other financial assets	8	1,120.44	940.23
Deferred tax assets (net)	9D	487.26	604.09
Income tax assets (net)	9A	7,161.39	7,363.53
<b>Total non-current assets</b>		<b>89,167.85</b>	<b>76,453.47</b>
<b>Current assets</b>			
Inventories	10	89,278.07	52,554.86
<b>Financial assets</b>			
Investments	6	13,439.50	8,301.31
Trade receivables	11	1,53,995.57	1,16,256.47
Cash and cash equivalents	12 A	5,669.39	8,555.12
Bank balances other than cash and cash equivalents	12 B	10,933.65	17,498.13
Loans	7	50.04	-
Other financial assets	8	4,889.60	2,805.35
Other current assets	13	6,889.55	3,961.22
<b>Total current assets</b>		<b>2,85,145.37</b>	<b>2,09,932.46</b>
<b>Total Assets</b>		<b>3,74,313.22</b>	<b>2,86,385.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	9,022.05	9,022.05
Other equity	15	1,82,224.14	1,52,407.90
<b>Equity attributable to equity holders of the Company</b>		<b>1,91,246.19</b>	<b>1,61,429.95</b>
Non-controlling interests		33.14	30.75
<b>Total equity</b>		<b>1,91,279.33</b>	<b>1,61,460.70</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		347.17	837.88
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		235.58	240.44
Other financial liabilities	18	159.14	321.67
Provisions	19	228.71	302.28
Deferred tax liabilities (net)	9E	12,886.42	9,286.81
<b>Total non-current liabilities</b>		<b>13,857.02</b>	<b>10,989.08</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	3,803.96	6,784.72
Lease liabilities		513.69	453.10
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		880.74	410.31
total outstanding dues of creditors other than micro enterprises and small enterprises		1,16,875.36	80,265.11
Other financial liabilities	18	32,476.45	14,905.75
Other current liabilities	20	5,540.59	5,800.40
Provisions	19	8,665.51	4,999.54
Income tax liabilities (net)	9B	420.57	317.22
<b>Total current liabilities</b>		<b>1,69,176.87</b>	<b>1,13,936.15</b>
<b>Total Equity And Liabilities</b>		<b>3,74,313.22</b>	<b>2,86,385.93</b>
Summary of significant accounting policies	2		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022

Place: Mumbai

Date : 13 May, 2022

Place: Mumbai

Date : 13 May, 2022

## Consolidated Statement of Profit and Loss

for the year ended 31 March, 2022

(₹ Lakhs)

	Note	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>INCOME</b>			
Revenue from operations	21	3,57,976.68	2,39,560.77
Other income	22	2,887.77	4,593.56
<b>Total income</b>		<b>3,60,864.45</b>	<b>2,44,154.33</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	1,33,109.02	93,947.92
Purchase of stock in trade		1,34,660.43	73,910.96
Changes in inventories of finished goods and stock-in-trade	24	(17,788.54)	(4,263.29)
Employee benefits expenses	25	4,417.19	3,732.45
Finance costs	26	221.29	277.21
Foreign exchange (gain) / loss (net)		1,645.71	(1,988.60)
Depreciation and amortisation expense	27	24,533.49	17,044.00
Other expenses	28	33,641.99	30,548.23
<b>Total expenses</b>		<b>3,14,440.58</b>	<b>2,13,208.88</b>
<b>Profit before tax</b>		<b>46,423.87</b>	<b>30,945.45</b>
<b>Tax expense</b>			
Current tax	9C	8,016.70	5,581.59
Adjustment of tax relating to earlier years	9C	(229.24)	227.02
Deferred tax charge	9C	3,708.67	2,215.07
<b>Total tax expense</b>		<b>11,496.13</b>	<b>8,023.68</b>
<b>Profit for the year</b>		<b>34,927.74</b>	<b>22,921.77</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		26.99	10.49
Income tax relating to items that will not be reclassified to the statement of profit or loss		(8.15)	(3.27)
<b>Items that will be reclassified to the statement of profit or loss</b>			
Exchange differences on translation of financial statement of foreign operations		286.28	30.42
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>305.12</b>	<b>37.64</b>
<b>Total Comprehensive Income for the year</b>		<b>35,232.86</b>	<b>22,959.41</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the parent		34,925.35	22,917.41
Non-controlling interest		2.39	4.36
<b>Other Comprehensive Income attributable to:</b>		<b>305.12</b>	<b>37.64</b>
Equity holders of the parent		305.13	37.65
Non-controlling interest		(0.01)	(0.01)
<b>Total Comprehensive Income for the year attributable to:</b>		<b>35,232.86</b>	<b>22,959.41</b>
Equity holders of the parent		35,230.48	22,955.06
Non-controlling interest		2.38	4.35
<b>Earnings per share (₹ per share)</b>			
Basic and diluted (Face value per share of ₹ 10 each)	29	38.71	25.40
<b>Summary of significant accounting policies</b>	<b>2</b>		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

Place: Mumbai

Date : 13 May, 2022

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place: Mumbai

Date : 13 May, 2022

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022



## Consolidated Statement of Cash Flow

for the year ended 31 March, 2022

	Year ended 31 March, 2022	Year ended 31 March, 2021
		(₹ Lakhs)
<b>Cash flows from operating activities</b>		
Profit before tax	46,423.87	30,945.45
<b>Adjustment to reconcile profit before tax to cash generated by operating activities:</b>		
Depreciation and amortisation expense	24,533.49	17,044.00
Unrealised exchange loss / (gain) (net)	503.77	(1,508.93)
Miscellaneous income	(14.63)	-
Discard / Write-off of intangible assets and intangible assets under development	2,923.10	3,832.22
Loss on sale of property, plant and equipment	0.30	-
Gain on redemption of current investments	(149.83)	(655.13)
Fair valuation gain on current investments	(483.07)	(450.76)
Provision for gratuity	60.26	51.08
Bad debts	79.57	921.38
Allowances for doubtful debts	198.79	(274.60)
Loss on Sale of bond	5.74	-
Proceeds on closure of subsidiary	-	(0.31)
Liabilities/ provisions no longer required written back	(1,382.63)	(1,851.99)
Liabilities of capital creditors no longer required written back	(100.84)	(226.98)
Finance costs	221.29	277.21
Interest income	(645.35)	(851.00)
Dividend income	-	(17.19)
<b>Operating profit before working capital changes</b>	<b>72,173.83</b>	<b>47,234.45</b>
Movements in working capital:		
(Increase) in trade receivables	(37,228.08)	(21,225.79)
(Increase) in inventories	(36,723.21)	(14,331.14)
(Increase) / Decrease in loans	(49.99)	0.03
(Increase) in other current assets	(2,990.06)	(1,042.54)
(Increase) /Decrease in other non current financial assets	(236.59)	223.08
(Increase) in other current financial assets	(1,909.92)	(1,351.46)
Increase in trade payables	37,632.24	17,780.16
Increase in provisions	3,559.13	2,556.59
(Decrease) in other non current financial liabilities	(14.63)	-
Increase in other current financial liabilities	215.09	20.38
(Decrease)/ Increase in other current liabilities	(235.38)	526.95
<b>Cash generated from operations</b>	<b>34,192.43</b>	<b>30,390.71</b>
Income taxes paid (net of refunds)	(7,481.97)	(5,753.82)
<b>Net cash flows from operating activities (A)</b>	<b>26,710.46</b>	<b>24,636.89</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(28.63)	(8.45)
Purchase of intangible assets (including intangible assets under development and capital advances)	(23,350.61)	(23,111.48)
Proceeds from sale of plant, property and equipment	6.48	-
Proceeds on closure of subsidiary	-	0.31
Purchase of current Investments	(11,344.45)	(10,874.56)
Proceeds from sale of current investments	6,833.42	15,232.63
Interest on Bond	28.14	-
Investment of bank deposits	(2,138.74)	(9,962.82)
Redemption of bank deposits / other bank balances	8,703.22	31.21
Interest from fixed deposits	502.03	517.74
Dividends received from current investments	-	17.19
<b>Net cash flows (used in) investing activities (B)</b>	<b>(20,789.14)</b>	<b>(28,158.23)</b>

## Consolidated Statement of Cash Flow

for the year ended 31 March, 2022

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Cash flows from financing activities</b>		
Repayment of principal towards lease liability	(474.33)	(418.37)
Proceeds from borrowings	11,975.51	12,474.79
Repayment of borrowings	(14,997.88)	(5,677.77)
Interest paid on lease liability	(89.67)	(121.63)
Finance costs paid	(96.59)	(117.51)
Dividend paid on equity shares	(5,412.67)	(1,804.41)
<b>Net cash flows (used in) /from financing activities (C)</b>	<b>(9,095.63)</b>	<b>4,335.10</b>
<b>Exchange difference arising on conversion debited/ (credited) to foreign currency translation reserve (D)</b>	<b>283.93</b>	<b>(43.08)</b>
<b>Net increase in cash and cash equivalents (A + B + C + D)</b>	<b>(2,890.38)</b>	<b>770.68</b>
Cash and cash equivalents at the beginning of the year	8,555.12	7,775.70
Exchange differences on translation of foreign currency cash and cash equivalent	4.65	8.74
<b>Cash and cash equivalents at the end of the year</b>	<b>5,669.39</b>	<b>8,555.12</b>
Components of cash and cash equivalents		
Cash on hand	1.22	2.81
With banks in current accounts	5,668.17	8,552.31
<b>Total cash and cash equivalents as per the cash flow statement (Note 12)</b>	<b>5,669.39</b>	<b>8,555.12</b>

### Notes:

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

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening balance	6,784.72	9.26
Add: Loan taken during the year	11,975.51	12,474.79
Less: Repayment made during the year	(14,997.88)	(5,687.03)
Less: Forex adjustments	41.61	(12.30)
<b>Closing balance</b>	<b>3,803.96</b>	<b>6,784.72</b>

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

Place: Mumbai

Date : 13 May, 2022

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place: Mumbai

Date : 13 May, 2022

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022



# Consolidated Statement of Changes in Equity

for the year ended 31 March, 2022

## A. Equity share capital (Note 13)

	(₹ Lakhs)
<b>As at 01 April, 2020</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2021</b>	<b>9,022.05</b>
Changes in equity share capital	-
<b>As at 31 March, 2022</b>	<b>9,022.05</b>

## B. Other equity

	Attributable to owners of the Company							Non-controlling interests	Total
	Reserves and surplus				Other comprehensive income		Total other equity		
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserve (Note 15)	General reserve (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
<b>As on 01 April, 2020</b>	2,168.55	1,23,626.38	1,581.11	664.94	3,215.42	0.86	1,31,257.26	26.40	1,31,283.66
Profit for the year		22,917.41		-			22,917.41	4.36	22,921.77
Other comprehensive income					30.42	7.22	37.64	(0.01)	37.63
<b>Total Comprehensive Income</b>	-	22,917.41	-	-	30.42	7.22	22,955.05	4.35	22,959.40
Payments of dividends		(1,804.41)					(1,804.41)		(1,804.41)
Non-controlling interests									-
<b>As on 31 March, 2021</b>	2,168.55	1,44,739.38	1,581.11	664.94	3,245.84	8.08	1,52,407.90	30.75	1,52,438.65

	Attributable to owners of the Company							Non-controlling interests	Total
	Reserves and surplus				Other comprehensive income		Total other equity		
	Securities premium (Note 15)	Retained earnings (Note 15)	Capital reserve (Note 15)	General reserve (Note 15)	Exchange differences on translation of foreign operations	Re-measurement of the net defined benefit plan			
<b>As on 01 April, 2021</b>	2,168.55	1,44,739.38	1,581.11	664.94	3,245.84	8.08	1,52,407.90	30.75	1,52,438.65
Profit for the year		34,925.35					34,925.35	2.39	34,927.74
Profit on account of scheme of merger		(1.00)					(1.00)		(1.00)
Other comprehensive income					286.28	18.84	305.12	0.00	305.12
<b>Total Comprehensive Income</b>	-	34,924.35	-	-	286.28	18.84	35,229.47	2.39	35,231.86
Payments of dividends		(5,413.23)					(5,413.23)		(5,413.23)
Non-controlling interests									-
<b>As on 31 March, 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

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**

Partner

Membership No.: 100060

Place: Mumbai

Date : 13 May, 2022

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

**Ramprakash V. Bubna**

Chairman & Managing Director

DIN 00136568

**Ashok Vashisht**

Chief Financial Officer

Membership No.: 20045

Place: Mumbai

Date : 13 May, 2022

**Manish R. Bubna**

Whole-time Director

DIN 00137394

**Jetkin Gudhka**

Company Secretary

Membership No.: A26487

Place: Mumbai

Date : 13 May, 2022

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

## 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, 2022. The Holding Company is a public limited company incorporated in India under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange and Bombay Stock Exchange.

