

# Sharda Cropchem Limited

(Formerly known as Sharda Worldwide Exports Pvt. Ltd.)

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www.shardaworld.com







ISO 9001: 2008 Reg. No: 690257

CIN: L51909MH2004PLC145007



## FORM A Pursuant to Clause 31(a) of the Listing Agreement

Sr. No	Particulars	Details
1.	Name of the Company	Sharda Cropchem Limited
2.	Annual financial statement for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by	
	CEO/Managing Director	  <b>Mr. Ramprakash V. Bubna</b> (Chairman & Managing Director)
	CFO	  <b>Mr. Gautam Arora</b> (Chief Financial Officer)
	Auditor of the Company	<b>For S. R. Batliboi &amp; Co LLP</b> Chartered Accountants Firm's Registration No 301003E   <b>per Vijay Maniar</b> Partner (Membership No. 36738)
	Chairman of the Audit Committee	  <b>Mr. M. S. Sundara Rajan</b> Chairman - Audit Committee



Sharda Cropchem Limited

**INTELLECTUALLY DRIVEN.  
GLOBAL IN VISION.**

**ANNUAL REPORT 2014-15**

**Sharda Cropchem Limited**

Formerly known as Sharda Worldwide Exports Private Limited



## CONTENTS

Intellectually Driven Global in Vision. ....	1
An Intellectual Property (IP) Driven Company.....	2
Our Global Marketing and Distribution Advantage ..	4
Chairman's Letter .....	6
Management Discussion & Analysis.....	9
Financial Overview.....	16
Notice .....	20
Directors' Report .....	24
Corporate Governance Report .....	56
Standalone Financial Statements .....	73
Balance Sheet .....	78
Statement of Profit And Loss .....	79
Cash Flow Statement .....	80
Consolidated Financial Statements .....	110
Consolidated Balance Sheet .....	116
Consolidated Statement of Profit and Loss .....	117
Consolidated Cash Flow Statement .....	118

## CORPORATE INFORMATION

### Board of Directors:

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

**Sharda R. Bubna,**  
Whole-time Director

**Ashish R. Bubna,**  
Whole-time Director

**Manish R. Bubna,**  
Whole-time Director

**M. S. Sundara Rajan,**  
Independent Director

**Urvashi Saxena,**  
Independent Director

**Shitin Desai,**  
Independent Director

**Shobhan Thakore,**  
Independent Director

**P.R. Srinivasan,**  
Independent Director

### Key Managerial Personnel:

**Gautam Arora,**  
Chief Financial Officer

**Jetkin N. Gudhka,**  
Company Secretary & Compliance Officer

**Corporate Identity Number (CIN):**  
L51909MH2004PLC145007

### Registered Office:

Domnic Holm,  
29th Road, Bandra (West)  
Mumbai – 400 050  
Tel. No.: 91 22 6678 2800  
Fax No.: 91 22 6678 2828  
Email address: co.sec@shardaintl.com  
Website: www.shardacropchem.com

### Auditors:

**S. R. Batliboi & Co. LLP**

### Share Registrars and Transfer Agents:

Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B,  
6th Floor, Plot No 31 & 32  
Financial District,  
Nanakramguda, Serilingampally Mandal  
Hyderabad – 500 032  
Tel. No.: 91 040 6716 1606  
Fax No.: 91 040 2311 4087

### Bankers:

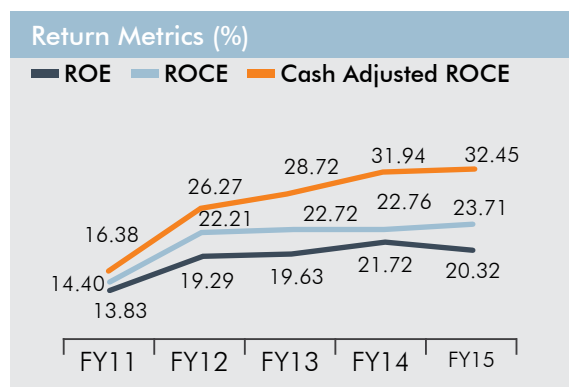
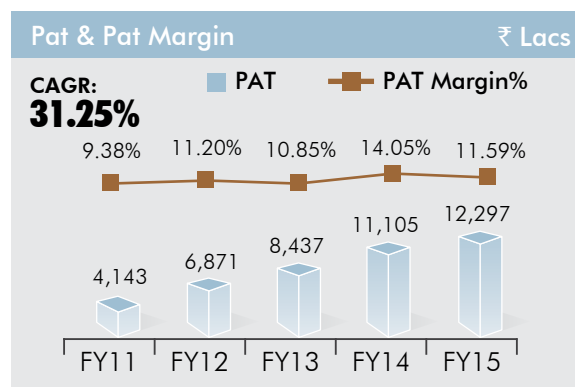
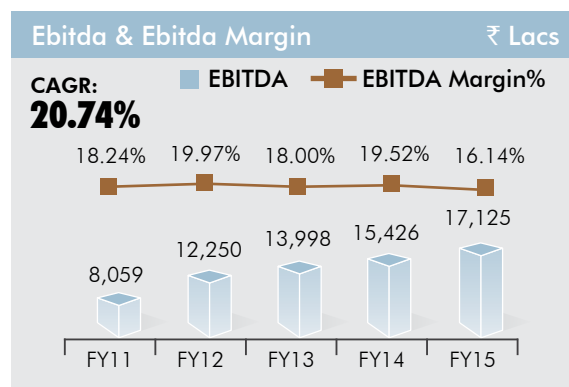
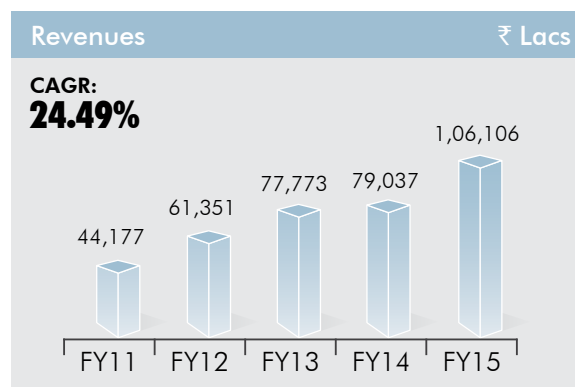
Union Bank of India

## INTELLECTUALLY DRIVEN. GLOBAL IN VISION.

We are a global crop protection chemical company, operating mainly across Europe, NAFTA and Latin America. Our product portfolio comprises of mainly fungicides, herbicides and insecticides. We follow an asset light business model which focuses on identifying and registering potential molecules that enjoy strong demand and earns us healthy contributions. As of 31<sup>st</sup> March, 2015, we own 1,215 registrations for formulations and 194 registrations for active ingredients (AIs). We currently have a pipeline of 729

global applications for registrations, pending at different stages of approvals. Our products are sold under our own brands across the world, through a strong network of distributors and resellers.

We also participate in certain non-agrochemical products comprising of order-based procurement and supply of conveyor belts and general chemicals, dyes and dyes intermediates.



# 1,409

Total Registrations  
as at 31<sup>st</sup> March, 2015

# 729

Registrations in Pipeline  
as at 31<sup>st</sup> March, 2015

Source: FY11, FY12 and FY13 calculations are based on restated financials sourced from Red Herring Prospectus of the company.  
 PAT Margin = PAT / Revenue from Operations, EBITDA Margin = EBITDA (excl. Other Income) / Revenue from Operations,  
 ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital  
 Employed = Equity + Total Debt – C&CE)]

## AN INTELLECTUAL PROPERTY (IP) DRIVEN COMPANY

**Our core competency lies in identifying opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions.**

As of FY2015, we have 207 Good Laboratory Practices ("GLP") certified dossiers and we own 1,215 registrations for formulations and 194 registrations for generic active ingredients across Europe, NAFTA, Latin America and Rest of the World. Our library of dossiers gives us a competitive edge and facilitates us in seeking registrations in different countries in a time efficient manner. This also fosters our ability to operate in and distribute diversified range of formulations and generic active ingredients globally including highly regulated markets, which would not be permitted without such registrations. As of FY2015, we have 729 applications for seeking registrations globally which are pending at different stages. As at 31st March, 2015, we have gross block of intangible assets and intangible assets under development, on an consolidated basis, of ₹44,255.41 Lacs.

The process of preparing dossiers and seeking registrations is fairly time consuming. In addition, capital investment required for preparing dossiers and seeking registrations is also a critical entry barrier for a generic agrochemical company. The legal and procedural requirements for seeking registrations differ in each jurisdiction. Over the years, we have focused and navigated through the regulatory requirements in these jurisdictions, which have equipped us to anticipate potential issues and prepare ourselves for complying with the regulatory requirements in an efficient manner. We are also supported by an experienced pool of consultants and their knowledge in relation to the application process followed in their respective countries that facilitate us in seeking registrations. Amongst the highly regulated markets, being Europe, United States in NAFTA, Brazil and Japan, we have been able to successfully obtain registrations in Europe and United States.

# 1,409

Total Registrations  
as at 31st March, 2015


# 729

Registrations in Pipeline  
as at 31st March, 2015

# ₹44,255.41 Lacs

gross block of intangible  
assets and intangible  
assets under development  
as at 31st March, 2015





We believe that our ability and experience to obtain registrations in such highly regulated markets with high entry barriers places us in an advantageous position.

We believe that our core competency in seeking registrations also enables us to enter into new markets in an efficient manner and helps us in overcoming the critical entry barriers to a great extent. We will continue to identify generic molecules going off patent and focus on seeking registrations to increase our portfolio of formulations and generic active ingredients across Europe, NAFTA, Latin America and Rest of the World. Towards this end, we have, and intend to continue to engage experienced consultants in different countries across regions to benefit from their knowledge about the registration processes in the local jurisdiction as well as the market conditions.

## OUR BUSINESS MODEL

We focus on identifying worthwhile generic molecules to prepare dossiers for and seek their registrations across multiple markets. We carry out marketing through third party distributors and directly through our own sales team. We outsource all our manufacturing of Active Ingredients and Formulations, allowing us to enjoy a highly flexible operating model resulting in overall cost competitiveness. Through this approach, we are able to focus more on deepening our product portfolio and widening our geographic access. As a result we are well protected from the cyclical ups and downs of any one product, market or crop.



## OUR GLOBAL MARKETING AND DISTRIBUTION ADVANTAGE

With our presence in multiple geographies, we have diversified our revenue sources and at the same time developed knowledge about the local weather and soil conditions which enables us to foresee and satisfy local demand.

We have established a rich and deep network of distributors and an experienced direct salesforce across multiple market around the world. As of FYE2015, we have 605 third party distributors and 109 personnel of our own sales force in 76 countries across Europe, NAFTA, Latin America and Rest of the World. Through this network, we offer a diversified range of formulations in fungicide, herbicide, insecticide and biocide segments. Our relationship with the third party distributors and availability of our own sales force enables us to introduce new formulations into our existing market in a timely manner. We also benefit from their feedback which enables us to gauge the demand for our existing formulations. We supply

# 605

Third Party Distributors

# 109

Personnel of our own Sales Force

# 76

Countries

Europe, NAFTA, Latin America and Rest of the World



Our Presence





our non-agrochemical products to our customers, primarily, distributors, across Australia, Asia, Africa, Europe, North America and Latin America based on their specific orders.

For FY2015, our revenue from operations in agrochemicals in Europe, NAFTA, Latin America and Rest of the World contributed 50.60%, 19.92%, 17.26% and 12.22%, respectively, to our unconsolidated total revenue from operations in agrochemicals.

Our revenues from our non-agrochemical order based operations are not dependent upon a single country. The sales and marketing of non-agrochemical operations are also spread across 35 countries across Europe, NAFTA, Latin America and Rest of the World. For FY2015, Europe, NAFTA, Latin America and Rest of the World contributed 30.31%, 22.53%, 22.46% and 24.70%, respectively, to our unconsolidated total revenue from operations in non-agrochemicals.



## CHAIRMAN'S LETTER

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

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



Dear Shareowners,

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

### Global Trends

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

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

### Solid Performance in FY2015

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

### An Intellectual Property Driven Business

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

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

### Outlook

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

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

R. V. Bubna  
Chairman & Managing Director



We follow an asset light business model which focuses on identifying and registering potential molecules that enjoy strong demand and avails us healthy contributions.

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**Ashish Bubna**

Whole-time Director

We believe that this diversification in terms of geographies and product portfolio reduces the risks of adverse market, seasonal conditions or concentration and dependence on a single jurisdiction.



**Manish Bubna**

Whole-time Director

We procure non-agrochemical products primarily from manufacturers in China or India, which gives us the advantage to cater to varied customer demands with flexibility.



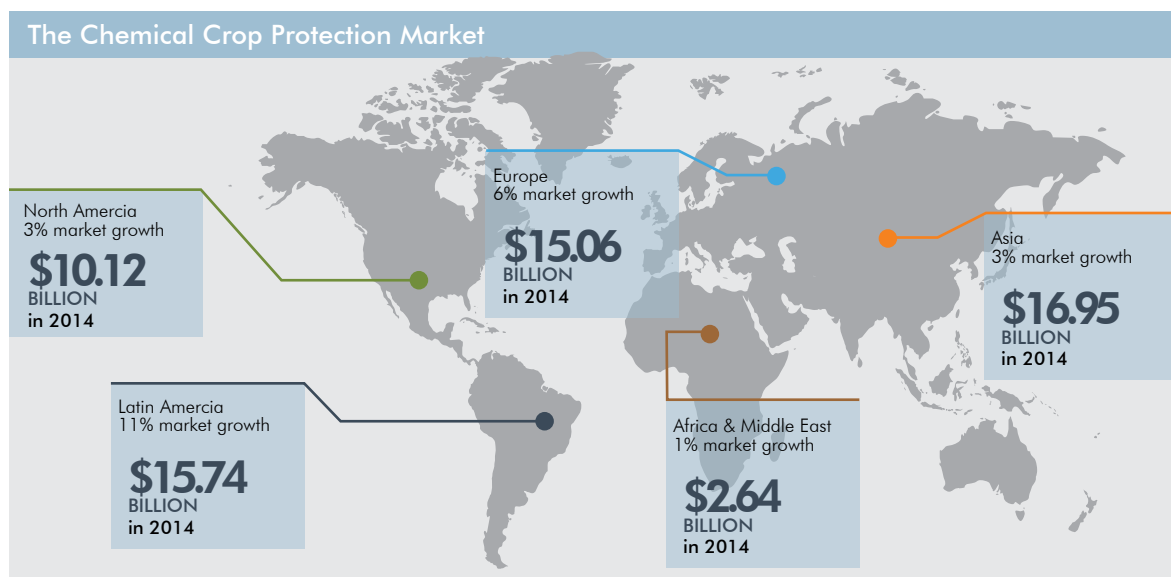
## MANAGEMENT DISCUSSION & ANALYSIS

### GLOBAL ECONOMY

The global economy grew at a slightly faster pace in 2014, as a modest revival in the eurozone and a pick-up in India helped offset slowdowns in China and Japan. Growth picked up, albeit marginally, from 2.5% to 2.6%, mainly driven by momentum in United States and U.K. It is seen shifting upwards to an average of 3.3% between 2015 and 2017, brought about by an upward shift of growth in Gross Domestic Product (GDP) of the developed economies from 1.8% to 2.2% and with developing economies accelerating from 4.8% to 5.4 %. The combined gross domestic output of the Group of 20 largest economies, which accounts for 90% of the global economic output, expanded 3.4% in 2014, up slightly from 3.2% in 2013, aided by a return to growth in the Eurozone. Global growth is forecast to rise moderately to 3.5% in 2015 and 3.7% in 2016, the net positive being a sharp decline in oil prices. International Monetary Fund (IMF) projects growth in emerging markets and developing economies to remain broadly stable at 4.3% in 2015 and increase to 4.7% in 2016. Moving ahead, across nations, the mandate to Governments is to control inflation, improve fiscal prudence and sustainable growth, with concerted efforts being on job creation through public and private investments.

### INDIA MACRO-ECONOMIC ENVIRONMENT

India continues to be one of the most promising economies to sustain a strong growth in its GDP. The current growth in GDP, as per the new series, places it at 7.4% for FY2015 as against a revised past trend of 5.1% and 6.9% in FY2013 and FY2014, respectively. The revised trend is estimated to take GDP growth to 8% plus in FY2016. A year after formation of the new Government, positive impact of Government policies and decisions reflect at the ground level, at least partially. The government seems to be moving in the right direction – balancing the act of reforms, capital spending to boost economic recovery and fiscal prudence. During FY2015, the Indian economy stood up to the challenges of consumer inflation, policy paralysis, weakening of Indian rupee, widening current account and fiscal deficits and an unstable global environment. It is now on a firm path of revival with a wave of optimism. The strong uptick in GDP growth was accompanied by a receding inflation – at 5.1% in January 2015, considerably lower than double-digit figures in 2013. Current account deficit and fiscal deficit, the prime causes of concern in 2013, are now within manageable levels.



Source: Kleffmann Group



## GLOBAL AGROCHEMICAL MARKET

### Overview

According to Kleffmann Group estimates, as of 2014, the overall global market related to crop protection agrochemicals was worth \$60.52 bn. This market has expanded at a Compound Annual Growth Rate (CAGR) of 5.40% over 2008 to 2014

NAFTA and EU have been early promoters and adopters of crop protection agrochemicals. Hence they dominate overall market of global agrochemical sales with share of 16.7% and 24.9% respectively. Asian region is now the biggest with a share of 28.0%, followed by LATAM with 26.0% and Rest of the World having 4.4% share. The LATAM market is the fastest growing region by far. Developed markets such as the US & EU have matured over the years and their future growth is likely to be marginal and stable.

