

## CHAIRMAN AND MD'S MESSAGE

We remain extremely focused on the needs of our clients in this environment and even more ready to expand our support as the world collectively emerges from this unprecedented situation.

Dear Shareholders,

As I write this, we are in the middle of the biggest crisis we have seen in our lifetimes, the COVID-19 pandemic. So far, it has created unprecedented socioeconomic disruption, uncertainty and the tragic loss of human life. Having said that, most of us have lived through economic crises before. Each time we have adapted and bounced back. I am hopeful that like all previous crises, this one will also pass, and in time, a fresh wave of business energy will be unleashed. The next few months will be critical for all organisations as they build their resilience to persist, resurrect their businesses and master the challenges of this new business environment.

FY2020 was a year of Resilience and Agility for Sharda Cropchem. The trust of our clients and the dedication of our employees helped us achieve consistent results. Our resilience was derived from the ability to identify opportunities, attaining product registration, investing in enduring relationships and prudent financial management – across geographies and industry cycles.

With this, I am pleased to present our annual report for FY2020.

### OUR FINANCIAL PERFORMANCE

During the year, the total revenue marginally grew by 0.3%, from ₹1,998 crores in FY2019 to ₹2,003 crores in FY2020. The revenue from agrochemicals division marginally grew by 0.2% from ₹1,682 crores in FY2019 to ₹1,685 crores in FY2020, while revenue from non-agro division grew by 0.9% from ₹315 crores in FY2019 to ₹318 crores in FY2020.



**R. V. BUBNA**  
Chairman & Managing Director



Furthermore, the revenue contribution in agro-business was driven primarily by European Union region constituting 51.5% of the agro revenues, followed by NAFTA region, LATAM and Rest of the World with 34.2%, 7.1% and 7.2%, respectively. Agro business revenue in Europe grew by 9.6% while revenue from NAFTA, LATAM and Rest of the World declined by 10.4%, 2.3% and 3.0% respectively. The agrochemicals business contributed 84%, and non-agrochemicals contributed 16% to the revenues in FY2020. EBITDA (excluding write off of intangible assets and intangible assets under development), fell by 4.7% YoY from ₹369 crores in FY2019 to ₹352 crores in FY2020. Net profit after tax fell by 6.6% YoY from ₹176 crores to ₹165 crores.

## REGISTRATIONS – ENGINE OF GROWTH

We continue to bank on our strength to identify opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions. Our focused approach has yielded its fruits as the number of registrations, and library of dossiers owned by the Company has grown from strength to strength.

New Registrations continue to be an engine of growth for the Company, as we focus on adding more registrations for strengthening our product offering to multiple geographies. The total number of registrations grew by 121 from 2,297 as of March 31, 2019, to 2,418 as of March 31, 2020. Moreover, we have another 1,038 registrations in the pipeline across geographies.

We continue to bank on smart IP management for identifying the generic molecules going off-patent and focus on seeking registrations to strengthen our portfolio of formulations and generic active ingredients across Europe, NAFTA, LATAM and the Rest of the World. We seek to obtain registrations of new formulations by leveraging our existing dossiers and portfolio of formulations & generic active ingredients.

## OUR COMPETITIVE STRENGTHS

By following a unique asset-light business model, we facilitate and strengthen our competitiveness in identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing formulations through third-party distributors and our own sales force. With our asset-light business model, we are strengthening our registrations portfolio of generic active ingredient by focusing and investing our scarce resources strategically.

With a healthy relationship with multiple manufacturers and formulators, we are able to source at the optimal price, thereby de-risking our sourcing capabilities while also gaining the flexibility to supply formulations or generic active ingredients at competitive market prices. This has enabled us to strengthen and widen our global distribution network and business operations across Europe, NAFTA, Latin America and Rest of the World.

## OUR FUTURE OUTLOOK

Going forward, we aim to strengthen our own sales forces and network as we stand by our belief that marketing and distribution play a key role in the agrochemical value chain. We are

expanding our sales force steadily in more than 40 countries, thereby minimising our dependency on third-party distributors. Apart from this, as the global biocides market has a positive outlook, we will continue marketing and distributing our biocides portfolio in 39 countries.

We strive to adopt a factory-to-farmer approach in crop protection. We believe that this will not only help us to expand our margin and portfolio penetration, but it will also help to serve our esteemed customer base efficiently.

## END NOTE

With all these strengths, we believe our relative competitiveness will only improve through the months ahead, and we will be better positioned than ever to create longer-term value for all our stakeholders. We remain extremely focused on the needs of our clients in this environment and even more ready to expand our support as the world collectively emerges from this unprecedented situation.

I want to especially thank our leadership team for demonstrating incredible ability to execute throughout the last financial year and for their stellar performance and a real test of resilience under a difficult situation in the past few weeks. Also, I want to thank our Board Members for their unwavering support and guidance during the past year, and all our employees for working together to achieve our goals.

As we navigate these uncertain times together with our customers, we look forward to the continued support of our stakeholders.

Sincerely

**R. V. BUBNA**  
Chairman & Managing Director