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

The registered office of the Holding Company is located at 2nd Floor, Prime Business Park, Dashrathlhal Joshi Road, Vile Parle (West), Mumbai – 400 056.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

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

The consolidated financial statements were authorised for issue in accordance with a resolution passed at the meeting of the Board of Directors held on 13 May, 2022.

### 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



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the four elements of control listed above. Consolidation

of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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.

### 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, 2022	31 March, 2021
1	Axis Crop Science Private Limited	India	100.00%	100.00%
2	Nihon Agro Service Kabushiki Kaisha	Japan	100.00%	100.00%
3	Sharda Agrochem Dooel Skopje*	Macedonia	100.00%	100.00%
4	Sharda Balkan Agrochemicals Limited *	Greece	100.00%	100.00%
5	Sharda Costa Rica SA	Costa Rica	99.00%	99.00%
6	Sharda Cropchem Espana, S.L.	Spain	100.00%	100.00%
7	Sharda Cropchem Israel Limited*	Israel	100.00%	100.00%
8	Sharda Cropchem Tunisia SARL*	Tunisia	99.00%	99.00%
9	Sharda De Guatemala, S.A.*	Guatemala	98.00%	98.00%
10	Sharda Del Ecuador CIA. LTDA*	Ecuador	99.50%	99.50%
11	Sharda Do Brasil Comercio DE Produtos Quimicos E Agroquimicos LTDA*	Brazil	99.00%	99.00%
12	Sharda Dominicana S.R.L.*	Dominican Republic	99.00%	99.00%
13	Sharda EL Salvador S. A. DE CV*	El Salvador	99.00%	99.00%
14	Sharda Hellas Agrochemicals Limited *	Greece	100.00%	100.00%
15	Sharda Hungary Kft	Hungary	100.00%	100.00%

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.



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for the year ended 31 March, 2022 (Contd.)

Sr. No.	Name	Country of incorporation	31 March, 2022	31 March, 2021
16	Sharda International DMCC	U.A.E.	100.00%	100.00%
17	Sharda Italia SRL	Italy	99.00%	99.00%
18	Sharda Peru SAC*	Peru	99.95%	99.95%
19	Sharda Poland SP. ZO.O	Poland	100.00%	100.00%
20	Sharda Polska SP. ZO.O.*	Poland	100.00%	100.00%
21	Sharda Spain, S.L. *	Spain	100.00%	100.00%
22	Sharda Swiss SARL*	Switzerland	100.00%	100.00%
23	Sharda Taiwan Limited*	Taiwan	100.00%	100.00%
24	Sharda Ukraine LLC*	Ukraine	100.00%	100.00%
25	Sharda USA LLC *	USA	100.00%	100.00%
26	Shardacan Limited*	Canada	100.00%	100.00%
27	Sharda Morocco SARL*	Morocco	99.80%	99.80%
28	Shardaserb DO.O *	Serbia	100.00%	100.00%
29	Sharzam Limited*	Zambia	99.99%	99.99%
30	Euroazijski Pesticidi D.O.O.	Croatia	100.00%	100.00%
31	Sharda Benelux BVBA*	Belgium	100.00%	100.00%
32	Sharda Bolivia SRL*	Bolivia	99.00%	99.00%
33	Sharda Colombia S.A.S.	Colombia	99.48%	99.48%
34	Sharda De Mexico S. DE RL DE CV	Mexico	99.99%	99.99%
35	Sharda Europe BVBA	Belgium	100.00%	100.00%
36	Sharda International Africa (PTY) Limited	South Africa	100.00%	100.00%
37	Sharda Malaysia SDN. BHD.	Malaysia	100.00%	100.00%
38	Sharpar S.A.*	Paraguay	90.00%	90.00%
39	Siddhivinayak International Limited	U.A.E.	100.00%	100.00%
40	Sharda Private (Thailand) Limited**	Thailand	49.00%	49.00%
41	Sharda Impex Trading L.L.C.***	U.A.E.	49.00%	49.00%
42	Sharda Agrochem Limited (from 11.02.2021)	United Kingdom	100.00%	100.00%

\* The financial statements of these companies are drawn for and audited for the calendar year ended 31 December, 2021 in compliance with respective local laws. All material adjustments for the effect of significant transactions or events occurred up to 31 March, 2022, 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, 2022.

\*\* In terms of the MOU dated 10 November, 2017 entered with other shareholders of Sharda Private (Thailand) Limited, the Company has gained 100% control over Sharda Private (Thailand) Limited as the other shareholders shall not be entitled to participate in the profits/losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110 i.e. Consolidated Financial Statements.

\*\*\* In terms of the MOU dated 17 March, 2021 entered with other shareholders of Sharda Impex LLC, the Company has gained 100% control over Sharda Impex LLC as the other shareholders shall not be entitled to participate in the profits/losses of the said company and do not have any decision making powers as well. Thus, the said company has been treated as a subsidiary company and has been consolidated in the Financial Statements applying Indian Accounting Standard – 110 i.e. Consolidated Financial Statements.

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 2.5 Goodwill on consolidation

Goodwill represents the difference between the Holding company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Holding company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising out of consolidation of financial statements of subsidiaries are tested for impairment at each reporting date.

## 2.6 Current and non-current classification

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

### Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the balance sheet date; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

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

All other assets are classified as non-current.

### Liabilities

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

- it is expected to be settled in, the Group's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

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

All other liabilities are classified as non-current.

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

### Operating cycle

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

## 2.7 Foreign currency translation

### Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognised as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or expenses in the year in which they arise.

### Group companies

The results and financial position of foreign operations that have a functional currency



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognised in other comprehensive income.

## 2.8 Derivative financial instruments

### Initial recognition and subsequent measurement

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

## 2.9 Revenue Recognition

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

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and

- recognise revenues when a performance obligation is satisfied.

### Sale of goods

The Group recognised revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control is transferred to the customer which is usually on shipment / dispatch / delivery. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

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

### Interest income

Interest income from financial assets is 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

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### Insurance claims

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

### Export Incentives

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

## 2.10 Taxation

### Current tax

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

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

### Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a

transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### Minimum Alternative tax

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



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

### Recognition and measurement

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future

economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the Consolidated financial statements.

### Depreciation and amortisation

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

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

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

## 2.12 Intangible assets and amortisation

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

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

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

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

### Research and Development costs, Product Registration and Licences

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Group and the Group has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the Government authorities, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management and revised to actual amounts on conclusion of agreements.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### 2.13 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to 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



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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 or loss.

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

## 2.14 Leases

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

### Group as a lessee:

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus

any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

## 2.15 Inventories

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

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

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

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

## 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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

## 2.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation

that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

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

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

## 2.18 Employee benefit expenses

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

### Post-employment benefit plans

#### Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

#### 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



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

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

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

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

## Short-term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Provision for compensation absence is determined on the basis of leave credit balance of individual employee as at year end and last drawn salary and is charged to statement of profit or loss for the year.

## 2.19 Financial instruments

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

### Financial assets

#### Initial recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at

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

#### Classification and subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principle & interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

## Equity investments

Investments in subsidiaries and associates are carried at cost. All other equity investments in

scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

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



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

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

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

## Impairment of financial assets

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

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

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

- Trade receivables and
- Other receivables

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

## Financial liabilities

### Initial recognition and measurement

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

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

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

### Subsequent measurement

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

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

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

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

### Loans and borrowings

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

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

### Derecognition

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

### Offsetting of financial instruments

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

## 2.20 Cash and cash equivalents

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



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

## 2.21 Earnings per share

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

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

## 2.22 Segment reporting

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

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

## (ii) Key sources of estimation uncertainty

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

### Taxes

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

### Defined benefit plans (gratuity benefits)

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

### Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables. The Group uses a provision matrix to determine impairment

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

### Impairment of non- financial assets

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

### Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realisable value for such inventories based



## Notes to Consolidated Financial Statements for the year ended 31 March, 2022 (Contd.)

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, 2022 (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, 2020	283.90	729.74	57.92	56.73	5.72	497.15	199.27	<b>1,830.43</b>
Additions	-	0.59	-	8.28	-	-	-	<b>8.87</b>
Disposals	(41.00)	(100.80)	-	(43.47)	-	-	-	<b>(185.27)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	0.91	0.79	-	0.87	-	-	-	<b>2.57</b>
<b>At 31 March, 2021</b>	<b>243.81</b>	<b>630.32</b>	<b>57.92</b>	<b>22.41</b>	<b>5.72</b>	<b>497.15</b>	<b>199.27</b>	<b>1,656.60</b>
<b>Accumulated depreciation</b>								
At 01 April, 2020	150.58	218.44	6.46	43.07	5.72	193.74	76.34	<b>694.35</b>
Depreciation charge during the year	50.40	69.11	8.82	8.85	-	82.91	33.23	<b>253.32</b>
Disposals	(40.96)	(99.96)	-	(43.47)	-	-	-	<b>(184.39)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	0.71	0.77	0.01	0.42	-	-	(0.01)	<b>1.90</b>
<b>At 31 March, 2021</b>	<b>160.73</b>	<b>188.36</b>	<b>15.29</b>	<b>8.87</b>	<b>5.72</b>	<b>276.65</b>	<b>109.56</b>	<b>765.18</b>
<b>Net carrying value</b>								
At 01 April, 2020	133.32	511.30	51.46	13.66	-	303.41	122.93	<b>1,136.08</b>
<b>At 31 March, 2021</b>	<b>83.08</b>	<b>441.96</b>	<b>42.63</b>	<b>13.54</b>	<b>-</b>	<b>220.50</b>	<b>89.71</b>	<b>891.42</b>

(₹ Lakhs)

	Office equipments	Furniture and fixtures	Motor cars	Computers	Cylinders	Leasehold improvements	Electrical installation	Total
<b>Cost</b>								
At 01 April 2021	243.81	630.32	57.92	22.41	5.72	497.15	199.27	<b>1,656.60</b>
Additions	0.41	-	19.53	15.94	-	-	-	<b>35.88</b>
Disposals	-	-	(12.69)	-	-	-	-	<b>(12.69)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	0.87	(0.32)	-	2.09	-	-	-	<b>2.64</b>
<b>At 31 March, 2022</b>	<b>245.09</b>	<b>630.00</b>	<b>64.76</b>	<b>40.44</b>	<b>5.72</b>	<b>497.15</b>	<b>199.27</b>	<b>1,682.43</b>
<b>Accumulated depreciation</b>								
At 01 April 2021	160.73	188.36	15.29	8.87	5.72	276.65	109.56	<b>765.18</b>
Depreciation charge during the year	49.37	66.32	9.22	12.13	-	82.91	33.23	<b>253.18</b>
Disposals	-	-	(5.91)	-	-	-	-	<b>(5.91)</b>
Adjustments	-	-	-	-	-	-	-	<b>-</b>
Translation exchange difference	(0.10)	(0.37)	-	(0.05)	-	-	-	<b>(0.52)</b>
<b>At 31 March, 2022</b>	<b>210.00</b>	<b>254.31</b>	<b>18.60</b>	<b>20.95</b>	<b>5.72</b>	<b>359.56</b>	<b>142.79</b>	<b>1,011.93</b>
<b>Net carrying value</b>								
At 01 April 2021	83.08	441.96	42.63	13.54	-	220.50	89.71	<b>891.42</b>
<b>At 31 March, 2022</b>	<b>35.09</b>	<b>375.69</b>	<b>46.16</b>	<b>19.49</b>	<b>-</b>	<b>137.59</b>	<b>56.48</b>	<b>670.50</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 3B. RIGHT OF USE ASSET