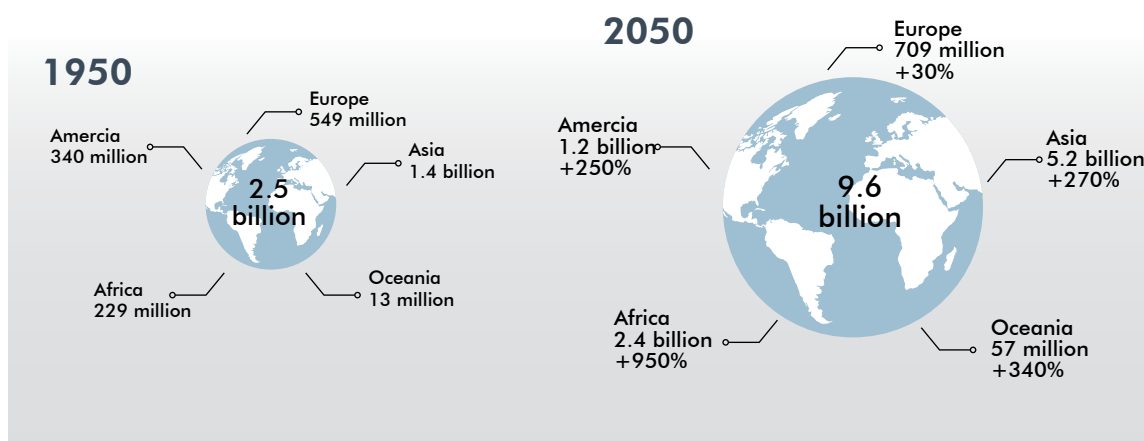
Year	Crop Protection Sales (US\$m)	Non Crop Pesticides (US\$m)	Total Pesticides (US\$m)	CP p.a. (%)	Non Crop p.a. (%)
2008	44,135	5,076	49,211		
2009	41,480	4,812	46,292	-6.02%	-5.20%
2010	43,520	5,135	48,655	4.92%	6.73%
2011	49,355	5,676	55,031	13.41%	10.52%
2012	52,220	5,953	58,173	5.80%	4.88%
2013	57,250	6,197	63,447	9.63%	4.09%
2014	60,515	6,441	66,956	5.70%	3.94%

## TRENDS IN THE GLOBAL AGROCHEMICAL MARKET

### Growth in global population

The world's global population is growing and so with it the demand for food. This has meant a quantum jump in the area of land used in farming, crop production and the use of agrochemicals. With more than a 9.6 billion population by 2050 estimated by United Nations, there are going to be serious demands made on the earth's resources and farming productivity. Agrochemicals are expected to play a key role in improving yields and overall production growth of food crops to meet global demand.

#### World population growth

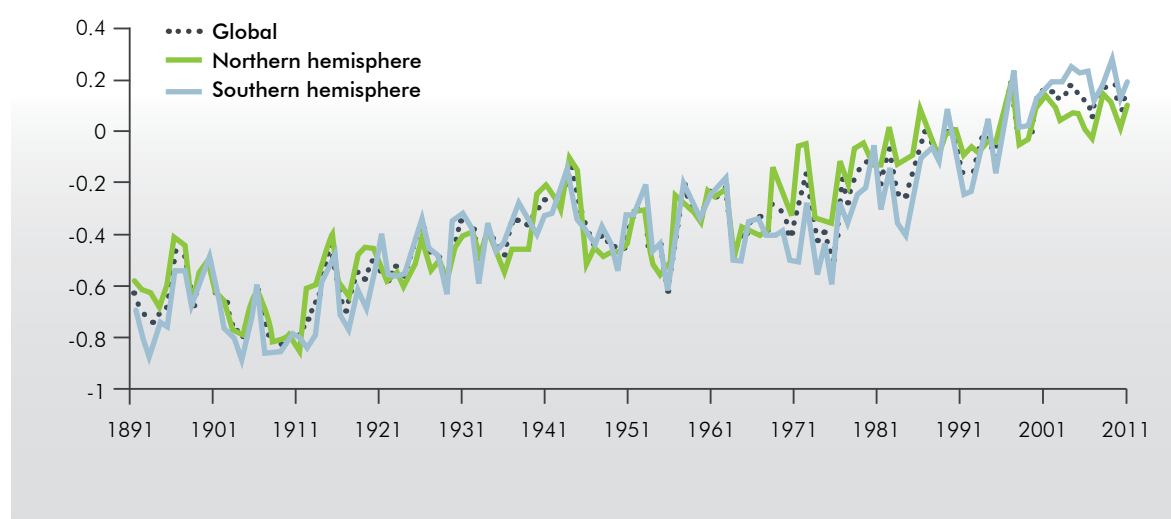


Source: United Nations

### Warmer weather:

It is increasingly more believed that Global warming could be a factor behind an increase in crop infestations generally. While no data exists to support a clear cause-and-effect relationship between higher temperatures and crop infestation, many are of the opinion that global warming is a key factor behind crop infestations. The earth's average temperature has been on a clear up-trend over the last two decades or so and it is estimated that the use of insecticides and fungicides is on the rise.

Worldwide annual mean temperature anomaly (°C)



Source: Nomura / Japan Meteorological Agency data

### Wide Adoption Of (Genetically Modified) Gm Foods In The Americas

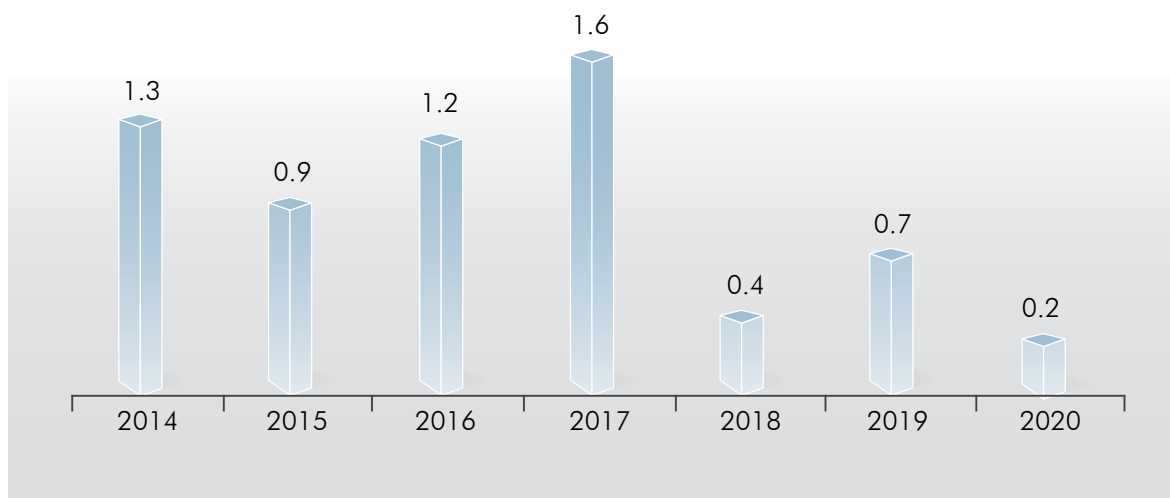
As of 2013, GM seed weightings in the US have reached 90% for corn, 90% for cotton, and 93% for soybeans. Looking at the breakdown by type of GM seed, corn and cotton seeds combining resistance to both herbicides and insecticides have expanded rapidly, while seeds with a single resistance have been losing market share. Turning to other regions, in Argentina the uptake of GM seeds has reached roughly 98% for soybeans and around 62% for corn. In Brazil, meanwhile, approximate uptake is 82% for soybeans and 39% for corn.

### Growth Of Generics

Agrochemicals are protected by patents to encourage innovation akin to the Pharmaceutical industry. Going ahead, many molecules are likely to go off patent throwing the market open for generic players. As per Nufarm, total likely available opportunity through patent expiry between 2011-16 stands at US\$ 5.2 bn (2010 sales value). According to Eisec Research, the share of generic agrochemicals has been increasing continuously over last decade. Share of generics have increased from 36% in 2004 to 40% in 2006 to 52% in 2011. There has been visible drop in rate of introduction of new molecules for agrochemical / crop protection molecule over past 2 decade.



Value of agro-chemicals going off-patent over 2014-2020 (US\$bn)



Source: Industry, Ambit Capital research

### Heavy duty conveyor belts industry development trend

This industry is made up of few that fully comply with international standards. Industry concentration is gradually increasing while the large gap in competitiveness between local enterprises and foreign-invested enterprises is gradually shrinking. The sustained economic and manufacturing growth in emerging countries such as China, India and other emerging markets, is the key driver for demand. The growth of automation and mechanisation in the production industry are continuously improving the level of demand for rubber conveyor belts. Going forward, the rubber conveyor belt industry in China, India and other parts of the world are expected to maintain their steady growth rate. With the gradual maturity of the market, competition among enterprises is gradually shifting to both established and emerging competing brands.

## SHARDA CROPCHEM LIMITED

### Overview & Background

The business was conceived and founded by Mr. R. V. Bubna, a Chemical Engineer from IIT, Bombay, with 45 years experience of working, hands on, in the chemical industry. He commenced business operations through their sole proprietorship concerns, namely, M/s. Sharda International in 1987 and M/s. Bubna Enterprises

in 1989, respectively (together the "Sole Proprietary Concerns"). Sharda Worldwide Exports Private Limited was formed in 2004. The businesses of the Sole Proprietary Concerns consisting of export of dyes, dye intermediates, pesticides, agrochemicals and V-Belts, were transferred to Sharda Worldwide Exports Private Limited with effect from April 1, 2004 on an "as is and where is basis". On September 18, 2013, the Company changed its name to Sharda Cropchem Private Limited and thereafter on the same date it was converted into a public limited company with the name Sharda Cropchem Limited (the "Company").

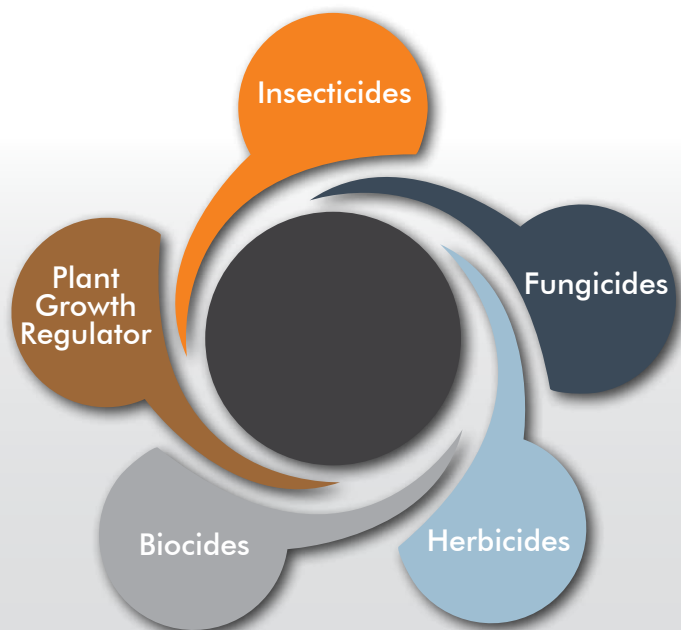
Today, the Company is a fast growing global agrochemicals company with leadership position in the generic crop protection chemicals industry. It has made deep inroads in the highly developed European and US markets that are characterised as high entry barrier markets. It also has a significant presence in other regulated markets such as LATAM and Rest of the World.

### Our Business Verticals

#### Agrochemicals Business

We are primarily a crop protection chemical company engaged in the marketing and distribution of a wide range of formulations and generic active ingredients (AIs) globally.

## Our Product Categories



**Non-Chemicals Business**

The product portfolio in non-agrochemical business comprises of Belts, general chemicals, dyes and dye intermediates which enables the Company to cater to varied demands. We also follow the asset light business model for our non-agrochemical operations and supply Belts, general chemicals, dyes and dye intermediates only on the basis of specific orders received from the distributors. We procure these non-agrochemical products, primarily, from the manufacturers in China or India which provides us the flexibility to cater to varied customer demands.

**Our Product Profile (Agrochemicals)**

Sharda Cropchem Limited is engaged in the marketing and distribution of a wide range of formulations and generic active ingredients globally. It's core strength lies in identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing formulations or generic active ingredients in fungicide, herbicide and insecticide segments. The company has also recently entered into the biocide segment and has acquired several registrations from the existing registration holders, primarily, in Europe.

As of 31st March, 2015, the Company has over 207 Good Laboratory Practices ("GLP") certified dossiers and as of 31st March, 2015, the Company owns over 1,215 registrations for formulations and over 194 registrations for generic active ingredients across Europe, NAFTA, Latin America and Rest of the world.

The company procures formulations and generic active ingredients in their finished form from third party manufacturers for onward sale. It also procures generic active ingredients for preparation and sale of formulations wherein it outsources the process of preparation of formulations to third party formulators. This enables the company to offer diversified range of formulations and generic active ingredients in fungicide, herbicide and insecticide segments for protecting different kind of crops as well as serve turf and specialty markets and in biocide segment as disinfectants, thereby catering to varied market demand.



## THE SHARDA CROPCHEM ADVANTAGE

### An asset light business model

We have an asset light business model whereby we focus on identifying generic molecules, preparing dossiers, seeking registrations, marketing and distributing formulations through third party distributors or our own sales force. This business model also allows us to channelize and efficiently utilise our time, resources and bandwidth towards developing our core competency of seeking registrations which would otherwise be spent on people, infrastructure and vast amounts of fixed assets.

### Core competency in registration

Our core competency lies in identifying opportunities in generic molecules and corresponding formulations and generic active ingredients, preparing dossiers and seeking registrations in the relevant jurisdictions. As a result of our focused efforts in seeking registrations in different countries and our investment of time and capital towards this objective, our library of dossiers and the number of registrations owned by us have increased progressively.

### Global distribution network

With an objective to increase our presence in the agrochemical value chain, we have set up our own sales force in various countries in Europe as well as in Mexico, Colombia, South Africa and India and other jurisdictions in addition to third party distributors. We believe that we have been able to increase the penetration of formulations and generic active ingredients in various countries due to the pan presence of the third party distributors and availability of our own sales force.

### Strong geographic spread and diversified portfolio

Our agrochemical business operations are spread in over 76 countries across Europe, NAFTA, Latin America and Rest of the World offering diversified range of formulations and generic active ingredients in fungicide, herbicide, insecticide and biocide segments. Our product portfolio in agrochemical business comprises of formulations and generic active ingredients in fungicide, herbicide and insecticide segments for protecting different kind of crops as well as serves turf and specialty markets and in biocide segment as disinfectants thereby allowing us to offer varied range of formulations and generic active ingredients. We believe that this diversification in terms of geographies and

product portfolio reduces the risks of adverse market, seasonal conditions or concentration and dependence on a single jurisdiction.

### Experienced management team and personnel

The Promoters and the Management of the Company have a combined experience of approximately 60 years in the agrochemical business and have played a key role in developing our business. We believe that the domain knowledge and experience provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. Further, a qualified, experienced and capable management team leads our business and operations. Our ability to attract and retain our key management personnel and our in-house team has enabled us in streamlining the registration process thereby economising the registration costs and the time involved.

### Strong sourcing capabilities

Using multiple manufacturers and formulators in the agrochemical industry ensures that we are not dependent on a single or limited number of manufacturers or formulators. Our relationship with the third party manufacturers and third party formulators provide us the flexibility to adjust our orders in accordance with the fluctuating demands and our strong sourcing capabilities enable us to seek supply of formulations or generic active ingredients at competitive market prices. This also enables us to take advantage of the economies of scale.

### Financial strength

We maintain a narrow focus on capital efficiency and we strive to maintain a conservative debt policy. The Company has been able to grow minimal leverage. Going forward, we believe we have the ability to leverage our balance sheet to take advantage of a favorable business cycle or market opportunity. We have also demonstrated a consistent track record of profitability with a CAGR growth of 31.25% over the last 5 years. For Fiscals 2015 and 2014, our net worth was ₹65,451.23 Lacs and ₹55,574.41 Lacs, respectively. We believe that our financial strength makes us well positioned for any changes in the market conditions and to take advantage of new opportunities.

## FINANCIAL OVERVIEW

Particulars	(in ₹ Lacs)
	FY2014-15
Revenue from Operations	106,106.47
Other Income	2,871.64
Gross Profit (Including Other Income)	37,971.45
EBITDA (Including Other Income)	19,997.12
Finance Cost	79.87
Depreciation & Amortization	2,331.16
Prior Period Item (Net of tax)	(45.32)
Profit Before Tax	17,586.09
Profit After Tax	12,297.12
Basic Earnings Per Share (EPS)	13.63
Dividend Per Share	2.50
Equity	9,022.05
Short Term Borrowings (including working capital loans)	3,806.66
Long Term Borrowings	-
Net Block (including IAUD)	23,675.63
Cash & Bank Balance	7,023.53

### Revenue from Operations

Revenue from operations for FY2015 increased by 34.25% year over year to ₹106,106.47 Lacs compared to ₹79,037.26 Lacs in FY2014. The growth in revenues was primarily driven by improved performance in existing markets as well as penetration in new markets. The company was able to drive growth through consistent investment in new registrations. The total number of registrations increased to 1,409 as of 31st March 2015 as compared to 1,150 as of 31st March, 2014. The company currently has another 729 registrations in the pipeline across geographies.

### Earnings before interest tax depreciation and amortisation (EBITDA)

EBITDA (Including Other Income) for FY2015 increased by 6.88% year over year to ₹19,997.12 Lacs compared to ₹18,708.99 Lacs in FY2014. The EBITDA margin for FY2015 decreased by 438 bps year over year to 18.35% compared to 22.73% in FY2014 primarily due to change in product mix

between formulations and active ingredients and also due to depreciation of Euro currency.

### Interest and depreciation

Interest expense for FY2015 decreased by 41.81% year over year to ₹79.87 Lacs compared to ₹137.26 Lacs in FY2014. Interest cost was minimal due to low leverage level. Depreciation & Amortisation expense for FY2015 decreased by 19.42% year over year to ₹2,331.16 Lacs compared to ₹2,892.92 Lacs in FY2014.

### Profit after tax

Profit after tax for FY2015 increased by 10.73% year over year to ₹12,297.12 Lacs compared to ₹11,105.17 Lacs in FY2014. PAT margin in FY2015 decreased 246 bps year over year to 11.59% compared to 14.04 in FY2014. The PAT for FY2015 included foreign exchange loss of ₹1,821.29 Lacs compared to foreign exchange gain of ₹1,958.28 Lacs included in PAT in FY2014. Excluding the foreign exchange gain/loss, the PAT

for FY2015 increased by 54.35% year over year to ₹14,118.41 Lacs compared to ₹9,146.89 Lacs in FY2014.

### Leverage

The company maintains a very strong balance sheet position with low leverage and strong cash and cash equivalents. As on 31st March 2015, the consolidated debt was ₹3,806.66 Lacs, which entirely represented working capital loans. The company had no long term debt. With an equity of ₹65,451.23 Lacs, the company had low leverage with Debt to Equity of 0.06x. Further, the company also had cash and cash equivalents of ₹7,023.53 Lacs as on 31st March 2015.

