



## MESSAGE FROM

## CHAIRMAN & MANAGING DIRECTOR



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### Dear Shareholders,

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

### Navigating Global Challenges

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

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

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

### Our Core Strengths and Growth Foundations

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

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

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

### Pipeline and Sourcing Strategies

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

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

### Expanding Global Presence and Distribution Network

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

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

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

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

### Financial Performance and Future Outlook

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

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

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

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

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

### Conclusion and Way Forward

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

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

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

Warm regards,

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