	(₹ Lakhs)
	<b>Leasehold premises</b>
<b>Cost</b>	
At 01 April, 2020	2,095.65
Additions on account of transition to Ind AS 116 - 01 April, 2020	-
Additions	-
Disposals	-
<b>At 31 March, 2021</b>	<b>2,095.65</b>
<b>Accumulated depreciation</b>	
At 01 April, 2020	449.47
Depreciation charge during the year	449.46
Disposals	-
<b>At 31 March, 2020</b>	<b>898.93</b>
<b>Net carrying value</b>	
At 01 April, 2020	1,646.18
<b>At 31 March, 2021</b>	<b>1,196.72</b>

	(₹ Lakhs)
	<b>Leasehold premises</b>
<b>Cost</b>	
At 01 April, 2021	2,095.65
Additions	44.22
Disposals	-
<b>At 31 March, 2022</b>	<b>2,139.87</b>
<b>Accumulated depreciation</b>	
At 01 April, 2021	898.93
Depreciation charge during the year	471.58
Disposals	-
<b>At 31 March, 2022</b>	<b>1,370.51</b>
<b>Net carrying value</b>	
At 01 April, 2021	1,196.72
<b>At 31 March, 2022</b>	<b>769.36</b>

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 4. INTANGIBLE ASSETS

			(₹ Lakhs)
	Computer Software	Product Registration and Licences	Total
<b>Cost</b>			
At 01 April, 2020	108.13	75,638.48	<b>75,746.61</b>
Additions *	5.92	30,107.16	<b>30,113.08</b>
Disposals *	-	(1,465.38)	<b>(1,465.38)</b>
Adjustments *	-	-	-
Translation exchange difference	0.48	-	<b>0.48</b>
<b>At 31 March, 2021</b>	<b>114.53</b>	<b>1,04,280.26</b>	<b>1,04,394.79</b>
<b>Accumulated amortisation</b>			
At 01 April, 2020	60.27	36,878.35	<b>36,938.62</b>
Amortisation during the year	14.32	16,326.90	<b>16,341.22</b>
Disposals	-	(1,196.47)	<b>(1,196.47)</b>
Translation exchange difference	0.30	-	<b>0.30</b>
<b>At 31 March, 2021</b>	<b>74.89</b>	<b>52,008.78</b>	<b>52,083.67</b>
<b>Net carrying value</b>			
At 01 April, 2020	47.86	38,760.13	<b>38,807.99</b>
<b>At 31 March, 2021</b>	<b>39.64</b>	<b>52,271.48</b>	<b>52,311.12</b>

			(₹ Lakhs)
	Computer software	Product registration and licences	Total
<b>Cost</b>			
At 01 April, 2021	114.53	1,04,280.26	<b>1,04,394.79</b>
Additions *	-	30,307.50	<b>30,307.50</b>
Disposals *	-	(3,207.48)	<b>(3,207.48)</b>
Adjustments *	-	-	-
Translation exchange difference	(1.12)	-	<b>(1.12)</b>
<b>At 31 March, 2022</b>	<b>113.41</b>	<b>1,31,380.28</b>	<b>1,31,493.69</b>
<b>Accumulated amortisation</b>			
At 01 April, 2021	74.89	52,008.78	<b>52,083.67</b>
Amortisation during the year	13.54	23,795.20	<b>23,808.74</b>
Disposals	-	(2,138.06)	<b>(2,138.06)</b>
Translation exchange difference	(1.18)	-	<b>(1.18)</b>
<b>At 31 March, 2022</b>	<b>87.25</b>	<b>73,665.92</b>	<b>73,753.17</b>
<b>Net carrying value</b>			
At 01 April, 2021	39.64	52,271.48	<b>52,311.12</b>
<b>At 31 March, 2022</b>	<b>26.16</b>	<b>57,714.36</b>	<b>57,740.52</b>

\* The Holding Company's data compensation elements of product registration was initially capitalised based on management estimates. The gross block of product registration and licenses have been reduced as an outcome of negotiations / arbitration with contracting parties by ₹ 386.25 Lakhs (31 March, 2021: ₹ Nil)

The Holding Company has written off certain assets during the current year having net written down value of ₹ 683.17 Lakhs (31 March, 2021: ₹ 166.53 Lakhs) based on internal assessment.



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 4A. Intangible assets under development

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

	(₹ Lakhs)
	<b>Intangible assets under development</b>
At 01 April, 2021	13,103.82
Additions	40,730.78
Disposals	(2,309.51)
Capitalised	(30,307.50)
<b>At 31 March, 2022</b>	<b>21,217.59</b>

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 Capital Work in Progress (CWIP) Ageing

### (i) CWIP ageing schedule as on 31 March, 2021

Projects	Amount in CWIP for a period of				Total
	Upto 1 year	1-2 years	2-3 years	more than 3 years	
Product Registrations	10,590.94	1,757.55	516.84	232.39	13,097.72
Computer Software	-	-	-	6.10	6.10
	<b>10,590.94</b>	<b>1,757.55</b>	<b>516.84</b>	<b>238.49</b>	<b>13,103.82</b>

### (ii) CWIP ageing schedule as on 31 March, 2022

Projects	Amount in CWIP for a period of				Total
	Upto 1 year	1-2 years	2-3 years	more than 3 years	
Product Registrations	17,992.92	1,981.85	1,042.13	194.59	21,211.49
Computer Software	-	-	-	6.10	6.10
	<b>17,992.92</b>	<b>1,981.85</b>	<b>1,042.13</b>	<b>200.69</b>	<b>21,217.59</b>

a) For capital-work-in progress, 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 cost incurred in the process is recorded as

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

Intangible Assets under Development. 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 2022, there are 1,130 product registrations in pipelines across geographies.

### 5. GOODWILL

	As at 31 March, 2022	As at 31 March, 2021
Carrying value at the beginning of the year	42.54	43.98
Impairment of Goodwill *	(42.54)	-
Goodwill arising on account of scheme of merger **	0.79	-
Foreign currency exchange gain / (loss)	-	(1.44)
Carrying value at the end of the year	<b>0.79</b>	<b>42.54</b>

\* For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

Goodwill is fully impaired in the financial year ending 31 March, 2022 amounting to ₹ 42.54 ₹ Lakhs.

\*\* Goodwill is arising on account of merger of Sharda Polska with Sharda Poland, amounting to ₹ 0.79 Lakhs.

### 6. CURRENT INVESTMENTS

	As at 31 March, 2022	As at 31 March, 2021
<b>Investment carried at fair value through statement of profit or loss (FVTPL)</b>		
<b>Investments in mutual funds units (Unquoted)</b>		
-Axis Banking & PSU Debt Fund 50,067 (31 March, 2021: 50,067) units of ₹ 1,000 each	1,071.79	1,031.08
-Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan 3,48,569 (31 March, 2021: Nil) units of ₹ 10 each	1,032.73	-
DSP Corporate Bond Fund Growth 70,48,697 (31 March, 2021: 70,48,697) units of ₹ 10 each	929.88	896.47
DSP Banking and PSU Debt Fund- Reg-Growth 41,95,404 (31 March, 2021: 41,95,404) units of ₹ 10 each	816.12	785.88
-HDFC Ultra Short Term Fund-Regular Growth 11,44,194 (31 March, 2021: Nil) units of ₹ 10 each	140.48	-
-HDFC Corporate Bond Fund - Regular Growth 57,40,234 (31 March, 2021: 57,40,234) units of ₹ 10 each	1,500.10	1,430.92
-ICICI Prudential Corporate Bond Fund Liquid - Growth (ICICI Prudential Income Opportunities Fund Growth) 35,39,859 (31 March, 2021: 35,39,859) units of ₹ 10 each	837.38	803.12
-ICICI Prudential Equity Arbitrage Fund - Dividend 18,49,841 (31 March, 2021: NIL) units of ₹ 10 each	514.86	-



## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
-IDFC Corporate Bond Fund Regular Plan - Growth 1,34,72,307 (31 March, 2021: 1,01,92,105) units of ₹ 10 each	2,119.81	1,531.16
-Kotak Equity Arbitrage Fund Regular - (Monthly Dividend Regular Plan) 17,07,827 (31 March, 2021: NIL) units of ₹ 10 each	515.93	-
-Kotak Banking & PSU Debt Fund - Growth (Regular Plan) 12,00,788 (31 March, 2021: 12,00,788) units of ₹ 10 each	633.95	604.18
Kotak Floating Rate Fund Growth (Regular Plan) 42613 (31 March, 2021: NIL) units of ₹ 1000 each	517.67	-
-Union Corporate Bond Fund - Regular Plan Growth * 43,11,268 (31 March, 2021: 26,76,793) units of ₹ 10 each	539.26	321.66
-Union Medium Duration Fund Regular Plan - Growth * 19,99,900 (31 March, 2021: 19,99,900) units of ₹ 10 each	213.31	204.08
-Union Hybrid Equity Fund - Regular Plan Growth 9,99,940 (31 March, 2021: 9,99,940) units of ₹ 10 each	123.89	106.09
-Union Corporate Bond Fund - Direct Plan Growth * 48,43,808 (31 March, 2021: 48,43,808) units of ₹ 10 each	613.62	586.67
<b>(A)</b>	<b>12,120.78</b>	<b>8,301.31</b>
<b>Investment In Bonds (Quoted)</b>		
HDFCBANK-8.85%PREPETUAL-PVT-INE040A. 29 Units (31 March, 2021: Nil) units of ₹ 10,00,000 each	299.40	-
THE BOMBAY BURMAH TRADING CORPORATION 100 Units (31 March, 2021: Nil) units of ₹ 10,00,000 each	1,019.32	-
<b>(B)</b>	<b>1,318.72</b>	<b>-</b>
<b>Total</b>	<b>13,439.50</b>	<b>8,301.31</b>

\* Lien marked on the units of Union Corporate Bond Fund Regular Plan - Growth for ₹ 229.99 Lakhs (31 March, 2021: ₹ 220.71 Lakhs), Union Medium Duration Fund - Regular Plan - Growth for ₹ 213.31 Lakhs (31 March, 2021: ₹ 204.08) and Union Corporate Bond Fund - Direct Plan - Growth for ₹ 613.62 Lakhs (31 March, 2021: ₹ 586.67) in favour of Union Bank of India for availment of working capital facilities in the form of Letters of Credit.

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Aggregate amount of unquoted investments	12,120.78	8,301.31
Aggregate amount of quoted investments	1,318.72	-
Investment carried at fair value through statement of profit or loss (FVTPL)	13,439.50	8,301.31

### 7. LOANS

#### Current

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good (carried at cost)</b>		
Other loans	50.04	-
<b>Total</b>	<b>50.04</b>	<b>-</b>

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 8. OTHER FINANCIAL ASSETS

#### Non-current

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Goods and service tax receivable	12.54	12.64
Statutory dues receivable from government authorities	738.86	475.85
Export incentive receivable	335.66	419.11
Security deposit	33.38	32.63
<b>Total</b>	<b>1,120.44</b>	<b>940.23</b>

#### Current

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Derivative instrument - foreign currency forward contracts (refer note 37)	31.75	79.11
Goods and service tax receivable	4,251.40	986.73
Statutory dues receivable from government authorities	595.06	1,713.93
Export incentive and other receivables	11.39	25.58
<b>Total</b>	<b>4,889.60</b>	<b>2,805.35</b>

### 9A. INCOME TAX ASSETS (NET)

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Advance tax [Net of provision for income tax of ₹ 47,630.80 Lakhs (31 March, 2021: ₹ 40,273.30 Lakhs)]	7,161.39	7,363.53
<b>Total</b>	<b>7,161.39</b>	<b>7,363.53</b>

### 9B. INCOME TAX LIABILITIES (NET)

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Other provisions</b>		
Provision for income tax [Net of advance tax ₹ 116.74 Lakhs (31 March, 2021: 54.44 Lakhs)]	420.57	317.22
<b>Total</b>	<b>420.57</b>	<b>317.22</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 9C. TAX EXPENSE

The major components of income tax expense for the years ended 31 March, 2022 and 31 March, 2021 are :-