## KEY RISKS AND CONCERNS

Our business is affected by a number of important factors. These factors are:

### Expiring patents

Being a generic agrochemical player, our results of operations are directly related to the expiry of patents for various molecules. As existing patents for molecules expire, we can commence the process of creating dossiers, seeking registrations and marketing and distribution of formulations and generic active ingredients based on the generic versions of these molecules. In some regions including Europe, the regulators maintain comprehensive public registers of pesticide products and active ingredients, stating the present and future regulatory status of all approved products and their corresponding generic active ingredients.

### Changes in the agricultural or other policies of the Government across the globe

Our formulations and generic active ingredients are marketed and distributed globally. Any changes in the government policies relating to the agriculture sector such as government expenditure in agriculture, changes in incentives and subsidy systems, export policy for crops, commodity pricing, ability of farmers to realize minimum support prices could also have an effect on the ability of the farmers to spend on agrochemical input products, which thereby could affect the market demand and the sales of our formulations and generic active ingredients.

### Agrochemical business is subject to seasonal and weather factors

The agricultural sector on which our agrochemical business is dependent is subject to varying soil conditions, climatic conditions, rainfall, seasonal and weather factors, which make the performance of the agricultural sector as a whole or the levels of production of a particular crop relatively unpredictable. Also, the occurrence of disease and the corresponding use of agrochemicals would depend primarily on these factors and would differ on a regional basis. Accordingly, the effect of the soil conditions, climatic conditions, rainfall, seasonal fluctuations, commodity crop price fluctuations and/or any of the abovementioned events on the agricultural sector and particularly the crops to which our products cater, drive the demand for our agrochemicals which makes our operations relatively unpredictable and seasonal.

### Fluctuating foreign exchange rates

We are subject to currency exchange rate exposures as we transact a significant portion of our business in various foreign currencies, primarily, the US Dollars and Euros. Foreign exchange fluctuation affects both our revenues and expenditures and our assets and liabilities. To this extent, the revenues and expenditures will be higher or lower depending on the prevalent foreign exchange rates.

## INTERNAL CONTROLS

The Company relies on the services of reputed external agencies for reviewing its internal control system. This has enabled an unbiased and independent examination of the adequacy and effectiveness of the internal control systems to achieve the objective of optimal functioning of the Company. The scope of activities include safeguarding and protecting the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of authenticity of all transactions. The Company has a well-defined reporting structure, which evaluates and forewarns the management on issues related to compliances. The performance of the Company is regularly reviewed by the Audit Committee and/or the Board of Directors, to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives.

In order to further strengthen the Company's Internal Audit systems, the Company has appointed internal auditors M/s. S. H. Bathiya & Co. LLP during FY2015, to provide assistance in further



enhancing its risk management practices, process and functions of the Company, which include building 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.

## HUMAN RESOURCES

Our Promoters have played a key role in developing our business and we benefit from their significant experience in the agrochemical and non-agrochemical business. Our Promoters have a combined experience of approximately 60 years in the agrochemical business. For details in relation to our Promoters and the experience of our key management personnel, see "Our Promoters and Promoter Group" and "Management", respectively. We believe that the domain knowledge and experience of our Promoters and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. Further, a qualified, experienced and capable management team leads our business and operations. Our ability to attract and retain our key management personnel and our in-house team has enabled us in streamlining the registration process thereby economising the registration costs and the time involved.

## STRATEGY & OUTLOOK

We maintain a generally positive outlook for our business. Our objective is to continue to offer quality formulations and generic active ingredients and we also intend to expand our reach in various jurisdictions through our own sales force, in an efficient manner. With certain strategies in play, we hope to sustain, or improve upon, the pace of growth that we have demonstrated over the last few years. Some of these key Strategies are:

### **Increase our portfolio of products and market through smart IP management**

We will continue to identify generic molecules going off patent and focus on seeking registrations to increase our portfolio of formulations and generic active ingredients across Europe, NAFTA, Latin America and Rest of the World. Towards this end, we have, and intend to continue to engage

experienced consultants in different countries across regions to benefit from their knowledge about the registration processes in the local jurisdiction as well as the market conditions. We will continue to pursue opportunities for expanding our portfolio of formulations and generic active ingredients in the future. Over the years, we have also invested in preparing dossiers and the process of seeking registrations for formulations and generic active ingredients in our own name. We intend to leverage our existing dossiers and portfolio of formulations and generic active ingredients to develop new composition of formulations.

### **Pushing our young Biocides business**

We recently ventured into the biocide segment in 2012. Now, we are marketing and distributing biocides in various countries such as Spain, France, Italy, Hungary, Croatia, United Kingdom, Slovakia, Slovenia, Belgium, Bulgaria, Greece, Poland, Czech Republic. We plan to increase our marketing and distribution activities for biocide products in other European countries also. As of 31st March, 2015, we own over 148 registrations for biocides. Going forward, we intend to continue to increase our registrations for biocide products.

### **Leveraging our strong sales force on the ground in global markets**

As part of our strategy, we intend to leverage our market presence and execution capabilities and set up our own sales force as a part of our forward integration of our operations. Our sales force comprises of our employees and consultants and enables us to extend our reach. We also adopt factory-to-farmer approach to be a one-stop solution provider and provide facilities including availability of agronomists for creating awareness about the use of formulations.

We commenced forward integration of our operations in Europe and we continue to focus on forward integration of our operations in various regions and in Europe, in particular, which has experienced benefits of forward integration in countries such as Hungary, Italy, Czech Republic and Poland. We have also undertaken forward integration of our operations in Mexico, Colombia, South Africa and India and we continue to extend our reach in these countries and other jurisdictions. This, we believe, enables us to increase our margins and the penetration of our portfolio of formulations and generic active ingredients as well as serve our customers better.

**Strengthen our distribution presence**

We plan to continue the expansion of our distribution presence geographically by marketing and distributing our existing portfolio of formulations and generic active ingredients. We also intend to explore opportunities in new markets such as Africa, Central America and Japan. Stemming from the efforts of FY2014, we have successfully made some early progress in establishing our presence in countries such as Canada. We believe that with this strategy, we will be able to grow our presence in the agrochemical markets in these jurisdictions.

**Explore inorganic growth through strategic acquisitions and partnerships**

In recent years, we have primarily grown and expanded our agrochemical business organically. Nevertheless, we continue to evaluate and examine the possibility of partnerships with other companies across different jurisdictions which would provide us with an opportunity to increase our portfolio of

registrations, grow in such market or increase the presence of our generic agrochemicals. We will continue to evaluate additional markets and product opportunities, including potential acquisitions and relationships, which we believe will be beneficial to increase our presence in the generic agrochemical markets.

**CAUTIONARY STATEMENT**

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws & 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 & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.



## NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of Sharda Cropchem Limited will be held on Friday, 18th September, 2015 at 3.00 p.m. at National Stock Exchange Auditorium, Plot No. C/1, G Block, Bandra-Kurla Complex, BKC Road, Bandra (East), Mumbai – 400 051, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2015 and the reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2015 and the report of the Auditors thereon.
3. To declare dividend on equity shares.
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.
5. To appoint Statutory Auditors and fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, M/s. S R B C & Co. LLP, Chartered Accountants, (Firm No.324982E) be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, the retiring auditors of the Company who have expressed their unwillingness to continue as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 15th Annual General Meeting to be held in 2018 (subject to ratification of their appointment at every Annual General Meeting held thereafter) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors.”

### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM"/"MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.** The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office

of the Company not later than 48 hours before the time fixed for the meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member.

2. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the 12th AGM of the Company.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies/Authorised Representatives should bring the attendance slip duly filled in for attending the meeting.
5. The register of members and the share transfer books of the Company will remain close on 12th September, 2015.
6. The members are requested to kindly send all their correspondence relating to the change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – M/s. Karvy Computershare Private Limited. Unit: Sharda Cropchem Limited, Karvy Selenium Tower B, 6th Floor, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, quoting their folio number and in case their shares are held in dematerialised form, the intimation of change of address should be passed on to their respective depository participants.
7. Subject to the provisions of the Companies Act, 2013, payment of dividend as recommended by the Board of Directors, if declared at the meeting, will be made within a period of 30 days from the date of declaration, to the Members whose names stand in the Company's register of members on 11th September, 2015.
8. Members seeking any information with regard to the accounts are requested to write to the Company at least 10 (Ten) days before the AGM to enable the management to keep the information ready at the meeting.



9. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.
10. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote provided the votes are not already cast by remote e-voting by the first holder.
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the annual report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their depository participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
12. The annual report of the Company circulated to the members of the Company, will be made available on the Company's website at [www.shardacropchem.com](http://www.shardacropchem.com) and also on website of the respective Stock Exchanges. The physical copies of the annual report will also be available at the Company's registered office for inspection during normal business hours on working days.
13. The notice of the AGM, annual report and instructions for e-voting, along with attendance slip and proxy form are being sent in electronic mode to members whose e-mail addresses are registered with the Company or the depository participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the notice of the AGM, annual report and attendance slip are being sent to those members who have not registered their e-mail addresses with the Company or depository participant(s). Members who have received the notice of the AGM, annual report and attendance slip in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend the AGM.
14. Copies of the annual report will not be distributed at the meeting.
15. In terms of Section 152 of the Companies Act, 2013, Mr. Manish R. Bubna (DIN: 00137394), Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Board of Directors of the Company commend his re-appointment. His brief resume, nature of his expertise in specific functional areas, names of the companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided as an annexure to this notice forming part of the annual report.
16. Information and other instructions relating to e-voting are as under:
  - 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 Clause 35B of the Listing Agreement, the company is pleased to provide members 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 Karvy Computershare Private Limited ("Karvy").
  - ii. The facility for voting at the AGM shall be made to the members present at the meeting and who have not cast their vote by remote e-voting.
  - iii. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  - iv. The Board of Directors of the Company has appointed Mr. Chintan Goswami, a Practicing Company Secretary, Mumbai as Scrutinizer to scrutinize e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.shardacropchem.com](http://www.shardacropchem.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

## NOTICE

- v. **The remote e-voting period commences on 15th September, 2015 (9:00 am) and ends on 17th September, 2015 (5:00 pm).** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- vi. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date i.e. 11th September, 2015.**
- vii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 18th September, 2015.
- viii. Any person who becomes a member of the Company after dispatch of the notice of the meeting and holding shares as on the cut-off date i.e. 11th September, 2015, 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 Karvy's toll free number 1-800-3454-001
  - d. A member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).  
  
If the member is already registered with Karvy e-voting platform then he can use his existing user id and password for casting the vote through remote e-voting.
- ix. **Instructions and other information relating to remote e-voting:**
  - 1) A) In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company/Depository Participant(s)]:
    - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - (b) Enter the login credentials (i.e. user id and password mentioned overleaf) which will be sent separately.  
  
The e-voting event number + Folio No. or DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing user ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
    - (c) After entering these details appropriately click on "LOGIN".
    - (d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise 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, email id, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
    - (e) You need to login again with the new credentials.
    - (f) On successful login, the system will prompt you to select the e-voting event number for the Company.
    - (g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR"

and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut off date. You may also choose the option "ABSTAIN". If the shareholder does not include either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- (h) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (i) Voting has to be done for each resolution of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) 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. **During the voting period, members can login any number of times till they have voted on the resolution(s).**
- (l) Corporate/Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also

required to send scanned certified true copy (pdf format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: chintan.goswami@cjgoswami.com with a copy marked to evoting@karvy.com and may also upload the same in the e-voting in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

- B) In case a member receives physical copy of the notice by post [for members whose e-mail ids are not registered with the Company/Depository Participant(s)]:
  - (a) User ID and initial password – as provided overleaf.
  - (b) Please follow all steps from sr. no. (a) to (l) as mentioned in (1A) above, to cast your vote.
- 2) 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.
- 3) In case of any query pertaining to e-voting, please visit help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

## ANNEXURE

### Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Manish R. Bubna
Date of Birth	30th June, 1974
Date of Appointment	12th March, 2004
Category	Promoter & Whole-time Director
Expertise in specific functional areas	Mr. Bubna is a Whole-time Director of Sharda Cropchem Limited. He has over 20 years of experience in the chemicals, agrochemicals and related business. He has spearheaded Company's foray into the conveyor belt and general chemicals business. He also oversees the information technology, logistics and documentation functions of the Company.
Qualifications	Bachelor's degree of Chemical Engineering from University Department of Chemical Technology, Bombay University.
No. of shares held in the Company	1,51,80,000 Equity Shares
List of companies in which Directorship held as on 31st March, 2015	Private Limited:
	Sharda Exports Private Limited
	Axis Crop Science Private Limited
	Gujarat Cropchem Private Limited
Chairman/Member of any Committees as on 31st March, 2015	NIL



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# Directors' Report

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## DIRECTORS' REPORT

Your Directors have pleasure in presenting their report and audited accounts for the year ended on 31st March, 2015.

### FINANCIAL PERFORMANCE

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Revenue from operations (net)	76,931.65	54,058.67	1,06,106.47	79,037.26
Other Income	2,769.30	3,537.51	2,871.64	3,282.80
Total revenue	79,700.95	57,596.18	1,08,978.11	82,320.06
Profit before interest, tax, depreciation, amortization and prior period item	17,388.98	16,367.08	19,997.12	18,708.99
Depreciation and amortization expenses	2,320.15	2,888.17	2,331.16	2,892.92
Finance Costs	50.09	58.57	79.87	137.26
Profit before tax and prior period item	15,018.74	13,420.34	17,586.09	15,678.81
Tax Expenses	5,201.46	4,414.46	5,243.36	4,431.92
Profit after tax and before prior period item	9,817.28	9,005.88	12,342.73	11,246.89
Prior period item	42.48	140.12	45.32	141.75
Net profit after tax	9,774.80	8,865.76	12,297.41	11,105.14
Minority Interest Income/(Expense)	-	-	0.29	(0.03)
Net profit for the year	9,774.80	8,865.76	12,297.12	11,105.17

### OPERATIONAL PERFORMANCE & FUTURE OUTLOOK

Your Company achieved an all time high performance both in turnover and its profits. The Company's Revenue from Operations increased by 42.31% over the previous year from ₹54,058.67 Lacs in FY 2013-14 to ₹76,931.65 Lacs in FY 2014-15. The net profit after Depreciation, Tax and Prior period adjustments increased by 10.25% from ₹8,865.76 Lacs in FY 2013-14 to ₹9,774.80 Lacs in FY 2014-15. Your Company received 259 new registrations during the current financial year under review.

During the year your Company also achieved a new high in its Revenue from Operations crossing the Rs.100,000 Lacs milestone on a consolidated basis, an increase of 34.25% over the previous year FY2013-14. The net profit after Depreciation, Tax and Prior period adjustments increased by 10.73% from ₹11,105.17 Lacs in FY2013-14 to ₹12,297.12 Lacs in FY 2014-15. The lower than proportionate increase in Net Profit after Tax is primarily due to

pressure on gross margins, increase in business overheads, change in product mix of formulations and active ingredients and depreciation of the Euro.

Your Company continues to focus on investment in registration of products in developed countries as well as other countries where agriculture is the backbone of the economy. Your Company strongly believes that the future of agrochemicals business is in obtaining early registration of products.

### DIVIDEND

Your directors have recommended dividend of 25% i.e. ₹2.50 per equity share of ₹10.00 each for the financial year ended 31st March, 2015, which if approved at the forthcoming Annual General Meeting, will be paid to all those equity shareholders of the Company whose names appear in the register of members as on 11th September, 2015 and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

## SHARE CAPITAL

The paid up equity share capital of the Company as on 31st March, 2015 was ₹9,022.04 Lacs. During the year under review your Company made an Initial Public Offer (IPO) through an offer for sale, wherein M/s. HEP Mauritius Limited (Private Equity Investor) offered its entire holding and two promoter shareholders offered a part of their holdings. The offer for sale was for 22,555,124 equity shares which constituted 25.00% of the post offer paid up equity share capital of the company. The offer for sale received an overwhelming response and was oversubscribed 51.21 times. The Company's shares got listed on 23rd September, 2014.

Further, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity shares. Post the offer for sale and upto 31st March, 2015, the promoters have not acquired/sold any shares of the Company.

## DEPOSITS

Your 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/ ASSOCIATE COMPANIES

### Subsidiary Companies

#### Axis Crop Science Private Limited

Axis Crop Science Private Limited is engaged in marketing and distribution of agrochemicals in India. The total income for the year ended 31st March, 2015 is ₹3,257.08 Lacs (Previous year: ₹2,295.49 Lacs) and profit for the year is ₹35.84 Lacs (Previous year: loss ₹7.30 Lacs).

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

Sharda International DMCC is engaged in trading in agrochemicals, conveyor belts and chemicals. The total income for the year ended 31st March, 2015 is ₹28,444.36 Lacs (Previous year: ₹23,474.52 Lacs) and profit for the year is ₹2,614.31 Lacs (Previous year: ₹2,277.95 Lacs).

#### 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 31st March, 2015, the Company's total income is ₹4,195.70 Lacs (Previous year: ₹1,213.10 Lacs) and loss for

the year is ₹26.53 Lacs (Previous year: profit ₹73.49 Lacs).

#### 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. The Company was formed in the current year. The total income for the period ended 31st March, 2015 is ₹687.63 Lacs and profit for the period is ₹90.17 Lacs.

#### 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 31st December, 2014, the Company's other income is ₹7.72 Lacs (Previous year: ₹0.51 Lacs) and profit for the year is ₹4.12 Lacs (Previous year: loss ₹4.47 Lacs).

#### Sharda Chile SpA, Chile

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

#### 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 Tunisia SARL, Tunisia

Sharda Cropchem Tunisia SARL is engaged in the business of dealing in agrochemical products in Tunisia. During the year, there were no operations in the Company.

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

Sharda De Guatemala, S.A. is engaged in the business of dealing in agrochemical products in Guatemala. The Company does not have any revenues during the year and has incurred nominal business and administration expenses. For the year ended 31st December, 2014, the Company incurred a loss of ₹0.02 Lacs (Previous year: ₹0.02 Lacs).

#### 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 31st December, 2014, the other income is ₹25.70 Lacs (Previous year: ₹12.77 Lacs) and loss for the year is ₹0.10 Lacs (Previous year: profit ₹0.09 Lacs).

### **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. For the year ended 31st December, 2014, the Company's total income is ₹60.36 Lacs (Previous year: ₹0.10 Lacs) and profit for the year is ₹1.13 Lacs (Previous year: loss ₹3.01 Lacs).

### **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 31st December, 2014, the Company's other income is ₹7.69 Lacs (Previous year: ₹0.51 Lacs) and profit for the year is ₹4.10 Lacs (Previous year: loss ₹4.47 Lacs).