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Current income tax:</b>		
Current income tax charge	8,016.70	5,581.59
Adjustments in respect of current income tax of previous year	(229.24)	227.02
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	3,708.67	2,215.07
On account of new tax rate	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>11,496.13</b>	<b>8,023.68</b>

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

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Net (gain)/loss on remeasurement of defined employee benefit plans	(8.15)	(3.27)
<b>Total</b>	<b>(8.15)</b>	<b>(3.27)</b>

**Reconciliation of Effective Tax Rate (ETR)**

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Profit from operations before income taxes</b>	46,423.87	30,945.45
Tax @34.944% (31 March, 2021: 34.944%) (Indian statutory income tax rate)	16,222.35	10,813.57
Tax effect on income not taxable/taxable at different rates for tax purposes in certain jurisdictions:		
Dividend received on investment in subsidiary	1,167.71	1,111.27
On account of new tax rate	520.75	-
Others mainly tax effect of Profit at lower/ nil tax rates in certain jurisdictions	3,030.99	1,926.00
	<b>4,719.45</b>	<b>3,037.27</b>
Tax effect on non-deductible expenses for tax purposes:		
Corporate social responsibility (CSR) expenditure	105.26	114.53
Others	-	43.88
	<b>105.26</b>	<b>158.41</b>
Effect of deductible temporary differences now recognised as deferred tax assets/ liabilities	117.21	(138.05)
Adjustments recognised in the current year in relation to the current tax of prior years	(229.24)	227.02
<b>Income tax expense</b>	<b>11,496.13</b>	<b>8,023.68</b>

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 9D. DEFERRED TAX ASSETS (NET)

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Deferred tax assets</b>		
Temporary difference related to profit on stock reserves	476.33	599.01
Other	10.93	5.08
<b>Gross deferred tax assets</b>	<b>487.26</b>	<b>604.09</b>
Deferred tax liabilities	-	-
<b>Net deferred tax assets</b>	<b>487.26</b>	<b>604.09</b>

## 9E. DEFERRED TAX LIABILITIES (NET)

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Deferred tax assets</b>		
Provision for gratuity	61.06	76.44
Provision for investment in subsidiary	124.47	124.47
Others	17.42	6.97
Lease liability	216.66	377.70
Provision for doubtful debts	436.57	386.73
Provision for inventories	223.38	140.28
Deferred Sales Ind AS	306.35	-
Gain / loss on derivatives (Foreign currency forward contracts)	-	30.68
Sales Return & Purchase Return Ind AS Impact (Net)	678.11	-
Minimum Alternate Tax (MAT) credit	-	2,871.02
<b>Gross deferred tax assets</b>	<b>2,064.02</b>	<b>4,014.29</b>
<b>Deferred tax liabilities</b>		
Tangible and intangible assets	14,371.12	12,999.91
Unrealised gain/ loss on derivative contract carried at fair value through statement of profit and loss	377.73	-
Unrealised gain / loss on investment derivative contract at fair value through statement of profit and loss	7.96	-
Lease assets	193.63	301.19
<b>Gross deferred tax liabilities</b>	<b>14,950.44</b>	<b>13,301.10</b>
<b>Net deferred tax liabilities</b>	<b>(12,886.42)</b>	<b>(9,286.81)</b>

### Note :

In respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences. Deferred tax benefits are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realised.



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## The net movement in the deferred tax for the year ended 31 March, 2022 and 31 March, 2021

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Net deferred tax liabilities at the beginning of the year</b>	(8,682.71)	(6,538.65)
(Charge) relating to temporary difference	(3,708.67)	(2,215.07)
Temporary difference on other comprehensive income	(8.15)	(3.27)
Translation difference	0.38	74.27
<b>Net deferred tax liabilities at the end of the year</b>	<b>(12,399.15)</b>	<b>(8,682.72)</b>

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

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Raw materials including packing materials [Stock in transit ₹ 17,299.72 Lakhs (31 March, 2021: ₹ 5,116.97 Lakhs)]	44,442.60	25,841.10
Finished goods [Stock in transit ₹ 8,560.81 Lakhs (31 March, 2021: ₹ 1,958.54 Lakhs)]	34,109.06	20,580.93
Traded goods [Stock in transit ₹ 6,420.45 Lakhs (31 March, 2021: ₹ 668.74 Lakhs)]	10,726.41	6,132.83
<b>Total</b>	<b>89,278.07</b>	<b>52,554.86</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 ₹ 1,187.98 Lakhs (31 March, 2021 ₹ 402.19 Lakhs).
- ii) The carrying amount of inventories are pledged as security against credit facilities availed by the Company from bank of ₹ 3,803.96 Lakhs (31 March, 2021: ₹ 6,784.72 Lakhs) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 16).

## 11. TRADE RECEIVABLES

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good	1,53,995.57	1,16,256.47
Significant increase in credit risk	2,406.93	2,291.28
<b>Total</b>	<b>1,56,402.50</b>	<b>1,18,547.75</b>
Less: - Allowances for credit losses	(2,406.93)	(2,291.28)
<b>Total</b>	<b>1,53,995.57</b>	<b>1,16,256.47</b>

For the Group's credit risk management process, refer note 38.

Trade receivables are pledged as security against credit facilities availed by the Company from bank of ₹ 3,803.96 Lakhs (31 March, 2021: ₹ 6,784.72 Lakhs) and is secured by first paripassu charge on inventories (including stock-in-trade, and stock-in-transit) and book debts (refer note 16).

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 12A. CASH AND BANK BALANCES

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Balances with banks</b>		
in current account	5,668.17	8,552.31
Cash on hand	1.22	2.81
<b>Total</b>	<b>5,669.39</b>	<b>8,555.12</b>

### 12B. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
In Fixed deposit account		
with original maturity of more than three months but less than twelve months*	10,927.16	17,492.20
with original maturity of more than 12 months	0.15	0.15
In earmarked accounts		
Unpaid dividend accounts	6.34	5.78
<b>Total</b>	<b>10,933.65</b>	<b>17,498.13</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 10,450.46 Lakhs (31 March, 2021: ₹ 17,288.90 Lakhs) against credit facilities availed by the Company.

### 13. OTHER ASSETS

#### Current (Unsecured, considered good)

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Advance to vendors for supply of goods and services	650.68	69.99
Right of recoveries against expected sales return	5,836.15	3,392.36
Prepaid expenses	300.03	334.45
Interest accrued on fixed deposits with bank *	102.69	164.42
<b>Total</b>	<b>6,889.55</b>	<b>3,961.22</b>

\* There is a lien marked on deposits with bank in favour of Union Bank of India for an amount aggregating ₹ 102.32 Lakhs (31 March, 2021: ₹ 163.89 Lakhs) against credit facilities availed by the Company.

### 14. EQUITY SHARE CAPITAL

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Authorised share capital</b>		
10,50,00,000 (31 March, 2021: 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, 2021: 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, 2022 (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, 2022		As at 31 March, 2021	
	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, 2022		As at 31 March, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr. Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%
Mrs. Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%
Mr. Ashish R. Bubna*	1,51,80,000	16.83%	1,51,80,000	16.83%
Mr. Manish R. Bubna**	1,51,80,000	16.83%	1,51,80,000	16.83%
HDFC Small Cap Fund	81,13,060	8.99%	83,14,223	9.22%
<b>Total</b>	<b>6,66,16,893</b>	<b>73.85%</b>	<b>6,68,18,056</b>	<b>74.08%</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:

Promotor's Name	As at 31 March, 2022		As at 31 March, 2021		% Change
	No. of Shares	% of total shares	No. of Shares	% of total shares	
1. Mr. Ramprakash V. Bubna	1,40,52,686	15.58%	1,40,52,686	15.58%	-
2. Mrs. Sharda R. Bubna	1,40,91,147	15.62%	1,40,91,147	15.62%	-
3. Mr. Ashish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
4. Mr. Manish R. Bubna	1,51,80,000	16.83%	1,51,80,000	16.83%	-
5. Mrs. Seema A Bubna	45,00,000	4.99%	45,00,000	4.99%	-
6. Mrs. Anisha A Bubna	45,00,000	4.99%	45,00,000	4.99%	-

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

**(e) In the period of five years, immediately preceding March, 2022:**

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

**(f) Distribution made and proposed**

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Cash dividends on equity shares declared:</b>		
Interim dividend on equity shares for the year ended 31 March, 2022: ₹ 3.00 (31 March, 2021: ₹ 2.00) per share	2,706.61	1,804.41
<b>Proposed dividends on Equity shares:</b>		
Final cash dividend for the year ended 31 March, 2022: ₹ 3.00 (31 March, 2021: ₹ 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, 2022: ₹ 3.00 (31 March, 2021: ₹ 2.00) per share	2,706.61	1,804.41
Final dividend on equity shares for the year ended 31 March, 2021: ₹ 3.00 (31 March, 2020: ₹ Nil) per share	2,706.61	-

### 15. OTHER EQUITY

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Capital reserve</b>		
Balance at the beginning of the year	1,581.11	1,581.11
<b>Balance at the end of the year</b>	<b>1,581.11</b>	<b>1,581.11</b>
<b>Securities premium</b>		
Balance at the beginning of the year	2,168.55	2,168.55
<b>Balance at the end of the year</b>	<b>2,168.55</b>	<b>2,168.55</b>
<b>General reserve</b>		
Balance at the beginning of the year	664.94	664.94
<b>Balance at the end of the year</b>	<b>664.94</b>	<b>664.94</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	3,245.84	3,215.42
Add: Foreign currency translation reserve for the year	286.28	30.42
<b>Balance at the end of the year</b>	<b>3,532.12</b>	<b>3,245.84</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	1,44,747.46	1,23,627.24
Add: Profit for the year	34,925.35	22,917.41
Add: Other comprehensive income	18.84	7.22
Less : Adjustment on account of scheme of merger of fellow subsidiaries	(1.00)	-
Less: Payment of dividends	5,413.23	1,804.41
Balance at the end of the year	<b>1,74,277.42</b>	<b>1,44,747.46</b>
<b>Total</b>	<b>1,82,224.14</b>	<b>1,52,407.90</b>



## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

**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 bonus shares.

**16. BORROWINGS (CARRIED AT COST)****Current**

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Buyer's credit from Bank (Secured)*	3,803.96	6,784.72
<b>Total</b>	<b>3,803.96</b>	<b>6,784.72</b>

\*Buyer's credit facility utilised within overall credit facility availed by the company against hypothecation of stocks meant for exports and book debts. The credit facility is further secured by personal guarantees of four directors of the Company. Buyer's credit carries interest @ 3M SOFR plus 90 basis points p.a.

**17. TRADE PAYABLES****Non Current**

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises * (refer note 40)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	235.58	240.44
<b>Total</b>	<b>235.58</b>	<b>240.44</b>

**Current**

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises * (refer note 40)	880.74	410.31
Total outstanding dues of creditors other than micro enterprises and small enterprises *	1,16,875.36	80,265.11
<b>Total</b>	<b>1,17,756.10</b>	<b>80,675.42</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.

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 18. OTHER FINANCIAL LIABILITIES (CARRIED AT COST)

#### Non-current

	As at 31 March, 2022	As at 31 March, 2021
Security deposits	-	14.63
Creditors for Capital purchases	159.14	307.04
<b>Total</b>	<b>159.14</b>	<b>321.67</b>

(₹ Lakhs)

#### Current

	As at 31 March, 2022	As at 31 March, 2021
Foreign currency forward contracts (refer note 37)	-	3.10
Unclaimed dividend *	6.34	5.78
Interest accrued on borrowings	15.21	20.80
Creditors for capital purchases	31,434.41	14,073.96
Directors commission	569.45	432.47
Salaries and bonus	394.70	347.11
Others	56.34	22.53
<b>Total</b>	<b>32,476.45</b>	<b>14,905.75</b>

(₹ Lakhs)

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31 March, 2022 (31 March, 2021: Nil).

### 19. PROVISIONS

#### Non-current

	As at 31 March, 2022	As at 31 March, 2021
Provision for Gratuity (refer note 30)	228.71	302.28
<b>Total</b>	<b>228.71</b>	<b>302.28</b>

(₹ Lakhs)

#### Current

	As at 31 March, 2022	As at 31 March, 2021
Provision for Gratuity (refer note 30)	38.17	36.73
Provision for leave encashment	48.87	52.17
Expected return from customers	8,578.47	4,910.64
<b>Total</b>	<b>8,665.51</b>	<b>4,999.54</b>

(₹ Lakhs)

### 20. OTHER CURRENT LIABILITIES

	As at 31 March, 2022	As at 31 March, 2021
Advance from customers (refer note 34)	817.52	954.24
Provision for reward scheme	1,793.17	1,504.12
Deposit taken	5.50	5.40
Book overdraft	114.56	137.15
Statutory liabilities (including provident fund, tax deducted at source and others)	2,806.97	3,196.45
Others	2.87	3.04
<b>Total</b>	<b>5,540.59</b>	<b>5,800.40</b>

(₹ Lakhs)



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 21. REVENUE FROM OPERATIONS

### Non-current

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Sale of goods (refer note 34)	3,57,415.40	2,39,108.71
Other operating revenue		
Export incentives	315.23	354.72
Royalty income	91.25	82.88
Miscellaneous receipts	154.80	14.46
<b>Total</b>	<b>3,57,976.68</b>	<b>2,39,560.77</b>

## 22. OTHER INCOME

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest income on		
Bank deposits carried at amortised cost	440.30	479.84
VAT refund	1.41	8.09
Income tax refund received	175.34	325.80
Interest from Bond	28.14	-
Delay payment from customers	-	37.08
Others	0.16	0.19
Dividend received on investments		
On mutual fund units	-	17.19
Liabilities/ provisions no longer required written back	1,382.63	1,851.99
Liabilities/ provisions no longer required written back on creditors for capital purchases	100.84	226.98
Profit on sale of mutual funds	149.83	655.13
Gain on financial instruments at fair value (Mutual fund)	483.07	450.76
Reversal of doubtful debts	-	312.71
Miscellaneous income	126.05	227.80
<b>Total</b>	<b>2,887.77</b>	<b>4,593.56</b>

## 23. COST OF MATERIALS CONSUMED

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventory at the beginning of the year	25,841.10	15,967.65
Add: Purchases	1,51,710.52	1,03,821.37
	1,77,551.62	1,19,789.02
Less: Inventory at the end of the year	(44,442.60)	(25,841.10)
<b>Total</b>	<b>1,33,109.02</b>	<b>93,947.92</b>

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventories at the end of the year		
Stock in trade	10,726.41	6,132.83
Finished goods	34,109.06	20,580.93
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	(108.84)	7.98
<b>Total</b>	<b>44,726.63</b>	<b>26,721.74</b>
Inventories at the beginning of the year		
Stock in trade	6,132.83	3,313.22
Finished goods	20,580.93	18,942.85
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	224.33	202.38
<b>Total</b>	<b>26,938.09</b>	<b>22,458.45</b>
<b>Changes in inventories of finished goods and stock in trade</b>	<b>(17,788.54)</b>	<b>(4,263.29)</b>

### 25. EMPLOYEE BENEFITS EXPENSES

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages and bonus	4,341.56	3,667.15
Contribution to provident and other funds (refer note 30)	5.27	5.40
Gratuity expenses (refer note 30)	60.26	51.08
Staff welfare expenses	10.10	8.82
<b>Total</b>	<b>4,417.19</b>	<b>3,732.45</b>

### 26. FINANCE COSTS

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest Expenses on		
Borrowing from bank	32.18	42.23
Lease liabilities	89.67	121.63
Delayed payment of statutory dues	0.22	17.73
Others	99.22	95.62
<b>Total</b>	<b>221.29</b>	<b>277.21</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation on property, plant and equipment (refer note 3A)	253.17	253.32
Depreciation on right-of-use asset (refer note 3B)	471.58	449.46
Amortisation of intangible assets (refer note 4)	23,808.74	16,341.22
<b>Total</b>	<b>24,533.49</b>	<b>17,044.00</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 28. OTHER EXPENSES

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Freight and forwarding expenses	5,266.78	3,930.84
Rent	231.15	223.28
Rates and taxes	1,032.02	224.89
Insurance charges	797.77	746.75
Repairs and maintenance		
Buildings	9.89	1.67
Others	48.97	43.36
Advertising and sales promotion	240.52	234.44
Sales commission	1,630.80	1,001.15
Travelling and conveyance	1,066.73	534.88
Communication expenses	183.75	193.85
Office expenses	942.76	892.07
Legal and professional fees	16,859.85	15,487.04
Directors sitting fees	12.00	12.47
Corporate Social Responsibility expense (refer note 41)	596.39	644.68
Payment to auditor (refer note 'a' below)	80.24	67.16
(Gain) on closure of subsidiary	-	(0.31)
Bad debts	79.57	921.38
Allowance for doubtful debts	198.79	38.11
Loss on sale of bond	5.74	-
Bank charges	1,279.24	1,345.20
Discard / write-off of property, plant & equipment	-	0.01
Discard / write-off of intangible assets and intangible assets under development	2,923.10	3,832.22
Impairment of Goodwill	43.34	-
Miscellaneous expenses	112.59	173.08
<b>Total</b>	<b>33,641.99</b>	<b>30,548.23</b>

### Note a:

#### Details of payment to auditor:

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
As auditor:		
Audit fees	73.58	61.03
Reimbursement of expenses	2.76	2.30
In other capacities:		
Other services :- certification	3.90	3.83
<b>Total</b>	<b>80.24</b>	<b>67.16</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 29. EARNINGS PER SHARE (EPS)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit after tax attributable to equity shareholders	34,925.35	22,917.41
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 (₹)	38.71	25.40

## 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)	
	As at 31 March, 2022	As at 31 March, 2021
Contribution to employees provident fund	3.98	3.85
Contribution to ESI	1.29	1.55
<b>Total</b>	<b>5.27</b>	<b>5.40</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)	
	As at 31 March, 2022	As at 31 March, 2021
<b>Changes in benefit obligations</b>		
Benefit obligations at the beginning of the year	341.49	311.57
Current service cost	35.12	32.26
Interest cost	19.74	18.82
Actuarial (gains)/ losses	(21.25)	(9.94)
Benefits paid	(1.45)	(11.22)
<b>Benefit obligations at the end of the year</b>	<b>373.65</b>	<b>341.49</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	2.48	9.78
Return on plan assets excluding amounts included in interest income	5.74	0.55
Contributions	100.00	-
Benefits paid	(1.45)	(7.85)
<b>Fair value of plan assets at the end of the year</b>	<b>106.77</b>	<b>2.48</b>
<b>Net benefit obligation at the end of the year</b>	<b>266.88</b>	<b>339.01</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Current service cost	40.52	32.26
Net interest cost	19.74	18.82
<b>Net gratuity cost charged to statement of profit and loss</b>	<b>60.26</b>	<b>51.08</b>

## Amounts recognised in Statement of other comprehensive income

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Remeasurements of the net defined benefit liability / (asset)</b>		
Actuarial (gains) / losses	(21.25)	(9.94)
(Return)/ loss on plan assets excluding amounts included in the net interest	(5.74)	(0.55)

## Plan assets comprise of the following

	Year ended 31 March, 2022	Year ended 31 March, 2021
Policy of Insurance	100%	100%

## Actuarial assumptions as at the balance sheet date:

	Year ended 31 March, 2022	Year ended 31 March, 2021
Discount rate	7.00%	6.80%
Expected rate of salary increase (p.a.)	6.50%	6.50%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Proportion of employees opting for early retirement	2% to 15%	2% to 15%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

## Expected Benefit Payments in Future Years

	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Year 1	73.72	69.80
Year 2	26.75	17.68
Year 3	26.42	22.91
Year 4	24.22	22.96
Year 5	19.92	20.96
Year 6 to 10	146.42	119.69

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ Lakhs)

	31 March, 2022		31 March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate varied by 0.5%	359.15	389.33	329.13	358.18
Future salary growth rate varied by 0.5%	379.99	365.90	349.79	335.83
Withdrawal rate varied by 10%	377.42	369.64	345.81	340.02

## 31. CAPITAL AND OTHER COMMITMENTS

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for	21,893.56	17,981.53

## 32. CONTINGENT LIABILITIES

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Income tax matters (refer note (i) below)	6,703.71	6,661.97
Service tax matter (refer note (ii) below)	785.14	785.14
<b>Total</b>	<b>7,488.85</b>	<b>7,447.11</b>

### Note:

- i) In respect to the income tax liability mentioned above, the demands have arisen on account of disallowance of a claim by the Company (common for all years) which has been settled and allowed in favour of the Company by the Hon'ble ITAT, Mumbai for the earlier years, and therefore the management is of the opinion that the contingent liabilities would not have an adverse impact on the Company in view of the favourable decisions given by the higher authorities in the Company's own case as mentioned above. Further, for 2014-15 (AY 2015-16), the Company has considered ₹ 90.61 Lakhs as contingent liability as in view of the management the Company has a refund of ₹ 1,340.48 Lakhs as per the return of income filed and once the issue is decided in favour of the Company for the respective year, the Company will be entitled to a refund of ₹ 1,340.48 Lakhs along with the applicable interest.
- ii) Future cash flows, if any, in respect of Service tax matter is determinable only on receipt of the judgement / decision pending with relevant authorities. The Holding Company does not expect the outcome of the matter stated above to have a material adverse effect on the Holding Company's financial condition, result of operations or cash flows.
- iii) In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is opined that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. The Company has complied with the Employees Provident Fund Act, 1952 from the date of the Supreme Court order.
- iv) During March 2022, the Company has voluntarily paid/ reversed GST ITC Credit 'Under Protest' aggregating to ₹ 3,678.72 Lakhs and disclosed the same as recoverable. The Company believes that the amount is refundable based on legal advice obtained from an eminent expert.



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 33. SEGMENT INFORMATION

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)

	Agrochemicals		Non Agrochemicals		Total	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
<b>Revenue</b>						
External sales	3,00,367.39	2,05,846.13	57,609.29	33,714.64	3,57,976.68	2,39,560.77
Other income	1,589.30	2,117.40	15.22	546.61	1,604.52	2,664.01
<b>Revenue from operations</b>	<b>3,01,956.69</b>	<b>2,07,963.53</b>	<b>57,624.51</b>	<b>34,261.25</b>	<b>3,59,581.20</b>	<b>2,42,224.78</b>
<b>Results</b>						
Segment results	39,207.82	24,988.44	7,618.28	5,905.59	46,826.10	30,894.03
Other income (Unallocated)					1,283.26	1,929.56
Unallocated expenses					(1,500.58)	(1,643.16)
<b>Operating profit</b>					<b>46,608.78</b>	<b>31,180.43</b>
Finance costs					(184.91)	(234.98)
<b>Profit before tax</b>					<b>46,423.87</b>	<b>30,945.45</b>
Income taxes					(11,496.13)	(8,023.68)
<b>Profit after tax</b>					<b>34,927.74</b>	<b>22,921.77</b>
<b>Other segment information</b>						
Segment assets	3,10,907.68	2,30,527.57	24,561.20	10,787.85	3,35,468.88	2,41,315.42
Unallocated assets					38,844.34	45,070.51
<b>Total assets</b>	<b>3,10,907.68</b>	<b>2,30,527.57</b>	<b>24,561.20</b>	<b>10,787.85</b>	<b>3,74,313.22</b>	<b>2,86,385.93</b>
Segment liabilities	1,59,765.17	1,11,293.96	10,274.25	3,809.64	1,70,039.42	1,15,103.60
Unallocated liabilities					12,994.47	9,821.63
<b>Total liabilities</b>	<b>1,59,765.17</b>	<b>1,11,293.96</b>	<b>10,274.25</b>	<b>3,809.64</b>	<b>1,83,033.89</b>	<b>1,24,925.23</b>
<b>Capital expenditure:</b>						
Tangible assets (Unallocated)					35.88	8.87
Intangible assets (Including IAUD*) (Allocated)	40,730.78	30,880.22	-	-	40,730.78	30,880.22
Intangible assets (Unallocated)					-	5.92
Depreciation (Unallocated)					724.76	702.78
Amortisation (Allocated)	23,808.14	16,340.64	0.60	0.58	23,808.74	16,341.22
Amortisation (Unallocated)					-	-
Capital employed	1,51,142.51	1,19,233.61	14,286.95	6,978.21	1,65,429.46	1,26,211.82
Capital employed (Unallocated)					25,849.87	35,248.88

\*IAUD-Intangible Asset Under Development

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## Notes

- (i) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
- Agrochemicals – This is the main area of the Group's operation and includes the trading of agrochemical products.
  - Non Agrochemicals – Trading of products such as conveyor belts and rubber belts/sheets.
- (ii) Segment Revenue in the above segments includes sales of products net of taxes.
- (iii) Inter Segment Revenue is taken as comparable third party average selling price for the year.
- (iv) Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India.
  - Revenue outside India is further bifurcated into Europe, North American Free Trade Agreement (NAFTA), Latin America (LATAM) and Rest of the World (ROW).
- (v) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (vi) The Group does not have any customer (including related parties), with whom revenue from transactions is more than 10% of Group's total revenue during the year.
- (vii) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

## Geographical information

The geographical information analyses the Group revenues and non-current assets by the Company's country of domicile (i.e. India) and other geographic locations. In presenting the geographical information, segment revenue are based on the geographic location of customers and segment assets are based on the geographical locations of the assets. It is bifurcated between within India and Outside India.