### **Sharda Hungary Kft, Hungary**

Sharda Hungary Kft is engaged in the business of dealing in agrochemical products in Hungary. For the year ended 31st December, 2014, the Company's other income is ₹1.36 Lacs (Previous year: ₹0.58 Lacs) and loss for the year is ₹0.15 Lacs (Previous year: ₹0.55 Lacs).

### **Sharda Italia SRL, Italy**

Sharda Italia SRL is engaged in the business of dealing in agrochemical products in Italy. For the year ended 31st December, 2014, the Company's other income is ₹34.57 Lacs (Previous year: ₹68.39 Lacs) and profit for the year is ₹0.40 Lacs (Previous year: ₹0.48 Lacs).

### **Sharda Peru SAC, Peru**

Sharda Peru SAC is engaged in the business of dealing in agrochemical products in Peru. The Company does not have any revenues during the year and has incurred nominal business and administration expenses. For the year ended 31st December, 2014, the Company incurred a loss of ₹59.91 Lacs (Previous year: ₹75.99 Lacs).

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

Sharda Polska SP. ZO.O. is engaged in the business of dealing in agrochemical products in Poland and abroad. For the year ended 31st December, 2014, the Company's other income is ₹4.11 Lacs (Previous year: ₹4.74 Lacs) and profit for the year is ₹0.53 Lacs (Previous year: ₹0.75 Lacs).

### **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 31st December, 2014, the Company's other income is ₹7.31 Lacs (Previous year: ₹4.73 Lacs) and loss for the year is ₹0.73 Lacs (Previous year: ₹0.61 Lacs).

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

Sharda Swiss SARL is engaged in the business of dealing in agrochemical products in Switzerland. For the year ended 31st December, 2014, the Company's other income is ₹6.88 Lacs (Previous year: ₹1.05 Lacs) and loss for the year is ₹0.39 Lacs (Previous year: ₹6.62 Lacs).

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

Sharda Taiwan Limited is engaged in the business of dealing in agrochemical products in Taiwan. The Company was formed in the current year. For the period ended 31st December, 2014, the Company's other income is ₹0.02 Lacs and profit for the period is ₹0.02 Lacs.

### **Sharda Ukraine LLC, Ukraine**

Sharda Ukraine LLC is engaged in the business of dealing in agrochemical products in Ukraine. For the year ended 31st December, 2014, the Company's other income is ₹6.34 Lacs (Previous year: ₹8.41 Lacs) and profit for the year is ₹0.02 Lacs (Previous year: ₹0.06 Lacs).

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

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

### **Shardacan Limited, Canada**

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

### **Shardarus LLC, Russia**

Shardarus LLC is engaged in the business of dealing in agrochemical products in Russia. The Company does not have any revenues during the year and has incurred nominal business and administration expenses. For the year ended 31st December, 2014, the Company incurred a loss of ₹713 (Previous year: ₹875).

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

Shardaserb DO.O. is engaged in the business of dealing in agrochemical products in Serbia. For the year ended 31st December, 2014, the Company's other income is ₹2.66 Lacs (Previous year: ₹0.01



Lacs) and loss for the year is ₹0.18 Lacs (Previous year: ₹0.25 Lacs).

#### **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 Benelux BVBA, Belgium**

Sharda Benelux BVBA is engaged in the business of dealing in agrochemical products in Belgium. The Company does not have any revenues during the year and has incurred nominal business and administration expenses. For the year ended 31st December, 2014, the Company incurred a loss of ₹0.91 Lacs (Previous year: ₹0.94 Lacs).

#### **Sharda Bolivia SRL, Bolivia**

Sharda Bolivia SRL is engaged in the business of dealing in agrochemical products in Bolivia. For the year ended 31st March, 2015, the Company's total income is ₹12.17 Lacs (Previous year: ₹1.71 Lacs) and profit for the year is ₹1.14 Lacs (Previous year: loss ₹10.63 Lacs).

#### **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 31st March, 2015, the Company's total income is ₹903.38 Lacs (Previous year: ₹467.13 Lacs) and loss for the year is ₹695.46 Lacs (Previous year: ₹40.28 Lacs).

#### **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 31st March, 2015, the Company's total income is ₹5,181.88 Lacs (Previous year: ₹7,251.01 Lacs) and loss for the year is ₹310.10 Lacs (Previous year: profit ₹7.20 Lacs).

#### **Sharda Europe BVBA, Belgium**

Sharda Europe BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended 31st March, 2015, the Company's other income is ₹2.73 Lacs (Previous year: ₹0.14 Lacs) and profit for the year is ₹1.48 Lacs (Previous year: loss ₹1.09 Lacs).

#### **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. During the year, there were no operations in the Company.

#### **Sharda Malaysia SDN BHD, Malaysia**

Sharda Malaysia SDN BHD is engaged in the business of dealing in agrochemical products in Malaysia. For the year ended 31st March, 2015, the Company's other income is ₹2.63 Lacs (Previous year: ₹0.67 Lacs) and profit for the year is ₹1.14 Lacs (Previous year: loss ₹0.60 Lacs).

#### **Sharda Uruguay S.A., Uruguay**

Sharda Uruguay S.A. is engaged in the business of dealing in agrochemical products in Uruguay. For the year ended 31st March, 2015, the Company's other income is ₹0.45 Lacs (Previous year: Nil) and profit for the year is ₹0.10 Lacs (Previous year: loss ₹2.69 Lacs).

#### **Sharpar S.A., Paraguay**

Sharpar S.A. is engaged in the business of dealing in agrochemical products in Paraguay. For the year ended 31st December, 2014, the Company's other income is ₹158.86 Lacs (Previous year: ₹27.72 Lacs) and profit for the year is ₹0.64 Lacs (Previous year: ₹0.78 Lacs).

#### **Siddhivinayak International Limited, U.A.E.**

Siddhivinayak International Limited is engaged in the business of trading and investments in U.A.E. and abroad. The Company does not have any revenues during the year and has incurred nominal business and administration expenses. For the year ended 31st March, 2015, the Company incurred a loss of ₹3.55 Lacs (Previous year: ₹1.87 Lacs).

#### **Euroazijski Pesticidi 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 31st March, 2015, the Company's other income is ₹35.92 Lacs (Previous year: Nil) and profit for the year is ₹11.30 Lacs (Previous year: loss ₹5.50 Lacs).

#### **Associate Companies**

##### **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 31st March,

2015, the Company's other income is ₹0.02 Lacs (Previous year: Nil) and loss for the year is ₹1.35 Lacs (Previous year: ₹1.95 Lacs).

A statement containing the salient features of the financial position of the subsidiary companies in Form AOC-1 is annexed as **Annexure 1**.

### Related Party Transactions

All related party transactions entered into during the financial year are 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 of Directors has been uploaded on the website of the Company. The weblink of the same is (<http://www.shardacropchem.com/investor-relation.html>)

Since all related party transactions entered into by the Company are in the ordinary course of business and are on an 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

Your Company has Nine (9) Directors consisting of Five (5) Independent Directors, Three (3) Whole-time Directors and Chairman & Managing Director (CMD) as on 31st March, 2015.

### Appointment/Resignations from the Board of Directors

In terms of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the Independent Directors can hold office for a term of upto five (5) consecutive years on the Board and will not be liable to retire by rotation.

Accordingly, Mr. Shitin Desai, Mr. Shobhan Thakore, Mr. Swaminathan Sundara Rajan Mittur, Mr. Perumal Ramamurthy Srinivasan and Mrs. Urvashi Saxena were appointed as Independent

Directors by the shareholders for a term of five (5) years with effect from August 9, 2014.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Pursuant to the IPO undertaken by the Company, HEP Mauritius Limited (HEP) ceased to hold any shares in the Company and hence Mr. Vishal Marwaha, Nominee Director of HEP tendered his resignation from the Board of the Company on 23rd September, 2014.

### Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Company shall have atleast one Woman Director on the Board of the Company. Your Company's Board is represented by two Woman Directors viz. Mrs. Sharda R. Bubna and Mrs. Urvashi Saxena.

### Chairman & Managing Director (CMD)

Mr. Ramprakash V. Bubna has been serving as the Chairman & Managing Director of the Company since its inception i.e 12th March, 2004 with the approval of the Board and the shareholders, from time to time.

### Directors Retiring by Rotation

In accordance with the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Manish R. Bubna, Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the brief resume of Mr. Manish R. Bubna is provided in the notice covering the Annual General Meeting of the Company.

### Appointment/Resignation of the Key Managerial Personnel

Mr. Ramprakash V. Bubna, Chairman & Managing Director, Mrs. Sharda R. Bubna, Mr. Ashish R. Bubna and Mr. Manish R. Bubna Whole time Directors, Mr. Gautam Arora, Chief Financial Officer and Mr. Jetkin Gudhka, Company Secretary are the Key Managerial Personnel as per the provisions of Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013.

The Board of Directors of the Company at the meeting held on 10th July, 2014, re-designated Mr. Gautam Arora, as Key Managerial Personnel of the Company, as per the requirements of the Companies Act, 2013.

There was no resignation of any Key Managerial Personnel during the year under review.

### 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. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

The Board met eight (8) times during the FY 2014-15 viz, 3rd June, 2014, 10th July, 2014, 9th August, 2014, 22nd August, 2014, 25th August, 2014, 1st October, 2014, 5th November, 2014 and 6th February, 2015.

Detailed information on the meetings of the Board are included in the report on Corporate Governance, which forms part of this Annual Report.

Additionally several committee meetings were held including Audit Committee meeting which met five (5) times during the year.

## COMMITTEES OF THE BOARD

Your 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. Stakeholder Grievance Committee;
4. Corporate Social Responsibility (CSR) 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 Section 134 of the Companies Act, 2013 read with Rule 8 of

the Companies (Accounts) Rules, 2014 and the Listing Agreement with the Stock Exchanges, a structured questionnaire was prepared after taking into consideration various aspects of Board's functioning, composition of Board and Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was carried out by the Board. The Board of Directors expressed their satisfaction with the evaluation process.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and has adopted a Corporate Social Responsibility (CSR) Policy.

The Company has undertaken initiatives in the areas of promoting education, 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 Statutory disclosure with respect to the CSR Committee and an Action Taken Report on CSR Activities forms a part of this Report as **Annexure - 2**.

## RISK MANAGEMENT POLICY

During the year under review the Company has adopted a Risk Management Policy wherein all material risk 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, optimization of such risks.

## REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The remuneration policy lays down the entitlements of

remuneration to non-executive directors such as sitting fees, commission and other re-imbursements, remuneration to Managing Director and other Executive Directors consisting of monthly salary, allowances, commission, perquisites, bonus and other benefits, if any.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented as a separate section forming part of this 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 website of the Company (<http://www.shardacropchem.com/investor-relation.html>)

## AUDITORS

### a) Statutory Auditors

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm No. 301003E) have expressed their unwillingness to continue as statutory auditor of the Company. The Company proposes to appoint M/s. S R B C & Co. LLP, Chartered Accountants (Firm No. 324982E), as statutory auditors of the Company in place of the retiring auditors, subject to the approval of the Shareholders in the Annual General Meeting of the Company. M/s. S R B C & Co. LLP, have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

### b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. C. J. Goswami & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is annexed to this report as **Annexure – 3**.

## CORPORATE GOVERNANCE

Your 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 Clause 49 of the Listing Agreement with the Stock Exchanges, together with a certificate from M/s. C. J. Goswami & Associates, Practising Company Secretaries, confirming compliance to the conditions as stated in Clause 49 of the Listing Agreement 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 GAAP, applicable accounting standards notified under Section 133 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 forms part of this Annual Report.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of Companies Act, 2013 forms an integral part of this Report as **Annexure – 4**.

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

The Company had filed a Compounding application on 19th November, 2014 with the Reserve Bank of India (RBI) towards non-filing of Form FC-GPR Part A pertaining to issuance of Bonus shares of the Company to M/s. HEP Mauritius Limited, Mauritius. In response to such application, the Reserve Bank of India imposed a penalty of ₹3,53,800 on the Company, which has been duly paid in due time.



## 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 Annexures 5 and 6 hereunder and forms part of this report.

## DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, the Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) That in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) That such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give true and fair view of the statement of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date.
- (c) That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) That the annual financial statements have been prepared on a going concern basis.
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## STATUTORY DISCLOSURES

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 Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Foreign Exchange Outgo	68,263.37	42,828.50
Foreign Exchange Earnings	76,704.67	53,284.31

## LISTING OF THE COMPANY'S EQUITY SHARES

The equity shares of your Company got listed on BSE Ltd. and The National Stock Exchange of India Ltd. on 23rd September, 2014. There is no default in paying the annual listing fees.

## ACKNOWLEDGEMENT

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

Your 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 the Company.

**For Sharda Cropchem Limited**

**RAMPRAKASH V. BUBNA**  
CHAIRMAN &  
MANAGING  
DIRECTOR

Mumbai, 30th May, 2015

# ANNEXURE 1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures  
(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	(₹ in Lacs)	% of Shareholding
1	Axis Crop Science Private Limited	April to March	INR	-	16.67	28.40	2,983.69	2,938.62	-	3,231.65	54.78	16.10	38.68	-	-	100%
2	Sharda International DMCC	April to March	USD	62.6313	34.10	8,562.89	11,947.39	3,350.41	-	24,941.56	3,814.26	-	3,814.26	-	-	100%
3	Sharda Cropchem Espana, S.L.	April to March	EURO	67.5980	2.06	36.35	1,988.44	1,950.03	-	3,645.72	(22.94)	-	(22.94)	-	-	100%
4	Sharda Poland SP. ZO. O.	April to March	PLN	16.5599	0.83	94.50	829.82	734.49	-	623.85	111.21	16.71	94.50	-	-	100%
5	Sharda Balkan Agrochemicals Limited	January to December	EURO	77.0404	3.47	(3.08)	3.63	3.25	-	-	3.91	-	3.91	-	-	100%
6	Sharda Chile SpA	January to December	CLP	0.1049	-	-	-	-	-	-	-	-	-	-	-	100%
7	Sharda Costa Rica SA	April to March	CRC	0.1145	-	-	-	-	-	-	-	-	-	-	-	99%
8	Sharda Cropchem Tunisia SARL	January to December	TND	34.0367	0.34	-	0.34	-	-	-	-	-	-	-	-	99%
9	Sharda De Guatemala, S. A.	January to December	GTQ	8.1704	0.41	(0.39)	0.04	0.02	-	-	(0.02)	-	(0.02)	-	-	98%
10	Sharda Del Ecuador CIA. Ltda	January to December	USD	63.3400	0.25	-	1.29	1.03	-	-	(0.1)	-	(0.1)	-	-	99.50%
11	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA	January to December	BRL	23.8335	7.39	(7.44)	0.07	0.12	-	42.06	2.04	0.96	1.08	-	-	99%
12	Sharda Hellas Agrochemicals Limited	January to December	EURO	77.0404	3.47	(3.13)	3.63	3.29	-	-	3.89	-	3.89	-	-	100%
13	Sharda Hungary Kft	January to December	HUF	0.2454	1.23	(0.87)	0.65	0.30	-	-	(0.13)	-	(0.14)	-	-	100%

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
14	Sharda Italia SRL	January to December	EURO	77.0404	1.93	1.60	50.28	46.75	-	-	1.61	1.21	0.40	-	99%
15	Sharda Peru SAC	January to December	PEN	20.8333	0.42	(140.12)	2.69	142.39	-	-	(58.65)	-	(58.65)	-	99.95%
16	Sharda Polska SP. ZO O.	January to December	PLN	17.9597	3.59	(3.74)	0.34	0.48	-	-	0.50	-	0.50	-	100%
17	Sharda Spain, S.L.	January to December	EURO	77.0404	2.35	(2.87)	0.64	1.17	-	-	(0.69)	-	(0.69)	-	100%
18	Sharda Swiss SARL	January to December	CHF	64.0639	12.81	(10.87)	7.89	5.95	-	-	(0.37)	-	(0.37)	-	100%
19	Sharda Taiwan Limited	January to December	TWD	2.0050	2.01	0.02	2.03	-	-	-	0.02	-	0.02	-	100%
20	Sharda Ukraine LLC	January to December	UAH	3.9507	2.47	(2.43)	0.04	-	-	-	0.05	0.04	0.01	-	100%
21	Sharda USA LLC	January to December	USD	63.3400	-	(0.08)	1.49	1.56	-	-	-	-	-	-	100%
22	Shardacan Limited	January to December	CAD	54.5893	-	-	-	-	-	-	-	-	-	-	100%
23	Shardorus LLC	January to December	RUB	1.1193	0.11	(0.07)	0.07	0.02	-	-	(0.01)	-	(0.01)	-	99%
24	Shardoserb, DO.O.	January to December	RSD	0.6366	0.17	(0.39)	-	0.23	-	-	(0.16)	-	(0.16)	-	100%
25	Sharzam Limited	January to December	ZMW	9.8902	-	-	-	-	-	-	-	-	-	-	99.99%
26	Sharda Benelux BVBA	January to December	EURO	77.0404	4.78	(5.08)	2.14	2.45	-	-	(0.86)	-	(0.86)	-	100%
27	Sharda Bolivia SRL	January to December	BOB	8.9711	0.90	(40.48)	12.28	51.87	-	8.16	1.13	-	1.13	-	99%
28	Sharda Colombia S.A.S.	April to March	COP	0.0241	69.47	(513.77)	868.79	1,313.09	-	742.39	(490.54)	0.03	(490.57)	-	99%
29	Sharda De Mexico S. De RL De Cv	April to March	MXN	4.0995	0.12	(456.87)	4,330.61	4,787.35	-	4,370.06	92.82	32.18	(16.6)	-	99%
30	Sharda Europe BVBA	April to March	EURO	67.5980	4.19	(13.59)	6.54	15.94	-	-	1.31	-	1.31	-	100%
31	Sharda International Africa (PTY) Ltd	April to March	ZAR	5.1517	0.01	-	0.01	-	-	-	-	-	-	-	100%

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
32	Sharda Malaysia SDN. BHD.	April to March	MYR	16.8477	-	(0.57)	-	0.57	-	-	1.05	-	1.05	-	100%
33	Sharda Uruguay S.A.	April to March	USD	62.5300	10.02	(5.84)	4.19	-	-	-	0.10	-	0.10	-	100%
34	Sharpar S.A.	January to December	PYG	0.0134	4.03	16.94	43.93	18.44	-	-	141.35	-	141.35	-	90%
35	Siddhivinayak International Limited	April to March	USD	62.6313	42.64	(3.84)	126.82	88.03	-	-	(3.63)	-	(3.63)	-	100%
36	Eurozijski Pesticidi d.o.o.	April to March	HRK	8.8728	1.77	(8.73)	5.70	12.71	-	-	9.93	-	9.93	-	100%

**Notes:** 1. Sharda Chile SpA, Sharda Costa Rica SA, Shardacan Limited & Sharzam Limited are yet to commence business operation.  
2. None of the subsidiaries have been liquidated or sold during FY 2014-15.