Name of the shareholder	(₹ Lakhs)			
	31 March, 2022		31 March, 2021	
	Revenue by Geographical Market	Carrying amount of Non Current Assets *	Revenue by Geographical Market	Carrying amount of Non Current Assets *
INDIA	49.70	8,975.31	916.88	10,192.12
EUROPE	1,55,825.62	37,889.21	1,14,877.06	38,673.92
LATAM	34,210.61	2,172.48	17,374.81	2,334.45
NAFTA	1,44,085.93	35,483.96	87,373.92	19,721.26
ROW	23,804.82	4,159.63	19,018.10	4,927.63
<b>Total</b>	<b>3,57,976.68</b>	<b>88,680.59</b>	<b>2,39,560.77</b>	<b>75,849.38</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, 2022 and 31 March, 2021



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 34. REVENUE FROM CONTRACTS WITH CUSTOMER (IND AS 115)

The Group is primarily in the business of export of agrochemicals (technical grade and formulations) and non-agro products such as conveyor belts, rubber belts/sheets, dyes and dye intermediates to various countries across the world. The product shelf life being short, revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Group does not give significant credit period resulting in no significant financing component. The Group, however, has a policy for replacement of the damaged goods.

### (A) Reconciliation of revenue recognised from Contract liability:

Particulars	(₹ Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Opening contract liability	954.24	731.07
Add: Addition to contract liability during the year	17,007.92	11,376.84
Less: Recognised as revenue during the year	(16,342.06)	(11,077.99)
Less: Other adjustments	(802.58)	(75.68)
<b>Closing contract liability</b>	<b>817.52</b>	<b>954.24</b>

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

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from contract with customer as per contract price	3,74,270.14	2,56,679.77
Less: Discounts and incentives	(3,137.77)	(4,743.39)
Less:- Sales returns /credits / reversals	(13,686.11)	(12,937.05)
Less:- Any other adjustments	(30.86)	109.38
<b>Total</b>	<b>3,57,415.40</b>	<b>2,39,108.71</b>

### (C) Disaggregation of revenue from contract with customers

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Agrochemicals</b>		
India	893.06	916.88
Europe	1,37,260.94	1,03,843.87
Latin America	31,445.50	14,960.98
North America	1,15,151.05	72,359.45
Rest of the world	15,055.57	13,312.88
<b>Total (A)</b>	<b>2,99,806.12</b>	<b>2,05,394.06</b>
<b>Belts</b>		
India	-	-
Europe	17,937.86	10,760.25
Latin America	2,715.12	2,389.60
North America	28,748.46	14,866.81
Rest of the world	8,207.84	5,697.99
<b>Total (B)</b>	<b>57,609.28</b>	<b>33,714.65</b>
<b>Total (A)+(B)</b>	<b>3,57,415.40</b>	<b>2,39,108.71</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 35. RELATED PARTY DISCLOSURES

### (A) Names of related parties and their relationship

#### (a) Key Managerial Personnel and their Relatives

Mr. Ramprakash V. Bubna	Chairman & Managing Director
Mrs. Sharda R. Bubna	Whole-time Director
Mr. Ashish R. Bubna	Whole-time Director
Mr. Manish R. Bubna	Whole-time Director
Mrs. Seema A. Bubna	Wife of Whole-time Director
Mrs. Anisha M. Bubna	Wife of Whole-time Director
Ms. Kevika A. Bubna	Daughter of Whole-time Director
Mr. Anil G. Kumta	Director, Axis Cropscience Private Limited (resigned effective 25 June, 2020)
Mr. M.S. Sundara Rajan	Independent Director
Mr. Shitin Desai	Independent Director
Mr. Shobhan M. Thakore	Independent Director
Ms. Sonal Desai	Independent Director
Mr. Abhinav Agarwal	Chief Financial Officer (resigned effective 09 January, 2021)
Mr. Ashok Vashisht	Chief Financial Officer (effective from 27 January, 2021)
Mr. Jetkin N. Gudhka	Company Secretary
Ms. Pooja Dongre	Company Secretary, Axis Cropscience Private Limited (resigned effective 12 April, 2021)
Mrs. Manali Gohil	Company Secretary, Axis Cropscience Private Limited (effective from 13 May, 2021)

#### (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)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Short- term employee benefits	1,648.64	1,388.44
Post-employment benefits	1.79	2.15

#### (b) With Key Managerial Personnel and their relatives

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Rent paid:</b>		
Mr. Ramprakash V. Bubna	270.00	270.00
Mrs. Sharda R. Bubna	24.00	-
Mr. Ashish R. Bubna	86.40	86.40
Mr. Manish R. Bubna	94.50	94.50
Mrs. Seema A. Bubna	44.55	77.96
Mrs. Anisha M. Bubna	44.55	11.14



## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Remuneration to Key Management Personnel:</b>		
Mr. Ramprakash V. Bubna	200.12	199.29
Mrs. Sharda R. Bubna	30.00	30.00
Mr. Ashish R. Bubna	153.78	151.92
Mr. Manish R. Bubna	153.43	151.21
Ms. Kevika A. Bubna	23.29	22.02
Mr. Abhinav Agarwal	-	43.46
Mr. Ashok Vashisht	68.27	13.30
Mr. Jetkin N. Gudhka	19.32	17.38
Ms. Pooja Dongre	-	4.53
Mrs. Manali Gohil	5.86	-
<b>Consultancy paid:</b>		
Mr. Anil Kumta	-	2.16
<b>Director's Sitting Fees paid:</b>		
Mr. M.S. Sundara Rajan	3.00	3.00
Mr. Shitin Desai	3.30	3.30
Mr. Shobhan Madhukant Thakore	1.80	1.80
Ms. Sonal Desai	3.90	3.30
<b>Directors' Commission paid:</b>		
Mr. Ramprakash V. Bubna	425.03	322.79
Mr. Ashish R. Bubna	284.77	216.27
Mr. Manish R. Bubna	284.77	216.27
<b>Dividend paid</b>		
Mr. Ramprakash V. Bubna	843.16	281.05
Mrs. Sharda R. Bubna	845.47	281.82
Mr. Ashish R. Bubna	910.80	303.60
Mr. Manish R. Bubna	910.80	303.60
Mrs. Seema A. Bubna	270.00	90.00
Mrs. Anisha M. Bubna	270.00	90.00
Mr. Abhinav Agarwal	-	0.01
Mr. Jetkin Gudhka	0.01	0.03
<b>Loan repaid to Directors:</b>		
Mr. Anil Kumta	-	9.26
<b>Fixed deposits of directors placed as lien with bank for credit facility:</b>		
Mr. Ramprakash V. Bubna	-	220.29
Mrs. Sharda R. Bubna	-	1,539.73
<b>Post-employment benefits:</b>		
Mr. Ashish R. Bubna	(0.07)	0.70
Mr. Manish R. Bubna	(0.15)	0.66
Ms. Kevika A. Bubna	0.33	0.25
Mr. Ashok Vashisht	1.34	0.22
Mr Jetkin Gudhka	0.34	0.32

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

**(c) With enterprises owned or significantly influenced by Key Managerial Personnel or their Relatives**

(₹ Lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Donations paid to:</b>		
Jankidevi Bilasrai Bubna Trust	37.50	17.00

**(C) Outstanding balance as at balance sheet date**

(₹ Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Fixed deposits of directors placed / (released) as lien with bank for credit facility:</b>		
<b>Outstanding as at the Balance Sheet date</b>		
Mr. Ramprakash V. Bubna	-	220.29
Mrs. Sharda R. Bubna	-	1,539.73
<b>Director's Commission Payable</b>		
Mr. Ramprakash V. Bubna	243.35	184.81
Mr. Ashish R. Bubna	163.05	123.83
Mr. Manish R. Bubna	163.05	123.83
<b>Post-employment benefits</b>		
Mr. Ramprakash V. Bubna	20.00	20.00
Mrs. Sharda R. Bubna	20.00	20.00
Mr. Ashish R. Bubna	11.05	11.12
Mr. Manish R. Bubna	10.42	10.57
Ms. Kevika A. Bubna	0.58	0.25
Mr. Ashok Vashisht	1.56	0.22
Mr. Jetkin N. Gudhka	3.39	3.05

**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.



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 36. HEDGING ACTIVITIES AND DERIVATIVES

### Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Nature of instrument	Foreign currency	As at 31 March, 2022		As at 31 March, 2021	
		Amount (FC Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
Forward contract- Sell	EUR	1.40	1,209.51	3.64	3,381.26
	CAD	1.25	761.36	4.15	2,419.32
	GBP	-	-	1.69	1,693.18
	US\$ to ₹	3.75	2,901.11	-	-
	EUR to ₹	-	-	-	-
	AUD	-	-	-	-
Forward Contract - Buy	CAD	-	-	-	-

## 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, 2022

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial assets measured at fair value</b>								
<b>Non current</b>								
Other financial assets	31 March, 2022	-	-	1,120.44	-	-	-	-
<b>Current</b>								
Investment in mutual funds	31 March, 2022	13,439.50	-	-	-	13,439.50	-	13,439.50
Derivative financial assets	31 March, 2022	31.75	-	-	-	31.75	-	31.75
Loans	31 March, 2022	-	-	50.04	-	50.04	-	50.04
<b>Financial Assets not measured at fair value</b>								
Trade Receivables	31 March, 2022	-	-	1,53,995.57	-	-	-	-
Cash and cash equivalents	31 March, 2022	-	-	5,669.39	-	-	-	-
Bank balances other than cash and cash equivalents	31 March, 2022	-	-	10,933.65	-	-	-	-
Other financial assets	31 March, 2022	-	-	4,857.85	-	-	-	-
<b>Total Financial Assets</b>		<b>13,471.25</b>	<b>-</b>	<b>1,76,626.94</b>	<b>-</b>	<b>13,521.29</b>	<b>-</b>	<b>13,521.29</b>

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial Liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
<b>Non current</b>								
Trade creditors	31 March, 2022	-	-	235.58	-	-	-	-
Lease liabilities	31 March, 2022	-	-	347.17	-	347.17	-	347.17
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	159.14	-	-	-	-
<b>Current</b>								
<b>Financial liabilities not measured at fair value</b>								
Borrowings	31 March, 2022			3,803.96				
Derivative financial liabilities	31 March, 2022	-	-	-	-	-	-	-
Trade creditors	31 March, 2022	-	-	1,17,756.10	-	-	-	-
Lease liabilities	31 March, 2022	-	-	513.69	-	-	-	-
Other financial liabilities other than lease liabilities	31 March, 2022	-	-	32,476.45	-	-	-	-
<b>Total Financial liabilities</b>		-	-	<b>1,55,292.09</b>	-	<b>347.17</b>	-	<b>347.17</b>

As at 31 March, 2021

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
<b>Non Current</b>								
Other financial assets	31 March, 2021	-	-	940.23	-	-	-	-
<b>Current</b>								
Investment in mutual funds	31 March, 2021	8,301.31	-	-	-	8,301.31	-	8,301.31
Derivative financial assets	31 March, 2021	79.11	-	-	-	79.11	-	79.11
Loans	31 March, 2021	-	-	-	-	-	-	-
<b>Financial Assets not measured at fair value</b>								
Trade Receivables	31 March, 2021	-	-	1,16,256.47	-	-	-	-
Cash and cash equivalents	31 March, 2021	-	-	8,555.12	-	-	-	-
Bank balances other than cash and cash equivalents	31 March, 2021	-	-	17,498.13	-	-	-	-
Other financial assets	31 March, 2021	-	-	2,726.24	-	-	-	-
<b>Total Financial Assets</b>		<b>8,380.42</b>	-	<b>1,45,976.19</b>	-	<b>8,380.42</b>	-	<b>8,380.42</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

(₹ Lakhs)

	Date of Valuation	Carrying Amount			Fair value			Total Fair Value
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
<b>Non Current</b>								
Borrowings	31 March, 2021	-	-	-	-	-	-	-
Trade creditors	31 March, 2021	-	-	240.44	-	-	-	-
Lease liabilities	31 March, 2021	-	-	837.88	-	837.88	-	837.88
Other financial liabilities other than lease liabilities	31 March, 2021	-	-	321.67	-	-	-	-
<b>Current</b>								
Borrowings	31 March, 2021			6,784.72				
Derivative financial liabilities	31 March, 2021	3.10				3.10		3.10
Lease liabilities	31 March, 2021	-	-	453.10	-	-	-	-
Trade creditors	31 March, 2021	-	-	80,675.42	-	-	-	-
Other financial liabilities	31 March, 2021	-	-	14,902.65	-	-	-	-
<b>Total Financial liabilities</b>		<b>3.10</b>	<b>-</b>	<b>1,04,215.88</b>	<b>-</b>	<b>840.98</b>	<b>-</b>	<b>840.98</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, 2022 (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
Loans (Level 2)	Fair value is derived based on Discounted cash flows. The valuation model considers the present value of expected payment, discounting using a risk adjusted discount rate.	Not applicable	Not applicable

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### Financial risk factors

The 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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts (Refer note 36).

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:



## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

Nature of instrument	Foreign currency	As at 31 March, 2022		As at 31 March, 2021	
		Amount (FCY Mn.)	Amount (₹ Lakhs)	Amount (FC Mn.)	Amount (₹ Lakhs)
<b>Unhedged currency exposure on:-</b>					
<b>a) Receivables</b>	<b>HRK</b>	1.35	150.07	12.16	1,378.49
	<b>US\$</b>	65.26	49,451.29	41.59	30,406.80
	<b>EUR</b>	56.52	47,390.48	40.59	34,806.95
	<b>GBP</b>	3.90	3,881.60	2.10	2,111.75
	<b>AUD</b>	1.15	650.52	0.48	268.62
	<b>PLN</b>	24.14	4,361.42	20.32	3,747.18
	<b>CZK</b>	22.43	770.87	23.69	779.09
	<b>CAD</b>	31.58	19,148.74	22.15	12,893.36
<b>b) Payables</b>	<b>US\$</b>	165.14	1,25,146.51	113.26	82,800.35
	<b>EUR</b>	28.67	24,033.59	16.60	14,232.47
	<b>MXN</b>	0.48	18.39	-	-
	<b>HUF</b>	746.61	1,707.72	491.04	1,161.94
	<b>CZK</b>	6.79	233.53	5.87	193.02
	<b>PLN</b>	2.28	412.78	3.80	701.20
	<b>CHF</b>	0.03	28.45	0.01	6.70
	<b>GBP</b>	0.32	317.90	0.07	65.52
	<b>PHP</b>	0.22	3.16	0.22	3.29
	<b>CAD</b>	0.34	203.38	2.15	1,252.86
	<b>ZAR</b>	0.99	51.51	0.40	19.96
	<b>AUD</b>	0.07	37.81	0.01	7.67
	<b>HRK</b>	0.17	19.21	0.30	33.84
	<b>JPY</b>	4.86	30.27	2.61	17.25
	<b>AED</b>	0.11	23.35	0.07	27.91
<b>c) Bank Balance</b>	<b>US\$</b>	1.63	1,238.81	0.29	208.99
	<b>EUR</b>	3.38	2,830.81	4.80	4,114.32
	<b>CAD</b>	0.02	10.79	0.02	14.46
	<b>PLN</b>	1.08	195.13	2.40	441.98
	<b>GBP</b>	0.05	45.21	0.03	25.86
	<b>AUD</b>	-	0.11	0.28	155.14
	<b>AED</b>	-	-	-	-
<b>d) Advance received from customers</b>	<b>AUD</b>	-	-	-	-
	<b>EUR</b>	0.02	14.60	0.07	58.82
	<b>GBP</b>	0.01	10.30	-	-
<b>e) Other receivables</b>	<b>AED</b>	0.16	32.58	0.02	4.17

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (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.

	Change in US\$ Rate	Effect on profit and loss	Effect on equity
			(₹ Lakhs)
31 March, 2022	1%	(756.96)	(569.51)
	(1%)	756.96	569.51
31 March, 2021	1%	(523.93)	(388.08)
	(1%)	523.93	388.08

	Change in EUR Rate	Effect on profit and loss	Effect on equity
			(₹ Lakhs)
31 March, 2022	1%	233.41	175.61
	(1%)	(233.41)	(175.61)
31 March, 2021	1%	205.16	151.97
	(1%)	(205.16)	(151.97)

## 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 ₹ 1,53,995.57 Lakhs and ₹ 1,16,256.47 Lakhs as of 31 March, 2022 and 31 March, 2021, 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, 2022:

Particulars	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
							(₹ Lakhs)
i) Undisputed Trade receivables - considered good	1,37,527.71	16,317.73	382.85	377.91	163.27	1,024.80	1,55,794.27
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	138.03	186.42	286.18	89.90	1,024.80	1,725.33
iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	73.37	-	73.37
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

The following table represents ageing of trade receivables 31 March, 2021:

Particulars							(₹ Lakhs)
	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	1,08,858.49	6,864.44	393.25	624.21	1,135.86	149.38	1,18,025.63
ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	392	92	1,136	149	1,769
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

## Movement in allowances for credit losses

	(₹ Lakhs)			
	Opening	Addition	Reversal	Closing
31 March, 2022	2,291.28	411.54	295.89	2,406.93
31 March, 2021	2,682.08	796.12	1,186.92	2,291.28

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. Loans represent loan given to related parties & employees for which the Company does not foresee any impairment loss.

## Liquidity Risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach of managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation. The Group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables & other financial liabilities.

As of 31 March, 2022, the Company had a working capital of ₹ 1,15,968.50 Lakhs including cash and cash equivalents of ₹ 5,669.39 Lakhs and current investments of ₹ 13,439.50 Lakhs. As of 31 March, 2021, the Company had a working capital of ₹ 95,996.31 Lakhs including cash and cash equivalents of ₹ 8,555.12 Lakhs and current investments of ₹ 8,301.31 Lakhs.

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### Trade payable ageing schedule as per amendment in revised schedule III for 31 March, 2022

(₹ Lakhs)

Particulars	Not yet due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) MSME	60.00	209.20	-	-	-	269.20
ii) Others	81,675.74	22,480.06	36.39	0.41	0.03	1,04,192.63
iii) Disputed dues MSME	-	-	-	-	-	-
iv) Disputed Dues Others	-	-	-	-	-	-
<b>Total</b>						<b>1,04,461.83</b>
Add : Accruals						13,529.85
<b>Total</b>						<b>1,17,991.68</b>

### Trade payable ageing schedule as per amendment in revised schedule III for 31 March, 2021

(₹ Lakhs)

Particulars	Not yet Due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) MSME	-	202.68	-	-	-	202.68
ii) Others	63,265.82	9,288.99	246.70	318.14	240.53	73,360.18
iii) Disputed dues MSME	-	-	-	-	-	-
iv) Dispiuted Dues Others	-	-	-	-	-	-
<b>Total</b>						<b>73,562.86</b>
Add : Accruals						7,353.00
<b>Total</b>						<b>80,915.86</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2022:

(₹ Lakhs)

	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	3,803.96	-	-	3,803.96
Other financial liabilities	32,476.45	159.14	-	32,635.59

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March, 2021:

(₹ Lakhs)

	Upto 1 year	1-2 years	More than 2 years	Total
Borrowings	6,784.72	-	-	6,784.72
Other financial liabilities	14,905.75	321.67	-	15,227.42



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 39. CAPITAL MANAGEMENT

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The capital structure of the Group consists of net asset and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using debt-equity ratio.

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total debt (bank and other borrowings)	3,803.96	6,784.72
Equity	1,91,279.33	1,61,460.70
<b>Debt to equity (net)</b>	<b>0.02</b>	<b>0.04</b>

## 40. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:</b>		
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	261.42	-
Interest due thereon remaining unpaid to any supplier at the end of the accounting year	22.97	-
<b>Total</b>	<b>284.39</b>	<b>-</b>
i) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
ii) the amount of interest due and payable for the period of delay in making payment (which has been paid 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	22.97	-
iv) Amount of interest written back during the period as the same is not payable	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>22.97</b>	<b>-</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

### 41. DETAILS OF CSR EXPENDITURE (AS PER THE PROVISIONS OF SECTION 135 OF THE COMPANIES ACT, 2013):

	(₹ Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
1) Gross amount required to be spent by the Group	567.43	562.96
2) Shortfall from previous year	-	17.19
<b>Total</b>	<b>567.43</b>	<b>580.15</b>
3) Amount spent		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above (refer note 28 )	596.39	644.68
<b>Total</b>	<b>596.39</b>	<b>644.68</b>
4) Amount unspent/ (over spent)	<b>(28.96)</b>	<b>(64.53)</b>

**Note:**

- 1) CSR activities were mainly undertaken towards promoting education, healthcare assistance, eradicating hunger & malnutrition, promoting sports and animal welfare.
- 2) Gross amount required to be spent by the Company is ₹ 567.43 Lakhs (31 March, 2021: ₹ 562.96 Lakhs) as per the provisions of Section 135 of the Companies Act, 2013.
- 3) The Company has spent ₹ 596.39 Lakhs during the current year. Excess amount spent of ₹ 28.96 Lakhs (31 March, 2021: ₹ 64.53 Lakhs).
- 4) For contribution made to related party ref note 35.



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

**42. AS PER AMENDMENT IN THE SCHEDULE III OF THE COMPANIES ACT 2013, FOLLOWING ARE THE ADDITIONAL NOTES TO ACCOUNTS**

Ratios	Year ended 31 March, 2022	Year ended 31 March, 2021	Variance	explanation where variation is more than 25%
a) Current Ratio (times) (Current Assets/ Current Liabilities)	1.69	1.84	-9%	
b) Debt Equity Ratio (times) ( Short term Debt +Long term Debt) / Shareholder's Equity	0.02	0.04	-53%	The debt equity ratio has declined as there was repayment of Borrowings during the year
c) Debt Service coverage ratio (times) ( Net operating Income / Debt Service)	12.26	4.60	166%	The Debt service ratio has increased due to repayment of borrowings of ₹ 2,980.76 Lakhs and EBIT has increased by 49%
d) Return on Equity Ratio (%) ( Net Income / Shareholder's Equity)	18.26	14.20	29%	The return on equity ratio has improved as the Profit after tax has increased by 52% with corresponding increase in Shareholder's Equity of 18%
e) Inventory Turnover ratio (times) (COGS / Average Inventory)	3.53	3.60	(-2%)	
f) Trade Receivable Turnover ratio (times) (Net Sales / Average Trade receivables)	2.65	2.23	19%	
g) Trade Payables Turnover ratio (times) (Net Purchases / Average Trade Payables)	3.45	2.70	28%	The trade payable ratio has improved due timely /early payment to creditors
h) Net capital Turnover Ratio (times) (Total Sales / shareholder's Equity)	1.87	1.48	26%	The net capital turnover ratio has improved as the Sales have increased by 49%
i) Net Profit (%) (Net Profit / Net Sales)	9.76	9.57	2%	
j) Return on capital employed (%) ( EBIT / average capital Employed) , (Capital employed : Net worth before NCI +Debt)	25.68	20.24	27%	Return on capital employed has improved as the EBIT has increased by 49%
k) Return on Investment (%) ((Current value of investment -Cost of investment) /Cost of investment)	12.57	13.97	(10%)	