#### Part "B": Associates and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	₹ in lacs
1	Latest audited Balance Sheet date	Sharda Private (Thailand) Limited
2	Shares of Associate/Joint Ventures held by the Company on the year end No.	31.03.2015
	Amount of Investment in Associates/Joint Venture	4,900
	Extend of Holding %	NIL
3	Description of how there is significant influence	49%
		By holding equal to more than 20 % shares
4	Reason why the Associate/Joint Venture is not consolidated	N/A
5	Networth attributable to shareholding as per latest audited Balance Sheet	-
6	Profit/Loss for the year	-
	i. Considered in Consolidation	-
	i. Not Considered in Consolidation	-



## ANNEXURE 2

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1. A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to CSR policy and projects or programs.**

The CSR policy of the Company was approved by the Board of Directors at the Meeting held on 6th February, 2015 and the same has been uploaded on the Company's website viz.

<http://www.shardacropchem.com/investor-relation.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

- 2. The Composition of CSR Committee**

Mr. Ramprakash V. Bubna  
Chairman

Mr. Shitin Desai  
Independent Director

Mrs. Urvashi Saxena  
Independent Director

Mr. Manish R. Bubna  
Whole-time Director

- 3. Average net profit of the Company for last three financial years**

₹1,02,77,31,875.46

- 4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)**  
₹2,05,54,637.51

- 5. Details of CSR spent during the financial year**

- Total amount spent for the financial year:  
₹1,44,87,810.00
- Amount unspent, if any:  
₹60,66,827.51
- Manner in which amount spent during the financial year is detailed below:  
The manner in which the amount is spent is as per **Annexure**.

- 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the board report:**

The shortfall in expenditure is intended to be utilized in a phased manner in future upon identification of suitable projects within the Company's CSR policy.

- 7. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

## ANNEXURE

(1) Sr. No	(2) CSR Project/activity identified	(3) Sector in which the project is covered	(4) Project or programs		(5) Amount outlay (budget) Project or Programs wise	(6) Amount spent on the projects or programs Sub-heads		(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency	
			(1) Local area or other	(2) Specify the state/district		(1) Direct expenditure on projects or programs	(2) Over heads			
1.	Welfare of School Children	Promoting Education	Mumbai	Maharashtra	10,000	10,000	-	10,000	Bhartiya Vidya Bhavan	
2.	Mid Day Meal Project	Promoting Education	Non BMC Schools in Govandi & Trombay (M-ward) Mumbai,	Maharashtra	5,00,000	4,68,000	32,000	3	Dharam Bharati Mission	
3.	Welfare of Cancer Patients	Medical Relief / Human Care	Bandra (East), Mumbai – 400 051.	Maharashtra	5,00,000	5,00,000	-	5,00,000	Dr. Ernest Borges Memorial Fund	
4.	School Building Fund	Promoting Education	Dunlud – 333 702	Jhunjhunu, Rajasthan	2,00,000	2,00,000	-	2,00,000	Dundlod Vidyapeeth	
5.	Welfare of the Physically Handicapped	Promoting Education Vocational Training Welfare activities	Worli, Mumbai	Maharashtra	5,00,000	40,000	-	*2,15,000	Fellowship for Physically Handicapped (FPH)	
6.	Welfare of the Children and Women and Animals	Promoting Education Medical Relief Welfare Activities Animal Welfare	Mumbai & Nawalgargh	Maharashtra & Rajasthan	9,70,010 87,500 4,65,000 21,85,680	9,70,010 87,500 4,65,000 21,85,680	-	37,08,190	Jankidevi Bilasrai Bubna Trust	
7.	Education to tribal children	Promoting Education	Bhubaneshwar	Odisha, Jharkhand, Chhattisgarh and Assam	9,93,620	99,382	-	*99,382	Kalinga Institute of Social Science	
8.	Education to Women and Children	Promoting Education	Nawalgargh	Rajasthan	5,00,000	5,00,000	-	5,00,000	Nawalgargh Nagrik Sangh	
9.	Educational training & Rehabilitation program for Mentally Challenged Young/ Adults	Educational Training to Special Kids/ Adults	Anand Niketan, King George V Memorial Project, Mumbai	Maharashtra	5,00,000	5,00,000	-	5,00,000	Om Creation Trust	
10.	Welfare of children	Promoting Education	Mumbai	Maharashtra	81,000	81,000	-	81,000	Parihiti Seva Sangh	
11.	Adarsh Vidyalaya	Promoting Education	Gowalia Tank, Mumbai	Maharashtra	25,00,000	5,00,000	-	25,00,000	Rajashani Mahila Mandal	
12.	Education for women and children	Promoting Education	Mumbai	Maharashtra	10,00,000	10,00,000	-	10,00,000	Rajashani Sammelan	
13.	Setting of Math Lab Project for Mentally Challenged students of the school	Special Education	Mumbai	Maharashtra	10,00,000	4,00,000	50,000	*4,50,000	SPJ Sadhana School	

(1) Sr. No	(2) CSR Project/activity identified	(3) Sector in which the project is covered	(4) Project or programs		(5) Amount outlay (budget) Project or Programs wise	(6) Amount spent on the projects or programs Sub-heads		(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
			(1) Local area or other	(2) Specify the state/district		(1) Direct expenditure on projects or programs	(2) Over heads		
14.	Olympic Gold Quest (OGQ) Training, equipment, medical support	Olympic Sports	Indian and abroad In India athletes supported by OGQ train at the following places: a) Boxers trained in Punjab, Maharashtra, Haryana and Manipur b) Shooters trained in Delhi, Maharashtra, Punjab, Chandigarh, Karnataka and Madhya Pradesh and Rajasthan. c) Wrestlers trained in Haryana and Delhi d) Athletics players trained in Punjab, Kerala and Uttar Pradesh e) Badminton players trained in Telangana and Karnataka f) Archers trained in West Bengal, Maharashtra, Delhi and Jharkhand. Mostly the athletes trained in following countries: USA, U.K., Germany, South Korea, Serbia, Italy and Spain.		10,61,606	10,00,000	-	10,00,000	Foundation for Promotion of Sports and Games
15.	Sanitation/Swachh Bharat Abhiyaan	Water and Sanitation	Mhsala, Raigad	Maharashtra	5,00,000	5,00,000	-	5,00,000	Swades Foundation
16.	Education to Women and Children	Promoting Education	Nawalgarh	Rajasthan	10,00,000	10,00,000	-	10,00,000	Tirupati Balaji Educational Trust
17.	Annadaan	Eradicating Hunger	Ambernath, Vashi, Thane	Maharashtra	11,96,000	4,22,000	78,000	5,00,000	Udaan Welfare Foundation
18.	Skill Development for children	Urban Development	Mahim & Bandra, Mumbai	Maharashtra	5,00,000	2,54,000	-	*2,54,000	Vatsalya Foundation
19.	Honorarium for veterinary doctors in the Greater Gir Landscape, Gujarat	Wildlife protection /environmental conservation	Greater Gir Landscape	Gujarat	3,60,000	3,60,000	-	3,60,000	Wildlife Conservation Trust
	Honorarium for trackers in the Greater Gir Landscape, Gujarat				1,40,000	1,39,200	800	1,40,000	
20.	Vocational Training	Livelihood	Jaipur	Rajasthan	5,00,000	1,35,000	-	1,35,000	Yuva Parivartan

\*The balance amount will be spent by the respective NGO/Trust in the financial year 2015-16

## ANNEXURE 3

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

#### for the financial year ended 31st March, 2015.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Sharda Cropchem Limited,  
Mumbai.

We were appointed by the Board of Directors of Sharda Cropchem Limited (hereinafter called "the Company") to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2015.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by 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.

#### Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

#### Auditor's Responsibility

Our responsibility is to express an opinion on secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

#### Opinion

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, 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 and Overseas Direct Investment (Regulations relating to External Commercial Borrowings not attracted to the Company for the year under review);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent applicable;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company for the year under review;
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company for the year under review;
  - f. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not applicable to the Company;
  - g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable to the Company for the year under review;



- h. 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 following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 (Not applicable for the year under review as the same was not notified); and
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (hereinafter called as "Listing Agreement");

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above, to the extent applicable:

Based on information received and records maintained, 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 Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act and the Listing agreement.
- 2 Adequate notices were given to all the directors to schedule the Board Meetings and Meetings of Committees. Agenda and detailed notes on agenda were sent in advance before the meetings. There exists a system 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 Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

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 test-check basis, the Company has complied with the following laws applicable to the Company:

- a. Insecticides Act, 1968;
- b. Insecticides Rules, 1971;
- c. Bureau of Indian Standards Act, 1986.
- d. Payment of Wages Act, 1936;
- e. The Minimum Wages Act, 1948;
- f. Employees' State Insurance Act, 1948;
- g. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- h. The Payment of Bonus Act, 1965;
- i. The Payment of Gratuity Act, 1972;

We further report that during the year under review, the Equity Shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited ("Stock Exchange") with effect from 23rd September, 2014 by virtue of Public Offer of 22,555,124 Equity Shares of ₹10/- each at an offer price of ₹156/- per Equity Share through Offer for sale by the Selling Shareholders.

For C. J. Goswami & Associates,  
Practicing Company Secretaries

Chintan J. Goswami  
Proprietor  
Mem No. - 33697  
C. P. No. - 12721  
Date: 30th May, 2015.  
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## ANNEXURE A

To,  
The Members,  
Sharda Cropchem Limited,  
Mumbai

Our report of even date is to be read along with this letter.

1. 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.
2. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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 procedures on test basis.
5. 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 C. J. Goswami & Associates,  
Practicing Company Secretaries

Chintan J. Goswami  
Proprietor  
Mem No. - 33697  
C. P. No. - 12721  
Date: 30th May, 2015.  
Place: Mumbai

## ANNEXURE 4

### FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### 1. Registration and Other Details:

Particulars	Details
CIN	L51909MH2004PLC145007
Registration Date	12th March, 2004
Name of the Company	Sharda Cropchem Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Domnic Holm, 29th Road Bandra (West), Mumbai – 400 050 Tel. No.: 91 22 6678 2800 Fax No.: 91 22 6678 2828 Email id: co.sec@shardaintl.com Website: www.shardacropchem.com
Whether listed Company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, 6th Floor, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel. No.: 91 40 6716 1606 Fax No.: 91 40 2311 4087 Email: srirama.murthy@karvy.com Website: www.karvycomputershare.com

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Agrochemicals	46692	99.47%

### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shareheld	Applicable Section
Axis Crop Science Private Limited Domnic Holm, 29th Road Bandra (West), Mumbai – 400 050	U01100MH2009 PTC189472	Subsidiary	100	Section 2 (87)
Sharda Balkan Agrochemicals Limited Athens, Greece, Pavlou Mela 1, Chalandri, Postal code 15233, Greece	-	Subsidiary	100	Section 2(87)
Shardacan Limited P. O. Box 7289, Slation "A", Saint John, New Brunswick, E2L 4S6	-	Subsidiary	100	Section 2(87)
Sharda Chile SpA Padre Mariano 391, suite 1006, Providencia, Santiago, Chile	-	Subsidiary	100	Section 2(87)
Sharda Costa Rica SA San Jose, Santa Ana, Wells, Forum Business Center, Building C, Costa Rica	-	Subsidiary	99	Section 2(87)
Sharda Cropchem Espana, S.L Carril Condomina Street, 6 Atalayas Business Center, 30006 Murcia, Spain	-	Subsidiary	100	Section 2(87)
Sharda De Guatemala, S.A. 12 Avenida 16-66 Zona 10, Guatemala	-	Subsidiary	98	Section 2(87)
Sharda Del Ecuador CIA. Ltda. Edificio Centrum Piso 5, Office 5C.	-	Subsidiary	99.50	Section 2(87)
Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA Rua da Consolacao No. 222- Conj. 608, Consolacao- Sao Paulo- SP-CEP (Zip Code) 01302-000,Sao Paulo, Brazil	-	Subsidiary	99	Section 2(87)
Sharda Hellas Agrochemicals Limited Athens, Greece, Pavlou Mela 1, Chalandri, Postal code 15233, Greece	-	Subsidiary	100	Section 2(87)
Sharda Hungary Kft 1095, Budapest, Mester utca 28, I. emelet 5.	-	Subsidiary	100	Section 2(87)
Sharda International DMCC Unit No 2H-05-353, Floor No 5, Building No 2, J & G DMCC, Dubai, UAE	-	Subsidiary	100	Section 2(87)



Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shareheld	Applicable Section
Sharda Italia SRL Cattolica (Rn) Via Cabral 40 Cap 47841	-	Subsidiary	99	Section 2(87)
Sharda Peru SAC Calle Las Castanitas No 138, Oficina 5 – D, El Palamar, San Isidro, Peru	-	Subsidiary	99.95	Section 2(87)
Sharda Poland SP. ZO.O ul. Bonifraterska 17, 00-203 Warszawa, Poland	-	Subsidiary	100	Section 2(87)
Sharda Polska SP. ZO.O Ambassador Building, ul. Domaniewska 34A, 02-672 Warszawa, Poland	-	Subsidiary	100	Section 2(87)
Sharda Spain, S.L. Avda. Jose Ortiz, 1st floor, 59 Bajo 1, 12550 Almazora, Castellon, Espana	-	Subsidiary	100	Section 2(87)
Sharda Taiwan Limited 9F, No. 563, Sec. 4, Zhongxiao East Road, Taipei, Taiwan	-	Subsidiary	100	Section 2(87)
Sharda Cropchem Tunisia SARL Cabinet 27, Rue HASDRUBAL - 1002 TUNISIA.	-	Subsidiary	99	Section 2(87)
Sharda Swiss SARL Revinova Treuhand AG, Im Tiergarten 7, 8055 Zurich	-	Subsidiary	100	Section 2(87)
Sharda Ukraine LLC 17 Sofiyivska Street, suite 4, Kyiv, 01001, Ukraine	-	Subsidiary	100	Section 2(87)
Sharda USA LLC 7212, Lancaster Pike, Suite A, P.O. Box 640, Hockessin, De 19707	-	Subsidiary	100	Section 2(87)
Shardarus LLC 191014, Russian Federation, St-Petersburg, Vosstaniya street 30/7, lit. A, Office 11-H	-	Subsidiary	99	Section 2(87)
Shardaserb DO.O Vasilija Ivanovića 12, Belgrade, Serbia	-	Subsidiary	100	Section 2(87)
Sharzam Limited Box 35954 Lusaka, Zambia	-	Subsidiary	99.99	Section 2(87)
Euroazijski Pesticidi d.o.o. Savska Cesta 106/3, Zagreb, Croatia	-	Indirect Subsidiary	100	Section 2(87)

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of sharesheld	Applicable Section
Siddhivinayak International Limited Suite 1003, Khalid Al Attar Tower, Sh. Zayed Road, P. O. Box 71241, Dubai – UAE,	-	Indirect Subsidiary	100	Section 2(87)
Sharda Benelux BVBA Jozef Mertensstraat 142, 1702, Dilbeek	-	Indirect Subsidiary	100	Section 2(87)
Sharda Bolivia S.R.L Office 303, del 3 piso del “Edificio Oriente”, Ballivian esquina Chuquisaca de nuestra ciudad de Santa Cruz de la Sierra, Bolivia	-	Indirect Subsidiary	99	Section 2(87)
Sharda Colombia S.A.S. Carera 9 No 59-75 Oficina 205, Bogota- Colombia	-	Indirect Subsidiary	99.48	Section 2(87)
Sharda De Mexico S De RL DE CV 115 Aguascalientes Tlacotalpan Chanpoton Romasur, Mexico.	-	Indirect Subsidiary	99	Section 2(87)
Sharda Europe BVBA Jozef Mertensstraat 142, 1702 Dilbeek	-	Indirect Subsidiary	100	Section 2(87)
Sharda International Africa (Pty) Ltd 31, Alamein Road, Southdale, 2091. Posta Office: P O Box 82021, Southdale, 2135	-	Indirect Subsidiary	100	Section 2(87)
Sharda Malaysia SDN. BHD. B1- 1, Jalan Selaman 1, dataran palma, 6800 Ampang, Selangor Darul Ehsan, Malaysia.	-	Indirect Subsidiary	100	Section 2(87)
Sharpar S.A. Benjamin Constant No. 973 c/ Av. C. Colón. - Edificio Arasa 2 - Oficina 415 -1er. Piso	-	Indirect Subsidiary	90	Section 2(87)
Sharda Uruguay S.A. Sarandi 693 Floor 3, Montevideo, Uruguay	-	Indirect Subsidiary	100	Section 2(87)
Sharda Private (Thailand) Limited House No.2/241 Soi Latphrao Wanghin 83, Latphrao Wanghin Road, Latphrao District, Bangkok 10230	-	Associate	49	Section 2(6)

#### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TOTAL EQUITY)