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 43. ADDITIONAL INFORMATION RELATED TO THE SUBSIDIARIES CONSIDERED IN THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lakhs)

Sr. No.	Name of the Entity	Year Ended 31 March, 2022						Year Ended 31 March, 2021									
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in profit or loss		Share in other comprehensive income		Share in other comprehensive income					
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	Share in total comprehensive income	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	Share in total comprehensive income				
	<b>Parent</b>																
1	Sharda Cropchem Limited	90.53%	1,73,158.94	80.99%	28,289.08	4.98%	15.18	80.33%	28,304.26	93.07%	1,50,267.91	91.54%	20,979.34	16.21%	6.10	91.42%	20,985.44
	<b>Indian Subsidiaries</b>																
2	Axis Crop Science Private Limited	0.11%	210.66	0.24%	85.30	1.20%	3.66	0.25%	88.96	0.08%	121.70	0.36%	81.52	2.98%	1.12	0.36%	82.64
	<b>Foreign Subsidiaries</b>																
3	Eurozjski Pesticide d.o.o	0.00%	7.09	-0.02%	(6.79)	-0.13%	(0.40)	-0.02%	(7.19)	0.01%	13.89	0.04%	8.52	1.04%	0.39	0.04%	8.91
4	Nihon Agro Service Kabushiki Kaisha	0.00%	1.59	0.00%	(0.47)	-0.01%	(0.03)	0.00%	(0.50)	0.00%	2.09	0.01%	3.11	-0.32%	(0.12)	0.01%	2.99
5	Sharda Agrochem Doel Skopje	0.00%	4.12	0.00%	0.44	-0.07%	(0.22)	0.00%	0.22	0.00%	3.89	0.00%	(0.10)	1.09%	0.41	0.00%	0.31
6	Sharda Balkan Agrochemicals Limited	0.00%	-	0.00%	(0.51)	0.00%	(0.01)	0.00%	(0.52)	0.00%	0.52	0.00%	0.23	0.11%	0.04	0.00%	0.27
7	Sharda Benelux BVBA	0.00%	0.96	0.00%	0.79	-0.02%	(0.05)	0.00%	0.74	0.00%	0.20	0.01%	3.03	-0.11%	(0.04)	0.01%	2.99
8	Sharda Bolivia SRL	0.00%	0.01	0.01%	4.81	0.00%	0.01	0.01%	4.82	0.00%	(4.72)	0.29%	65.68	-0.03%	(0.01)	0.29%	65.67
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	0.06%	123.23	-0.20%	(70.66)	-0.71%	(2.16)	-0.21%	(72.82)	0.12%	190.35	0.15%	35.04	33.02%	12.43	0.21%	47.47
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.	0.57%	1,088.00	1.79%	626.21	-9.93%	(30.31)	1.69%	595.90	0.30%	492.09	1.30%	297.30	6.99%	2.63	1.31%	299.93
13	Sharda Cropchem Tunisia SARL	0.00%	6.17	0.02%	5.83	-0.06%	(0.18)	0.02%	5.65	0.00%	0.52	0.00%	0.28	0.05%	0.02	0.00%	0.30
14	Sharda De Guatemala S. A.	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-
15	Sharda De Mexico S. De RL DE CV	0.11%	212.03	-0.86%	(301.25)	3.79%	11.56	-0.82%	(289.69)	0.30%	488.84	1.69%	387.61	85.76%	32.28	1.83%	419.89



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

(₹ Lakhs)

Sr. No.	Name of the Entity	Year Ended 31 March, 2022						Year Ended 31 March, 2021									
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income
16	Sharda Del Ecuador CIA. LTDA	0.00%	0.26	0.00%	0.00	-	-	0.00%	0.00	0.00%	0.26	0.00%	(0.00)	0.00	0.01	0.00%	0.01
17	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	0.00%	-	0.07%	23.19	0.20%	0.61	0.07%	23.80	-0.01%	(23.81)	-0.02%	(4.78)	13.63%	5.13	0.00%	0.35
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 BV/BA	0.00%	3.00	0.00%	(0.28)	-0.06%	(0.18)	0.00%	(0.46)	0.00%	3.34	0.01%	2.71	0.13%	0.05	0.01%	2.76
21	Sharda Hellas Agrochemicals Limited	0.00%	-	-0.01%	(1.79)	-0.01%	(0.02)	-0.01%	(1.81)	0.00%	1.81	0.00%	1.01	0.29%	0.11	0.00%	1.12
22	Sharda Hungary Kft	0.31%	597.42	-0.19%	(65.78)	-8.28%	(25.26)	-0.26%	(91.04)	0.43%	688.45	0.64%	146.83	42.30%	15.92	0.71%	162.75
23	Sharda International Africa (PTY) Limited	0.21%	394.00	0.80%	279.31	2.62%	7.98	0.82%	287.29	0.06%	98.15	0.08%	19.23	41.47%	15.61	0.15%	34.84
24	Sharda International DMCC	8.44%	16,136.81	21.55%	7,528.50	0.00%	-	21.37%	7,528.50	6.42%	10,372.01	25.00%	5,728.63	0.00%	-	24.96%	5,728.63
25	Sharda Italia SRL	0.49%	929.43	0.76%	265.98	-7.69%	(23.47)	0.69%	242.51	0.43%	686.92	1.51%	345.46	16.74%	6.30	1.53%	351.76
26	Sharda Malaysia SDN. BHD.	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.96	-0.90%	(0.34)	0.00%	0.62
27	Sharda Peru SAC	0.00%	0.68	0.00%	0.09	-0.02%	(0.05)	0.00%	0.04	0.00%	0.63	0.04%	9.13	0.21%	0.08	0.04%	9.21
28	Sharda Poland SP. Z.O.O	0.14%	273.62	-0.27%	(95.39)	-0.55%	(1.68)	-0.28%	(97.07)	0.23%	367.50	0.82%	187.32	-17.00%	(6.40)	0.79%	180.92
29	Sharda Polska SP. Z.O.O.	0.00%	-	-0.01%	(1.81)	-0.06%	(0.19)	-0.01%	(2.00)	0.00%	6.18	0.08%	19.11	-0.13%	(0.05)	0.08%	19.06
30	Sharda Spain S.L.	0.00%	-	0.00%	(0.23)	0.00%	(0.01)	0.00%	(0.24)	0.00%	0.23	0.00%	(0.16)	0.08%	0.03	0.00%	(0.13)
31	Sharda Swiss SARL	0.00%	6.76	0.00%	(0.07)	-0.03%	(0.08)	0.00%	(0.15)	0.00%	6.91	0.00%	(0.08)	1.99%	0.75	0.00%	0.67
32	Sharda Taiwan Limited	0.00%	1.94	0.00%	-	0.02%	0.06	0.00%	0.06	0.00%	1.88	0.00%	(0.75)	0.50%	0.19	0.00%	(0.56)
33	Sharda Ukraine LLC	0.00%	0.10	0.00%	(0.32)	0.01%	0.02	0.00%	(0.30)	0.00%	0.39	0.00%	0.01	-0.19%	(0.07)	0.00%	(0.06)
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%	1.89	0.00%	(0.04)	0.01%	0.03	0.00%	(0.01)	0.00%	1.89	0.01%	2.01	-0.08%	(0.03)	0.01%	1.98
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, 2022 (Contd.)

(₹ Lakhs)

Sr. No.	Name of the Entity	Year Ended 31 March, 2022						Year Ended 31 March, 2021										
		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		
		As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	As % of consolidated net assets / (liabilities)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	
37	Sharda Maroc SARL	0.00%	2.53	-0.02%	(5.54)	-0.05%	(0.16)	(5.70)	0.01%	8.23	0.00%	-	0.29%	0.11	0.11	0.00%	0.11	
37	Shardaserb D.O.O.	0.00%	0.01	0.00%	(0.01)	0.00%	0.01	0.00	0.00%	0.01	0.00%	0.38	-0.05%	(0.02)	0.00%	0.36	0.00%	0.36
38	Sharpar S.A.	0.01%	22.23	0.00%	0.09	0.00%	-	0.09	0.01%	21.35	0.00%	(0.17)	-1.94%	(0.73)	0.00%	(0.90)	0.00%	(0.90)
39	Sharzam Limited	0.00%	-	0.00%	-	0.00%	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
40	Siddhivinayak International Limited	0.27%	510.37	0.01%	4.40	0.00%	-	4.40	0.30%	488.04	0.01%	3.20	0.00%	-	0.01%	3.20	0.01%	3.20
41	Sharda Private (Thailand) Limited	0.03%	52.12	0.01%	2.93	-0.44%	(1.33)	1.60	0.03%	50.52	0.07%	15.02	0.40%	0.15	0.07%	15.17	0.07%	15.17
42	Sharda Impex Trading LLC	0.00%	(6.55)	-0.16%	(55.29)	0.00%	0.01	(55.28)	-0.01%	(11.76)	-0.05%	(11.93)	0.00%	-	-0.05%	(11.93)	-0.05%	(11.93)
	<b>Consolidation adjustments</b>																	
	Adjustment arising out of consolidation	-1.30%	(2,493.25)	-4.53%	(1,582.97)	113.87%	347.43	(1,235.54)	-1.81%	(2,916.48)	-23.55%	(5,402.92)	-156.11%	(58.76)	-23.79%	(5,461.68)	-23.79%	(5,461.68)
	Minority interests in all subsidiaries	0.02%	33.14	0.00%	(0.01)	1.43%	4.35	4.34	0.02%	30.75	-0.02%	(0.01)	11.56%	4.35	0.00%	4.34	0.00%	4.34
	<b>Total</b>	<b>100.00%</b>	<b>1,91,279.33</b>	<b>100.00%</b>	<b>34,927.74</b>	<b>100.00%</b>	<b>305.12</b>	<b>35,232.86</b>	<b>100.00%</b>	<b>1,61,460.70</b>	<b>100.00%</b>	<b>22,921.77</b>	<b>100.00%</b>	<b>37.64</b>	<b>100.00%</b>	<b>22,959.41</b>	<b>100.00%</b>	<b>22,959.41</b>

\* Net assets = total assets minus total liabilities



# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

#### **44. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 :**

The Governments of various countries notified lockdown to contain the outbreak of COVID-19. Due to this, there have been several restrictions imposed by the Governments across the globe. However, the operations of the Group did not face any disruption. There is no significant impact of COVID-19 pandemic on the financial position and performance of the Company for the financial year ended 31 March, 2022.

In light of these circumstances, the Group has considered the possible effects that may result from COVID -19 on the carrying amounts of financial assets, inventories, trade receivables, property plant and equipment, Intangible assets and Intangible assets under development, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the data and based on current estimates, the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

#### **45. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 23 March, 2022, MCA promulgated the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, Key amendments are as below:

##### **Ind AS 16 – Property Plant and equipment-**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

##### **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

None of these ammdements are expected to have material impact on the financial statements of the Group.

- 46.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2022 (Contd.)

## 47. OTHER MATTERS

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

## 48. PREVIOUS YEAR COMPARATIVE

The figures for the previous year have been regrouped /reclassified to correspond with the current year's classification/disclosures consequent to amendments in the Schedule III to the Companies Act 2013.

As per our report of even date attached  
**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No. 116231W/W-100024

**Shabbir Readymadewala**  
Partner  
Membership No.: 100060

Place: Mumbai  
Date : 13 May, 2022

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

**Ramprakash V. Bubna**  
Chairman & Managing Director  
DIN 00136568

**Ashok Vashisht**  
Chief Financial Officer  
Membership No.: 20045

Place: Mumbai  
Date : 13 May, 2022

**Manish R. Bubna**  
Whole-time Director  
DIN 00137394

**Jetkin Gudhka**  
Company Secretary  
Membership No.: A26487

Place: Mumbai  
Date : 13 May, 2022







***Sharda Cropchem Limited***

**Registered Office:**

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Prime Business Park, Dashrathlal Joshi Road,  
Vile Parle (West), Mumbai - 400 056

Tel. No.: 91 22 6678 2800

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

Fax No.: 91 22 6678 2828

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