##### i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	7,59,00,000	0	7,59,00,000	84.13	6,76,65,371	0	6,76,65,371	75.00	(9.13)	
b) Central Govt.		0	0	0.00		0	0	0	0.00	
c) State Govt.		0	0	0.00		0	0	0	0.00	
d) Bodies Corp.		0	0	0.00		0	0	0	0.00	
e) Banks/Financial Institutions		0	0	0.00		0	0	0	0.00	
f) Any Other ...		0	0	0.00		0	0	0	0.00	
Sub-total (A) (1):-	7,59,00,000	0	7,59,00,000	84.13	6,76,65,371	0	6,76,65,371	75.00	(9.13)	
(2) Foreign										
a) NRIs Individuals		0	0	0.00		0	0	0	0.00	
b) Other Individuals		0	0	0.00		0	0	0	0.00	
c) Bodies Corp.		0	0	0.00		0	0	0	0.00	
d) Banks/ Financial Institutions		0	0	0.00		0	0	0	0.00	
e) Any Other .....		0	0	0.00		0	0	0	0.00	
Sub-total (A) (2):-		0	0	0.00		0	0	0	0.00	
#Total shareholding of Promoter (A) = (A) (1) + (A) (2)	7,59,00,000	0	7,59,00,000	84.13	6,76,65,371	0	6,76,65,371	75.00	(9.13)	
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds/UTI		0	0	0.00	1,20,00,389	0	1,20,00,389	13.30	13.30	
b) Banks/ FI		0	0	0.00	2,03,292	0	2,03,292	0.22	0.22	
c) Central Govt.		0	0	0.00	0	0	0	0.00	0.00	
d) State Govt.(s)		0	0	0.00	0	0	0	0.00	0.00	
e) Venture Capital Funds		0	0	0.00	0	0	0	0.00	0.00	
f) Insurance Companies		0	0	0.00	0	0	0	0.00	0.00	
g) Foreign Institutional Investors		0	0	0.00	51,38,110	0	51,38,110	5.70	5.70	
h) Foreign Venture Capital Investors		0	0	0.00	0	0	0	0.00	0.00	
i) Others		0	0	0.00	0	0	0	0.00	0.00	
Sub-total (B)(1)		0	0	0.00	1,73,41,791	0	1,73,41,791	19.22	19.22	
2. Non-Institutions										
a) Bodies Corporate										
i) Indian		0	0	0.00	0	0	0	0	0	
ii) Overseas	1,43,20,495	0	1,43,20,495	15.87	13,64,774	0	13,64,774	1.51	(14.35)	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakh		0	0	0.00	29,90,053	2	29,90,051	3.31	3.31	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh.		0	0	0.00	6,03,167	0	6,03,167	0.67	0.67	

Category of Share holders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
c) Others (specify)									
i) Clearing Members	0	0	0	0.00	1,11,163	0	1,11,163	0.12	0.12
j) Non Resident Individuals	0	0	0	0.00	1,44,176	0	1,44,176	0.16	0.16
<b>Sub-Total (B) (2):-</b>	1,43,20,495	0	1,43,20,495	15.87	52,13,331	2	52,13,331	5.78	(10.09)
<b>Total Public Shareholding (B) = (B)(1) + B(2)</b>	1,43,20,495	0	1,43,20,495	15.87	2,25,55,122	2	2,25,55,124	25.00	0
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0
<b>*GRAND TOTAL (A)+(B)+ (C)</b>	9,02,20,495	0	9,02,20,495	100.00	9,02,20,493	2	9,02,20,495	100.00	0

## ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2014)			Shareholding at the end of the year (As on 1st April, 2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumb-ered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumb-ered to total shares	
Promoters- Individual								
1.	Ramprakash V. Bubna	1,82,70,000	20.2504	0	1,41,52,686	15.6868	0	(4.56)
2.	Sharda R. Bubna	1,82,70,000	20.2504	0	1,41,52,685	15.6868	0	(4.56)
3.	Ashish R. Bubna	1,51,80,000	16.8254	0	1,51,80,000	16.8254	0	0
4.	Manish R. Bubna	1,51,80,000	16.8254	0	1,51,80,000	16.8254	0	0
5.	Seema A. Bubna	45,00,000	4.9878	0	45,00,000	4.9878	0	0
6.	Anisha M. Bubna	45,00,000	4.9878	0	45,00,000	4.9878	0	0

## iii. Changes in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. Shares	% of total shares of the Company
1.	<b>Mr. Ramprakash V. Bubna</b>				
	At the beginning of the year	1,82,70,000	20.2504	1,82,70,000	20.2504
	Pursuant to IPO, Shares were offered for Sale on 23rd September, 2014	(41,17,314)	(4.5636)	(41,17,314)	(4.5636)
	At the end of the year	1,41,52,686	15.6868	1,41,52,686	15.6868
2.	<b>Mrs. Sharda R. Bubna</b>				
	At the beginning of the year	1,82,70,000	20.2504	1,82,70,000	20.2504
	Pursuant to IPO, Shares were offered for Sale on 23rd September, 2014	(41,17,315)	(4.5636)	(41,17,315)	(4.5636)
	At the end of the year	1,41,52,685	15.6868	1,41,52,685	15.6868

## iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No.	SI	For each of the Top 10 Shareholders	Shareholding at the time of Listing (As on 23rd September, 2014)	Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
						No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1		HDFC Trustee Company Limited – HDFC Prudence Fund	21,45,526	14.11.2014	Purchase of Shares	3,24,885	0.36	24,70,411	2.74
				21.11.2014	Purchase of Shares	115	0.00	24,70,526	2.74
			24,70,526	31.03.2015	At the end of the year				
2		DSP Blackrock Micro Cap Fund	15,32,595	10.10.2014	Purchase of Shares	1,72,291	0.19	17,04,886	1.89
				17.10.2014	Purchase of Shares	1,75,055	0.19	18,79,941	2.08
				24.10.2014	Purchase of Shares	32,398	0.04	19,12,339	2.12
				31.10.2014	Purchase of Shares	36,412	0.04	19,48,751	2.16
				31.12.2014	Purchase of Shares	27,945	0.03	19,76,696	2.19
				09.01.2015	Purchase of Shares	1,30,478	0.14	21,07,174	2.34
				27.02.2015	Purchase of Shares	19,983	0.02	21,27,157	2.36
				06.03.2015	Purchase of Shares	17	0.00	21,27,174	2.36
			21,27,174	31.03.2015	At the end of the year				
3		Kuwait Investment Authority Fund 224	5,89,514	10.10.2014	Purchase of Shares	1,24,599	0.14	7,14,113	0.79
			7,14,113	31.03.2015	At the end of the year				
4		L and T Mutual Fund Trustee Ltd – L and T Tax Advantage	6,41,210	13.02.2015	Purchase of Shares	10,000	0.01	6,51,210	0.72
			6,51,210	31.03.2015	At the end of the year				
5		Ashmore Sicav Indian Small Cap Equity Fund	4,13,310	31.10.2014	Purchase of Shares	70,908	0.08	4,84,218	0.54
				12.12.2014	Sale of Shares	4,72,846	0.52	11,372	0.01
				19.12.2014	Sale of Shares	11,372	0.01	0	0.00
			0	31.03.2015	At the end of the year				
6		Kotak Global Funds	4,35,471	19.12.2014	Sale of Shares	11,393	0.01	4,24,078	0.47
				31.12.2014	Sale of Shares	65,000	0.07	3,59,078	0.40
				06.02.2015	Sale of Shares	6,839	0.01	3,52,239	0.39



Sl No.	For each of the Top 10 Shareholders	Shareholding at the time of Listing (As on 23rd September, 2014)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				13.03.2015	Sale of Shares	2,08,514	0.23	1,43,725	0.16
				31.03.2015	Sale of Shares	46,690	0.05	97,035	0.11
		97,035	0.11	31.03.2015	At the end of the year				
7	Glodman Sachs India Fund Limited	5,69,901	0.63	14.11.2014	Purchase of Shares	27,355	0.03	5,97,256	0.66
				21.11.2014	Purchase of Shares	35,634	0.04	6,32,890	0.70
				12.12.2014	Purchase of Shares	38,013	0.04	6,70,903	0.74
				30.01.2015	Purchase of Shares	48,010	0.05	7,18,913	0.80
				13.02.2015	Purchase of Shares	58,390	0.06	7,77,303	0.86
				27.02.2015	Purchase of Shares	89,250	0.10	8,66,553	0.96
				06.03.2015	Purchase of Shares	80,551	0.09	9,47,104	1.05
				13.03.2015	Purchase of Shares	5,47,890	0.61	14,94,994	1.66
				27.03.2015	Purchase of Shares	98,953	0.11	15,93,947	1.77
				31.03.2015	Purchase of Shares	121	0.00	15,94,068	1.77
		15,94,068	1.77	31.03.2015	At the end of the year				
8	IDFC Sterling Equity Fund	8,46,848	0.94	24.10.2014	Purchase of Shares	1,03,152	0.11	9,50,000	1.05
				21.11.2014	Sale of Shares	1,40,756	0.16	8,09,244	0.90
				28.11.2014	Sale of Shares	8,09,244	0.90	0	0.00
		0	0.00	31.03.2015	At the end of the year				
9	UTI Focussed Equity Fund – Series I (1100 Days)	7,90,087	0.88	24.10.2014	Purchase of Shares	18,000	0.02	8,08,087	0.90
				31.10.2014	Purchase of Shares	28,880	0.03	8,36,967	0.93
		8,36,967	0.93	31.03.2015	At the end of the year				
10	SBI Magnum Midcap Fund	6,26,084	0.69	14.11.2014	Purchase of Shares	2,60,970	0.29	8,87,054	0.98
				31.12.2014	Purchase of Shares	1,41,373	0.16	10,28,427	1.14
				09.01.2015	Purchase of Shares	2,00,000	0.22	12,28,427	1.36
				13.02.2015	Purchase of Shares	1,00,000	0.11	13,28,427	1.47
				27.03.2015	Purchase of Shares	48,035	0.05	13,76,462	1.53
		13,76,462	1.53	31.03.2015	At the end of the year				

**v. Shareholding of Directors and Key Managerial Personnel**

For each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Ramprakash V. Bubna</b>				
At the beginning of the year	1,82,70,000	20.2504	1,82,70,000	20.2504
Pursuant to IPO, Shares were offered for Sale on 23rd September, 2014	(41,17,314)	(4.5636)	(41,17,314)	(4.5636)
At the end of the year	1,41,52,686	15.6868	1,41,52,686	15.6868
<b>Sharda R. Bubna</b>				
At the beginning of the year	1,82,70,000	20.2504	1,82,70,000	20.2504
Pursuant to IPO, Shares were offered for Sale on 23rd September, 2014	(41,17,315)	(4.5636)	(41,17,315)	(4.5636)
At the end of the year	1,41,52,685	15.6868	1,41,52,685	15.6868
<b>Ashish R. Bubna</b>				
At the beginning of the year	1,51,80,000	16.8254	1,51,80,000	16.8254
Increase/Decrease		No transaction	during the year	
At the end of the year	1,51,80,000	16.8254	1,51,80,000	16.8254
<b>Manish R. Bubna</b>				
At the beginning of the year	1,51,80,000	16.8254	1,51,80,000	16.8254
Increase/Decrease		No transaction	during the year	
At the end of the year	1,51,80,000	16.8254	1,51,80,000	16.8254

None of the other Directors hold any shares of the Company at the beginning of the year and at the end of the year and none of the other directors had any transaction in the shares of the Company during the year.

For each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Gautam Arora, Chief Financial Officer</b>				
At the beginning of the year	0	0	0	0
Increase/Decrease	0	0	0	0
At the end of the year	0	0	0	0
<b>Jetkin Gudhka, Company Secretary</b>				
At the beginning of the year	0	0	0	0
Purchase of Shares, pursuant to IPO on 23rd September, 2014	90	0.00	90	0.00
At the end of the year	90	0.00	90	0.00

## 5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for repayment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	(₹ in Lacs) Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	8,857.65	-	-	8,857.65
Reduction	5,075.12	-	-	5,075.12
<b>Net Change</b>	<b>3,782.53</b>	-	-	<b>3,782.53</b>
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	3,782.53	-	-	3,782.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16.69	-	-	16.69
<b>Total (i+ii+iii)</b>	<b>3,799.22</b>	-	-	<b>3,799.22</b>

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

(Amount in Rs.)

Sl No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Ramprakash Bubna (Managing Director)	Sharda Bubna (Whole time Director)	Ashish Bubna (Whole time Director)	Manish Bubna (Whole time Director)	
1	Gross Salary	1,50,00,000	30,00,000	1,25,00,000	1,25,00,000	4,30,00,000
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	-as % of profit (Refer note)	88,65,764	-	59,40,062	59,40,062	2,07,45,887
	-others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>2,38,65,764</b>	<b>30,00,000</b>	<b>1,84,40,062</b>	<b>1,84,40,062</b>	<b>6,37,45,887</b>
	<b>Ceiling as per the Act</b>	<b>18,96,37,866</b>	<b>18,96,37,866</b>	<b>18,96,37,866</b>	<b>18,96,37,866</b>	

Note: Commission is for the financial year 2013-14, paid in the financial year 2014-15.

**B. Remuneration to other Directors:**

		(Amount in Rs.)				
Sl No.	Particulars of Remuneration	Name of Directors				
		Mr. M. S. Sundara Rajan	Mrs. Urvashi Saxena	Mr. Shitin Desai *	Mr. Shobhan Thakore*	Mr. P R Srinivasan*
1	Fee for attending Board/Committee Meetings	1,40,000	1,60,000	80,000	60,000	40,000
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-

\* Note: Mr. Shitin Desai, Mr. Shobhan Thakore & Mr. P R Srinivasan were appointed as Director on 16th December, 2013.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

		(Amount in Rs.)		
Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Gautam Arora (Chief Financial Officer)	Mr. Jetkin Gudhka (Company Secretary)	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,11,25,506	10,72,545	1,21,98,051
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit (Refer Note)	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	1,11,25,506	10,72,545	1,21,98,051

**7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	No corresponding provisions	*	₹3,53,800/-	Reserve Bank of India (RBI)	No appeal made
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	None	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	None	-	-

\*The Company had filed a compounding application with the Reserve Bank of India (RBI) for delay in submission of Form FC-GPR Part A towards the issuance of Bonus Shares to "HEP Mauritius Limited", Mauritius (Non- Resident Body Corporate) consequently contravening the provisions of the Foreign Exchange Management Act, 1999 and regulations issued thereunder.

## ANNEXURE 5

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.

Sl No.	Requirement	Disclosure																						
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year:	<table><tr><td>Ramprakash Bubna</td><td>72.96x</td></tr><tr><td>Sharda Bubna</td><td>9.17x</td></tr><tr><td>Ashish Bubna</td><td>56.37x</td></tr><tr><td>Manish Bubna</td><td>56.37x</td></tr><tr><td>M. S. Sundara Rajan</td><td>0.92x</td></tr><tr><td>Urvashi Saxena</td><td>0.67x</td></tr><tr><td>Shitin Desai</td><td>0.86x</td></tr><tr><td>Shobhan Thakore</td><td>0.67x</td></tr><tr><td>P R Srinivasan</td><td>0.37x</td></tr></table> <p>Note: Directors Remuneration is including sitting fees</p>	Ramprakash Bubna	72.96x	Sharda Bubna	9.17x	Ashish Bubna	56.37x	Manish Bubna	56.37x	M. S. Sundara Rajan	0.92x	Urvashi Saxena	0.67x	Shitin Desai	0.86x	Shobhan Thakore	0.67x	P R Srinivasan	0.37x				
Ramprakash Bubna	72.96x																							
Sharda Bubna	9.17x																							
Ashish Bubna	56.37x																							
Manish Bubna	56.37x																							
M. S. Sundara Rajan	0.92x																							
Urvashi Saxena	0.67x																							
Shitin Desai	0.86x																							
Shobhan Thakore	0.67x																							
P R Srinivasan	0.37x																							
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:	<table><tr><td>Ramprakash Bubna</td><td>145%</td></tr><tr><td>Sharda Bubna</td><td>60%</td></tr><tr><td>Ashish Bubna</td><td>142%</td></tr><tr><td>Manish Bubna</td><td>142%</td></tr><tr><td>M. S. Sundara Rajan</td><td>114%</td></tr><tr><td>Urvashi Saxena</td><td>38%</td></tr><tr><td>Shitin Desai *</td><td>250%</td></tr><tr><td>Shobhan Thakore *</td><td>267%</td></tr><tr><td>P R Srinivasan *</td><td>200%</td></tr><tr><td>CFO</td><td>41%</td></tr><tr><td>CS</td><td>49%</td></tr></table> <p>* Part Year</p> <p>Note: Directors Remuneration is including sitting fees</p>	Ramprakash Bubna	145%	Sharda Bubna	60%	Ashish Bubna	142%	Manish Bubna	142%	M. S. Sundara Rajan	114%	Urvashi Saxena	38%	Shitin Desai *	250%	Shobhan Thakore *	267%	P R Srinivasan *	200%	CFO	41%	CS	49%
Ramprakash Bubna	145%																							
Sharda Bubna	60%																							
Ashish Bubna	142%																							
Manish Bubna	142%																							
M. S. Sundara Rajan	114%																							
Urvashi Saxena	38%																							
Shitin Desai *	250%																							
Shobhan Thakore *	267%																							
P R Srinivasan *	200%																							
CFO	41%																							
CS	49%																							
3	The percentage increase in the median remuneration of employees in the financial year:	4.68%																						
4	The number of permanent employees on the rolls of Company:	127																						
5	The explanation on the relationship between average increase in remuneration and Company performance:	Remuneration of employees has a close linkage with the performance of the Company. Factors considered while recommending increase in fixed compensation: a. Financial performance of the Company b. Comparison with peer Companies c. Industry Benchmarking and consideration towards cost of inflation d. Regulatory guidelines, if any																						
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the FY 2014-15, KMPs were paid approx. 3.69% of the Standalone net profit for the year.																						



Sl No.	Requirement	Disclosure								
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Not applicable since the Company got listed during the year.								
8	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 17.10% as against an increase of 145.00% in the salary of the Managing Director (Managerial Personnel). The increment given to each individual employee is based on the employee's potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against similar companies in India.								
9	Comparison of each remuneration of Key Managerial Personnel against the performance of the Company.	<p>The comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company is as under:</p> <table><tr><td>Name</td><td>% of Net Profit for FY 2014-15</td></tr><tr><td>MD</td><td>2.44</td></tr><tr><td>CFO</td><td>1.14</td></tr><tr><td>CS</td><td>0.11</td></tr></table>	Name	% of Net Profit for FY 2014-15	MD	2.44	CFO	1.14	CS	0.11
Name	% of Net Profit for FY 2014-15									
MD	2.44									
CFO	1.14									
CS	0.11									
10	The key parameters for any variable component of remuneration availed by the Directors.	The variable component is in the form of commission paid to the Managing Director and other whole-time directors of the Company. The same is based on the performance of the Company and as per the agreement entered with them. The same is as per the shareholder's approval.								
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive the remuneration in excess of the highest paid director during the year.	Not applicable								
12	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes. It is confirmed.								

## ANNEXURE 6

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl No.	Name	Designation	Remuneration received	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	2,38,65,764	Contractual	B. Tech., Chemical Engineering	46	12-Mar-04	69	NIL	15.69
2	Mr. Ashish R. Bubna	Whole-time Director	1,84,40,062	Contractual	B.Com	23	12-Mar-04	42	NIL	16.83
3	Mr. Manish R. Bubna	Whole-time Director	1,84,40,062	Contractual	B. Chemical Engineering	21	12-Mar-04	41	NIL	16.83
4	Mr. Gautam Arora	Chief Financial Officer	1,11,25,506	Contractual	B.Com., ACA	23	12-Apr-10	47	Reliance Industries Ltd.	NIL

Notes:

1. Mr. Ramprakash V. Bubna is a relative of Mrs. Sharda R. Bubna, Mr. Ashish R. Bubna & Mr. Manish R. Bubna.
2. Remuneration received includes the amount of commission paid, if any, during the year.
3. Amount of commission is for the year 2013-14, paid in the year 2014-15.
4. The amount reflected above is in actual Rupees.
5. Mr. Ramprakash V. Bubna, Mrs. Sharda R. Bubna, Mr. Ashish R. Bubna & Mr. Manish R. Bubna are also the promoters of the Company.

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# Corporate Governance Report

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# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's philosophy on Corporate Governance is based on holistic approach towards not only its own growth but also towards maximization of benefits to the shareholders, employees, customers, government and also the general public at large. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing stakeholder's value.

Your Company believes that there is a need to view Corporate Governance as more than just regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholder's wealth maximization. Therefore, it strives continuously to improve its level of overall efficiency through good corporate governance which envisages transparency, professionalism and accountability in all its operations.

The Corporate Governance framework ensures to make timely disclosure and share accurate information regarding the Company's financials and performance as well as its leadership and governance.

Your Company is committed to good Corporate Governance and its adherence to the 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 stakeholders.

## 2. BOARD OF DIRECTORS

### Composition

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, Listing Agreement entered with the stock exchange(s) and in accordance with the best practices of Corporate Governance. The Board has optimum combination of executive and non-executive/independent directors, thereby bringing objectivity and transparency in the Management and in dealings of the Company.

The Board of Directors, as on March 31, 2015, comprised of Nine (9) Directors, consisting of Five (5) Independent Directors, Three (3) Whole-time Directors and a Chairman & Managing Director. All the directors possess relevant qualifications and experience which enable them to contribute to the Company in their capacity as Directors.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee & Stakeholders Relationship Committees, as per Clause 49 II (D) (2) of the Listing Agreement), across all the companies in which he/she is director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies and in more than 10 public limited companies.

The Disclosures about the category of Directors along with their Directorship & Committee Membership are given below:

### Directorship/Committee Membership as on 31st March, 2015

Name	Date of Appointment	Category	No. of Directorships*	No. of Committee Positions*	
				Chairman	Member
Mr. Ramprakash V. Bubna	12/03/2004	Chairman & Managing Director	-	-	-
Mrs. Sharda R. Bubna	12/03/2004	Whole-time Director	-	-	-
Mr. Ashish R. Bubna	12/03/2004	Whole-time Director	-	-	-
Mr. Manish R. Bubna	12/03/2004	Whole-time Director	-	-	-
Mr. M. S. Sundara Rajan	26/07/2011	Independent Director	8	3	6
Mrs. Urvashi Saxena	26/07/2011	Independent Director	3	1	1
Mr. Shitin Desai	16/12/2013	Independent Director	1	-	1
Mr. Shobhan Thakore	16/12/2013	Independent Director	8	2	3
Mr. P.R. Srinivasan	16/12/2013	Independent Director	-	-	-

\* Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions. The above Directorships & Committee Positions are excluding Directorships & Committee Positions in your Company.

#### Relationship between Directors inter-se:

- Mrs. Sharda R. Bubna is spouse of Mr. Ramprakash V. Bubna;
- Mr. Ashish R. Bubna and Mr. Manish R. Bubna are brothers;
- Mr. Ashish R. Bubna and Mr. Manish R. Bubna are sons of Mr. Ramprakash V. Bubna and Mrs. Sharda R. Bubna.

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 viz <http://shardacropchem.com/images/pdf/Policy/Appointment%20Letter%20to%20Independent%20Directors.pdf>

#### 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 meetings are usually held at the Company's registered office at Mumbai.

#### Independent Directors

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Rules made thereunder and meet the requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

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 2014-15	Attendance at the AGM held on 9th August, 2014
Mr. Ramprakash V. Bubna	8	Yes
Mrs. Sharda R. Bubna	8	Yes
Mr. Ashish R. Bubna	5	Yes
Mr. Manish R. Bubna	7	No
Mr. M. S. Sundara Rajan	8	Yes
Mrs. Urvashi Saxena	5	No
Mr. Shitin Desai	8	No
Mr. Shobhan Thakore	8	No
Mr. P.R. Srinivasan	5	Yes



The Company held 8 Board Meetings during 2014-15 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held were: 3rd June, 2014, 10th July, 2014, 9th August, 2014, 22nd August, 2014, 25th August, 2014, 1st October, 2014, 5th November, 2014 and 6th February, 2015.

## Governance Codes

### Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics which is applicable to the Board of Directors and Senior Management Personnel as defined in the Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the website of the Company viz <http://shardacropchem.com/images/pdf/Code%20of%20Conduct/Code%20of%20Business%20Conduct%20&%20Ethics%20for%20Board%20Members%20&%20Senior%20Management.pdf>

### 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.

### 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, 1992, 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 website of the Company viz <http://shardacropchem.com/images/pdf/Code%20of%20Conduct/Code%20of%20Conduct%20for%20Prevention%20of%20insider%20Trading.pdf>

## 3. AUDIT COMMITTEE

### Terms of Reference

The Audit Committee functions according to its Charter that defines its composition, authority,

responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, includes the following functions:

- Overseeing the Company's financial reporting process and 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 Directors' 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;
  - Qualifications in the draft audit report;
- Reviewing with the management the quarterly 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 utilized 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 with the management the performance of statutory and internal auditors 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 auditors on any significant findings and follow up thereon;
  - Reviewing the findings of any internal investigations by the internal auditors 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 auditors 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 (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing, amongst others, the qualifications, experience and background of the candidate;
  - Review & monitor the auditor's independence 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;
  - Examination of the financial statement and the auditor's report thereon;
  - Monitoring the end use of funds raised through public offers and related matters;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - To investigate any activity within its terms of reference;
  - To have full access to information contained in the records of the Company;
  - To seek information from any employee;
  - To obtain outside legal or other professional advice; and
  - To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Composition and Attendance of the members of Audit Committee

Audit Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, powers, roles and scope are in accordance with provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Composition of Audit Committee and details of attendance of its members at the meetings during the year is as under:

Name of the Director	Category	No. of Meetings attended
Mr. M. S. Sundara Rajan	Chairman, Independent Director	5
Mrs. Urvashi Saxena	Member, Independent Director	3*
Mr. Ramprakash V. Bubna	Member, Managing Director	5

Mrs. Urvashi Saxena was absent in the meetings of Audit Committee held prior to Company getting listed.

The Audit Committee met 5 times during the year and the gap between the two meetings did not exceed four months. The dates on which the Audit Committee meetings were held were: 10th July, 2014, 9th August, 2014, 22nd August, 2014, 5th November, 2014 and 6th February, 2015.

During the year, Audit Committee reviewed key audit findings covering operational, financial and compliance areas. The Chairman of the Committee briefed the Board members about the significant discussions at the Audit Committee meetings.

The meetings of the Audit Committee are usually attended by the Chief Financial Officer, the Company Secretary and a representative of the Internal Auditors and Statutory Auditors. The Business Operation Heads are invited to the meetings, when required. The Company Secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee, Mr. M. S. Sundara Rajan was present at the Annual General Meeting of the Company held on 9th August, 2014.

### Internal Controls and Governance Process

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company's operations are ably supported by SAP-ERP system. The internal auditor monitors the efficacy and adequacy of internal control system in various functions of the Company as per the scope defined by the audit committee. The internal auditor also presents significant audit observations to the Audit Committee along with an implementation status tracker and actions taken to correct any deficiency.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### 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 (Insider Trading) Regulations, 1992; 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 Remuneration Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines;
- 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.

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

In compliance with the provisions of Section 178 of the Companies Act, 2013 and revised Listing Agreement, the Board at its meeting held on 3rd June, 2014 has changed the nomenclature of the existing "Remuneration Committee" to "Nomination and Remuneration Committee".

The Composition of Nomination and Remuneration Committee and details of attendance of the members at the meeting during the year is as under:

Name of the Director	Position	Category	No. of Meetings attended
Mr. M. S. Sundara Rajan	Chairman	Independent Director	1
Mrs. Urvashi Saxena	Member	Independent Director	1
Mr. Shitin Desai	Member	Independent Director	1

The Committee met only once during the year, on 10th July, 2014.

The Chairman of the Nomination & Remuneration Committee, Mr. M. S. Sundara Rajan was present at the Annual General Meeting of the Company held on 9th August, 2014.

### Remuneration Policy

The Company has adopted a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement as amended from time to time.

The objective of the Committee 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.

### 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 authorized 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 Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate

#### 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 Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- 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.

#### Details of Remuneration paid to Directors for the year ended 31st March, 2015

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 (₹)	1,50,00,000.00	30,00,000.00	1,25,00,000.00	1,25,00,000.00
Commission for the FY 2013-14, paid in FY 2014-15 (₹)	88,65,763.58	-	59,40,061.60	59,40,061.60
Date of Agreement	1st January, 2014	1st January, 2014	1st January, 2014	1st January, 2014
No. of Years	5 years	5 years	5 years	5 years
Period of Agreement	Upto 31st December, 2018	Upto 31st December, 2018	Upto 31st December, 2018	Upto 31st December, 2018
Notice Period	Three months notice in writing	Three months notice in writing	Three months notice in writing	Three months notice in writing
Stock Options	-	-	-	-

#### Details of Sitting Fees paid to the Independent Directors for 2014-15:

Name of the Director	Sitting fees (₹)
Mr. M. S. Sundara Rajan	3,00,000
Mrs. Urvasi Saxena	2,20,000
Mr. Shitin Desai	2,80,000
Mr. Shobhan Thakore	2,20,000
Mr. P. R. Srinivasan	1,20,000



## 5. STAKEHOLDERS' GRIEVANCES COMMITTEE

### Terms of Reference

The terms of reference of Stakeholders' Grievances 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 Listing Agreement.

### Composition of Stakeholders' Grievances Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board at its meeting held on 3rd June, 2015 has changed the nomenclature of the existing "Investor Grievance Committee" to "Stakeholders' Grievances Committee"

The Composition of Stakeholders' Grievances Committee during the year is as under:

Name of the Director	Position	Category
Mr. P.R. Srinivasan	Chairman	Independent Director
Mr. Shobhan Thakore	Member	Independent Director
Mr. Manish R. Bubna	Member	Whole Time Director

The Stakeholders' Grievances Committee did not meet during the year, as there was no specific requirement for the same.

Name, Designation and address of the Compliance Officer

Mr. Jetkin Gudhka  
Company Secretary  
Domnic Holm, 29th Road  
Bandra (West), Mumbai – 400 050  
Tel. No.: 91 22 6678 2800  
Fax No.: 91 22 6678 2828  
Email: co.sec@shardaintl.com

A total of 3,342 complaints were received from the investors during FY 2014-15 and all the complaints were resolved successfully. Most of the complaints pertained to non-receipt of Refund Orders pursuant to the Initial Public Offer of the Company.

No request for transfer or dematerialization of shares was pending as on 31st March, 2015.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### 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.

### Composition and Attendance of the members of CSR Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board at its meeting held on 3rd June, 2014 constituted CSR Committee to provide guidance on various CSR activities to be undertaken by the Company.

The Composition of CSR Committee and details of attendance of the members at the Meeting during the year is as under:

Name of the Director	Position	Category	No. of meetings attended
Mr. Ramprakash V. Bubna	Chairman	Chairman & Managing Director	1
Mr. Shitin Desai	Member	Independent Director	1
Mrs. Urvashi Saxena	Member	Independent Director	1
Mr. Manish R. Bubna	Member	Whole Time Director	-

The Committee met once during the financial year 2014-15 on 4th March, 2015.

## 7. GENERAL BODY MEETINGS

Details of Last Three Annual General Meetings (AGM)

Financial Year	Date and Time	Location	Details of Special Resolutions Passed
2011-12	Friday 28th September, 2012 5:00 p.m.	Domnic Holm, 29th Road, Bandra (West), Mumbai – 400 050	None
2012-13	Monday 26th August, 2013 5:00 p.m.	Domnic Holm, 29th Road, Bandra (West), Mumbai – 400 050	None
2013-14	Saturday 9th August, 2014 1.00 p.m.	Domnic Holm, 29th Road, Bandra (West), Mumbai – 400 050	None

### Extra Ordinary General Meeting

During the year under review, the Company held one (1) Extra Ordinary General Meeting on Saturday, 9th August, 2014 for adoption of new set of Articles of Association of the Company in compliance with the provisions of Companies Act, 2013 and the rules made thereunder.

#### Note:

During the year under review, there was no special resolution passed through postal ballot.

of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

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/images/pdf/Policy/Policy%20on%20Material%20Subsidiary.pdf>

## 8. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary as defined under Clause 49 of the Listing Agreement, viz an unlisted subsidiary incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively,

## 9. DISCLOSURES

- During the year, all related party transactions as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement were entered in the ordinary course of business and on an arm's length basis and do attract the provisions of the Companies Act, 2013. The Company has formulated a related party transactions policy and the same is displayed on the website of the Company viz. <http://shardacropchem.com/images/pdf/Policy/Policy%20on%20Related%20Party%20Transactions.pdf>
- During the year, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- The Company had filed a compounding application with the Reserve Bank of India for delay in submission of Form FC-GPR Part A towards the issuance of Bonus Shares to Non-Resident Body Corporate contravening the provisions of the Foreign Exchange Management Act, 1999 and regulations issued thereunder. The Reserve Bank of India had imposed a penalty of ₹3,53,800 which has been duly paid by the Company and no appeal has been made upon the same.
- The Company has adopted a Whistle Blower Policy 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. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- The Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.
- The Company has adhered to all the mandatory and non mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

## 10. MEANS OF COMMUNICATION

- The Unaudited quarterly and half yearly financial results 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 per the requirements of Listing Agreement. The approved results are forthwith sent to the Stock Exchanges where the Company's shares are listed.
- The results are also published within 48 hours in The Economic Times (in English newspaper) and Maharashtra Times (in Marathi newspaper). The results are also displayed on the website of the Company ([www.shardacropchem.com](http://www.shardacropchem.com)).
- The Company also files its results with the National Stock Exchange of India Ltd. through NSE Electronic Application Processing System (NEAPS) and with BSE Ltd. 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 Ltd. through NEAPS and with BSE Ltd. through BSE Online Portal. Hard copies of the same are also filed with the Stock Exchanges where the Company's shares are listed. They are also displayed on the Company's website under the tab "Investor Relations".

## 11. GENERAL SHAREHOLDER INFORMATION

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

Annual General Meeting date, time and venue:

Friday, 18th September, 2015 at 3.00 pm at The National Stock Exchange Auditorium, Plot No. C/1, G Block, Bandra-Kurla Complex, BKC Road, Bandra (West), Mumbai – 400 051.

Financial Year : 1st April to 31st March  
 Date of Book Closure : 12th September, 2015  
 Dividend payment date : on or after 19th September, 2015  
 Listing on Stock Exchanges : The Company's equity shares are listed on the following Stock Exchanges.

The National Stock Exchange of India Ltd.  
 Exchange Plaza, 5th Floor  
 Plot No. C/1, G Block  
 Bandra-Kurla Complex,  
 Bandra (East) Mumbai – 400 051

BSE Ltd.  
 Phiroze Jeejeebhoy Towers  
 Dalal Street  
 Mumbai – 400 001

Stock Code on the National Stock Exchange of India Ltd. : SHARDACROP EQ  
 Stock Code on BSE Ltd. : 538666  
 Demat International Security Identification Number (ISIN) :  
 In NSDL and CDSL for Equity Shares : INE221J01015

### Market Information:

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

#### THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

Month *	High	Low	No. of Shares Traded	Value of Shares Traded (₹ in Lacs)	No. of Trades
September, 2014	274.00	217.25	5,08,36,945	1,25,869.50	6,33,307
October, 2014	273.40	226.70	1,14,60,593	29,566.94	1,68,896
November, 2014	309.40	251.65	1,48,23,494	41,921.29	2,34,153
December, 2014	276.50	240.05	34,87,784	9,104.26	84,166
January, 2015	285.90	250.00	33,59,967	8,833.25	59,574
February, 2015	282.00	255.95	25,18,174	6,788.52	60,146
March, 2015	337.80	267.35	45,47,657	14,182.08	1,02,208

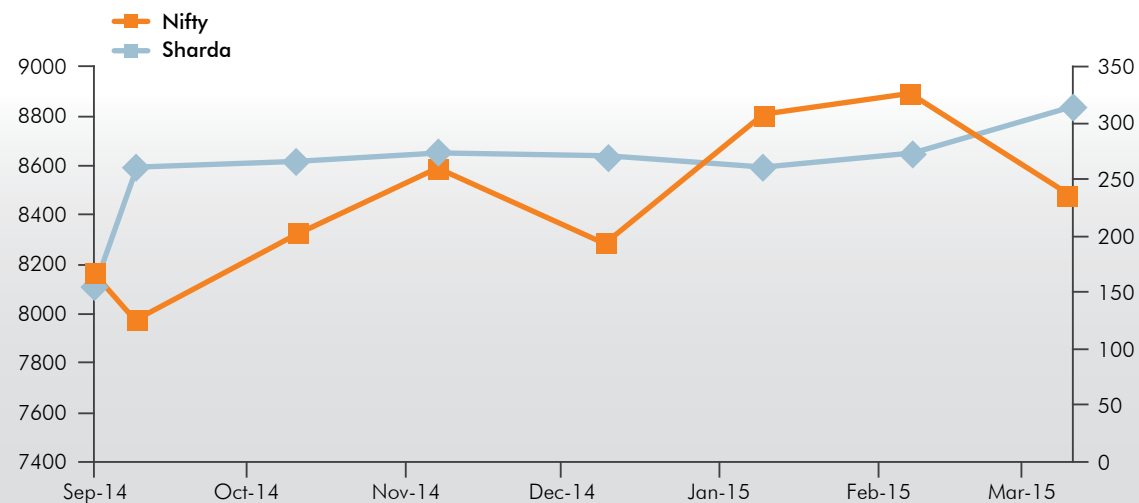
#### BSE Ltd.

Month *	High	Low	No. of Shares Traded	Value of Shares Traded (₹ in Lacs)	No. of Trades
September, 2014	273.85	217.60	1,95,51,704	48,398.10	5,75,106
October, 2014	273.20	227.05	48,73,241	12,529.18	1,62,841
November, 2014	309.60	251.10	78,73,995	22,175.25	2,33,282
December, 2014	278.75	240.00	11,17,296	2,907.24	55,310
January, 2015	285.50	251.00	8,29,736	2,191.92	37,464
February, 2015	282.00	256.40	6,79,821	1,834.04	34,524
March, 2015	337.70	268.00	14,55,641	4,570.48	72,769

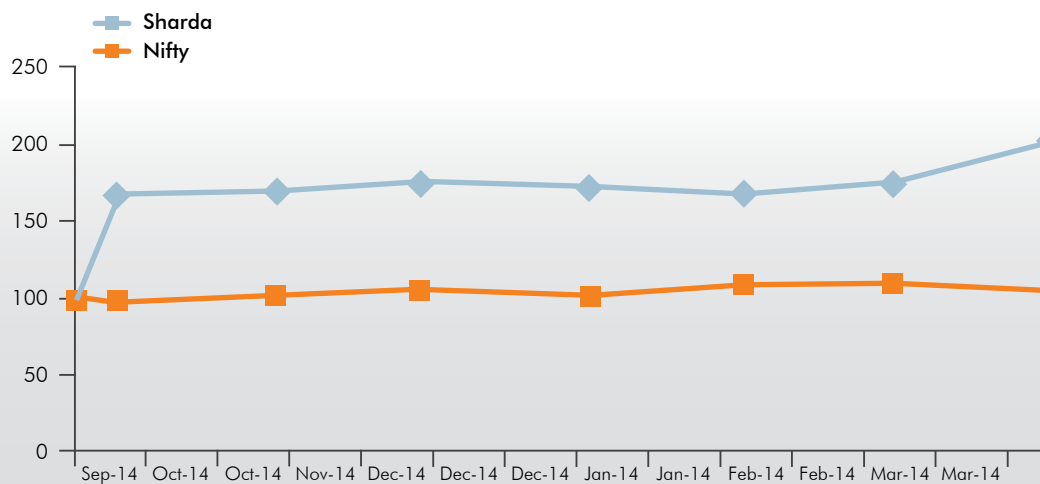
\*The equity shares of the Company were listed on 23rd September, 2014 and the trading in shares were initiated on the same date.

## PERFORMANCE OF THE Company VIS-A VIS INDEX (BSE SENSEX, NSE NIFTY INDEX, CRISIL INDEX, ETC) DURING FY 2014-15

### Performance of Company's share price in comparison with NSE Nifty Index



### Indexed Performance of Company's share price in comparison with NIFTY





**Share Registrars and Transfer Agents:**

Karvy Computershare Private 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: [srirama.murthy@karvy.com](mailto:srirama.murthy@karvy.com)  
 Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

**Share Transfer System**

The transfer of shares in physical form are processed and completed by Karvy Computershare Private Limited and the shares which are in demat mode are effectively processed by NSDL/CDSL through respective Depository Participant.

The Company obtains, from a Company Secretary in Practice, a half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the same with the Stock Exchanges.

**Secretarial Audit**

C. J. Goswami & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the financial year 2014-15. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Director's Report.

**Distribution of shareholding as on 31st March, 2015**

Sr. No.	Range	Holders	% to Total Holders	Holding	Amount (₹)	% to Capital
1	1-5000	18,589	94.24	17,21,034	1,72,10,340	1.91
2	5001- 10000	501	2.54	4,06,008	40,60,080	0.45
3	10001- 20000	287	1.46	4,19,877	41,98,770	0.46
4	20001- 30000	106	0.54	2,70,752	27,07,520	0.30
5	30001- 40000	42	0.21	1,49,653	14,96,530	0.17
6	40001- 50000	34	0.17	1,58,619	15,86,190	0.18
7	50001- 100000	60	0.31	4,54,579	45,45,790	0.50
8	100001& Above	105	0.53	8,66,39,973	86,63,99,730	96.03
<b>Total</b>		<b>19,724</b>	<b>100.00</b>	<b>9,02,20,495</b>	<b>90,22,04,950</b>	<b>100.00</b>

**Shareholding pattern as on 31st March, 2015**

Sr. No	Category of Shareholders	Total Holding	% to Total Holding
1	Promoter Individuals	6,76,65,371	75.00
2	Mutual Funds	1,20,00,389	13.30
3	Foreign Institutional Investors	51,17,110	5.68
4	Resident Individuals	34,11,194	3.78
5	Bodies Corporates	13,64,774	1.51
6	HUF	1,80,126	0.20
7	Non Resident Indians	1,44,176	0.16
8	Indian Financial Institutions	1,33,592	0.15
9	Clearing Members	1,11,163	0.12
10	Banks	69,700	0.08
11	Foreign Portfolio Investors	21,000	0.02
12	Foreign Nationals	1,900	0.00
<b>Total</b>		<b>9,02,20,495</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

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

As on 31st March, 2015, only 2 shares were held in physical form.

**Plant Location**

The Company does not have any plant locations.

**Investor correspondence address:**

Sharda Cropchem Limited  
Secretarial Department  
Domnic Holm, 29th Road  
Bandra (West)  
Mumbai – 400 050

OR

Karvy Computershare Private Limited  
Karvy Selenium Tower B,  
6th Floor, Plot No. 31 & 32,  
Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032

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**DECLARATION PURSUANT TO CLAUSE 49II(E)(2) OF THE LISTING AGREEMENT**

In accordance with Clause 49II(E)(2) of the Listing Agreement with the Stock Exchanges, I hereby declare that all members of the Board and Senior Management Personnel have affirmed with the Code of Conduct, as applicable to them for the year ended 31st March, 2015.

**For Sharda Cropchem Limited**

**Mumbai, 30th May, 2015**

**RAMPRAKASH V. BUBNA  
CHAIRMAN & MANAGING DIRECTOR**

## CEO/CFO CERTIFICATION

### CERTIFICATE PURSUANT TO CLAUSES 41(II) AND 49(IX) OF THE LISTING AGREEMENT

We, Ramprakash V. Bubna, Chairman & Managing Director and Gautam Arora, Chief Financial Officer do hereby certify to the Board that:-

- (a) We have reviewed the financial statements, read with the cash flow statement of the Company for the year ended 31st March, 2015 and to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (ii) 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.
- (b) 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.
- (c) 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 Auditors 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.
- (d) We have indicated to the Auditors and the Audit Committee:-
  - (i) significant changes in internal control over financial reporting during the year, if any;
  - (ii) 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
  - (iii) instances of significant fraud 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.

**For Sharda Cropchem Limited**

**RAMPRAKASH V. BUBNA**  
**CHAIRMAN & MANAGING DIRECTOR**

**For Sharda Cropchem Limited**

**GAUTAM ARORA**  
**CHIEF FINANCIAL OFFICER**

## CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF  
SHARDA CROPCHEM LIMITED.

We have examined the compliance of the conditions of Corporate Governance by SHARDA CROPCHEM LIMITED ("the Company") for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing agreements of the said Company with relevant stock exchanges (hereinafter referred to as Clause 49)

The compliance of the conditions 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 conditions 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 and the representations made by the Directors and the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in clause 49.

We 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 C. J. Goswami & Associates,  
Practicing Company Secretaries**

**Chintan J. Goswami  
Proprietor  
Mem No. – 33697  
C. P. No. – 12721**

**Mumbai, 30th May, 2015**

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# Standalone Financial Statements

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Cropchem Limited (Formerly known as Sharda Worldwide Exports Private Limited)

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Sharda Cropchem Limited (Formerly known as Sharda Worldwide Exports Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the 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 March 31, 2015, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

**per Vijay Maniar**

Partner

Membership Number: 36738

Place of Signature: Mumbai

Date: 30 May, 2015

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted loans to four subsidiary companies covered in the register maintained under section 189 of The Companies Act, 2013. The loans granted and interest thereon is re-payable on demand. We are informed that the amounts of interest and principal demanded by the Company have been paid during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. The activities of the Company do not involve sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of agrochemicals, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, custom duty, value added tax and other material statutory dues have generally been regularly deposited with the appropriate authorities. Sales-tax, wealth tax and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, custom duty, value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Sales-tax, wealth tax and excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, custom duty, value added tax and service tax on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which it relates	Amounts (Rs in Lacs)
Finance Act, 1994	Service Tax	Commissioner CESTAT	2007-08 to 2012-13	785.14

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding dues in respect of a financial institution or debentures during the year.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are prima-facie not prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

**per Vijay Maniar**

Partner

Membership Number: 36738

Place of Signature: Mumbai

Date: 30 May, 2015

# BALANCE SHEET

as at 31st March, 2015

Particulars	Note No.	(₹ in Lacs)	
		As at 31-Mar-15	As at 31-Mar-14
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	9,022.05	9,022.05
Reserves and surplus	4	49,672.79	42,627.38
		<b>58,694.84</b>	<b>51,649.43</b>
<b>Non-current liabilities</b>			
Deferred tax liability (net)	13	2,159.11	1,026.24
Long term provisions	5	43.16	15.28
		<b>2,202.27</b>	<b>1,041.52</b>
<b>Current liabilities</b>			
Short term borrowings	6	3,782.53	—
Trade payables	7	19,042.63	16,145.73
Other current liabilities	8	5,662.58	6,940.59
Short term provisions	9	2,902.19	2,682.75
		<b>31,389.93</b>	<b>25,769.07</b>
<b>TOTAL</b>		<b>92,287.04</b>	<b>78,460.02</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	82.98	130.85
Intangible assets	11	8,643.39	6,189.83
Intangible assets under development		14,874.96	13,348.42
Non-current investments	12	1,030.57	641.81
Long term loans and advances	14	3,646.94	1,892.33
Other non-current assets	15	—	799.56
		<b>28,278.84</b>	<b>23,002.80</b>
<b>Current assets</b>			
Current investments	16	8,587.63	16,924.21
Inventories	17	11,208.84	6,117.53
Trade receivables	18	34,705.19	28,556.71
Cash and bank balances	19	6,651.69	1,538.93
Short term loans and advances	20	2,795.64	2,078.29
Other current assets	21	59.21	241.55
		<b>64,008.20</b>	<b>55,457.22</b>
<b>TOTAL</b>		<b>92,287.04</b>	<b>78,460.02</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No. 301003E  
 Chartered Accountants

per **Vijay Maniar**  
 Partner  
 Membership Number - 36738

Place: Mumbai  
 Date: May 30, 2015

For and on behalf of the board of directors of  
**SHARDA CROPICHEM LIMITED**

**R. V. Bubna**  
 [Chairman & Managing Director]

**Gautam Arora**  
 [Chief Financial Officer]

**Ashish R. Bubna**  
 [Whole-time Director]

**Jetkin Gudhka**  
 [Company Secretary]

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2015

Particulars	Note No.	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Income</b>			
Revenue from operations (net)	22	76,931.65	54,058.67
Other income	23	2,769.30	3,537.51
<b>Total revenue (I)</b>		<b>79,700.95</b>	<b>57,596.18</b>
<b>Expenses</b>			
Cost of material consumed	24	22,201.39	14,936.09
Purchase of traded goods	25	26,029.20	14,348.03
(Increase)/decrease in inventories of traded and finished goods	26	(99.49)	1,638.31
Employee benefit expenses	27	1,712.97	1,180.73
Other expenses	28	12,467.90	9,125.94
<b>Total (II)</b>		<b>62,311.97</b>	<b>41,229.10</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period item (I) - (II)</b>		<b>17,388.98</b>	<b>16,367.08</b>
Depreciation and amortization expenses	29	2,320.15	2,888.17
Finance costs	30	50.09	58.57
<b>Profit before tax and prior period item</b>		<b>15,018.74</b>	<b>13,420.34</b>
<b>Tax expenses</b>			
Current tax		4,068.59	4,079.16
Deferred tax		1,132.87	335.30
<b>Total tax expense</b>		<b>5,201.46</b>	<b>4,414.46</b>
<b>Profit after tax and before prior period item</b>		<b>9,817.28</b>	<b>9,005.88</b>
Less: Prior period item (Net of tax)	47	42.48	140.12
<b>Profit for the year</b>		<b>9,774.80</b>	<b>8,865.76</b>
<b>Earnings per share</b>	31		
Basic and diluted earning per share (₹)		10.83	9.83
Face value per share (₹)		10.00	10.00
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No. 301003E  
 Chartered Accountants

per **Vijay Maniar**  
 Partner  
 Membership Number - 36738

Place: Mumbai  
 Date: May 30, 2015

For and on behalf of the board of directors of  
**SHARDA CROPChem LIMITED**

**R. V. Bubna**  
 [Chairman & Managing Director]

**Gautam Arora**  
 [Chief Financial Officer]

**Ashish R. Bubna**  
 [Whole-time Director]

**Jetkin Gudhka**  
 [Company Secretary]



# CASH FLOW STATEMENT

for the year ended 31st March, 2015

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Cash flow from operating activities</b>		
Profit before tax	15,018.74	13,420.34
<b>Profit before tax</b>	<b>15,018.74</b>	<b>13,420.34</b>
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	2,320.15	2,888.17
Provision for diminution in value of investments	0.03	(0.42)
Unrealized foreign exchange loss/(gain)	(705.27)	985.46
Loss/(profit) on sale of fixed assets	321.96	80.96
Net (gain)/loss on sale of current investments	(1,418.18)	(736.69)
Net (gain)/loss on sale of non-current investments	-	(139.09)
Provision for gratuity	20.67	22.02
Bad Debts written off	56.63	-
Sundry balances written back	(696.76)	111.51
Finance costs	50.09	58.57
Interest (income)	(484.28)	(461.01)
Dividend (income)	(31.03)	(71.83)
<b>Operating profit before working capital changes</b>	<b>14,452.75</b>	<b>16,157.99</b>
Movements in working capital:		
Increase/(decrease) in trade payables	4,222.50	(767.76)
Increase/(decrease) in short term provisions	174.15	(30.87)
Increase/(decrease) in other current liabilities	356.36	166.40
Decrease/(increase) in trade receivables	(6,088.22)	539.40
Decrease/(increase) in inventories	(5,091.30)	1,968.20
Decrease/(increase) in long term loans and advances	(7.02)	14.70
Decrease/(increase) in short term loans and advances	(629.83)	469.37
Decrease/(increase) in other current assets	(62.92)	(28.82)
<b>Cash generated from/(used in) operations</b>	<b>7,326.47</b>	<b>18,488.61</b>
Prior period adjustments (Net of tax)	(42.48)	(140.12)
Direct taxes paid (net of refunds)	(6,342.84)	(4,024.42)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>941.15</b>	<b>14,324.07</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(8.55)	(21.08)
Purchase of intangible fixed assets, including IAUD and capital advances	(7,985.08)	(8,096.07)
Proceeds from sale/(purchase) of non-current investments (other than subsidiaries)	(400.00)	94.28
Acquisition/investment in subsidiaries	(13.76)	(2.59)
(Purchase)/proceeds from sale of current investments (net)	9,804.81	(6,959.54)
Redemption/(investment) in bank deposits (having original maturity of more than three months)	(3,573.91)	286.95

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Interest received	169.20	15.76
Dividends received on current investments	5.93	69.38
Dividends received on non-current investments	-	2.02
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(2,001.36)</b>	<b>(14,610.89)</b>
<b>Cash flows from financing activities</b>		
Proceeds from/(repayment of) short term borrowings	3,765.39	1.82
Finance costs paid	(31.22)	(2.52)
Dividend paid on equity shares	(1,804.41)	(902.20)
Tax on equity dividend paid	(306.66)	(146.36)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>1,623.10</b>	<b>(1,049.26)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>562.89</b>	<b>(1,336.08)</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	10.00	0.85
Cash and cash equivalents at the beginning of the year	1,538.93	2,874.16
<b>Cash and cash equivalents at the end of the year</b>	<b>2,111.82</b>	<b>1,538.93</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.25	1.17
With banks	6,651.44	1,537.76
<b>Total cash and cash equivalents (Refer note 19)</b>	<b>6,651.69</b>	<b>1,538.93</b>
Less: Bank deposits not considered as cash and cash equivalents	4,539.87	-
<b>Total cash and cash equivalents as per the cash flow statement</b>	<b>2,111.82</b>	<b>1,538.93</b>
<b>Summary of significant accounting policies</b>	<b>2.1</b>	

As per our report of even date  
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No. 301003E  
 Chartered Accountants

**per Vijay Maniar**  
 Partner  
 Membership Number - 36738

Place: Mumbai  
 Date: May 30, 2015

**For and on behalf of the board of directors of  
 SHARDA CROP CHEM LIMITED**

**R. V. Bubna**  
 [Chairman & Managing Director]

**Gautam Arora**  
 [Chief Financial Officer]

**Ashish R. Bubna**  
 [Whole-time Director]

**Jetkin Gudhka**  
 [Company Secretary]

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 1. Corporate information

Sharda Cropchem Limited ("the Company") (Formerly known as Sharda Worldwide Exports Private Limited) is a public company domiciled in India. Its shares are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE"). The Company is engaged in exports of Agro chemicals - technical grade and formulations - to various countries around the world. The Company also exports Conveyor belts, Rubber belts/sheet, Dyes and Dye intermediates and other products worldwide.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified). The financials statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

## 2.1 Significant accounting policies

### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### (b) Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### (c) Depreciation on tangible fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. The depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Schedule II prescribes useful lives for fixed assets, which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. This change in estimate does not have any material impact on financial statements of the Company. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. 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, whichever is higher. Fixed Assets are depreciated equally over estimated useful life as under:-

Asset class	Estimated useful life
Computers	3 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Motor Cars	8 years

### (d) Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

Product registration costs generally 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.

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.

### Product registration

Product registration expenses and Data compensation charges are amortised on a straight line basis over a period of five years.

### Computer software

Expenses on implementation of Computer software are amortised on a straight line basis over a period of four years.

### (e) Impairment of tangible and intangible assets

(i) The carrying amounts of assets are reviewed for impairment at each Balance Sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre tax

rate, that reflect current market assessment of the time value of money and the risk specific to the assets.

- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(f) Research and Development costs**

Research costs are expensed as incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit.

**(g) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Non-Current Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in nature.

**(h) Inventories**

Raw materials, traded goods and finished goods are valued at lower of cost or net realizable value. Cost includes direct material and direct expenses. Cost is determined using weighted average method for batches identified on specific identification basis in respective locations. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

**(i) Retirement and other employee benefits**

Provident Fund is a defined contribution scheme established under a State Plan in India. The contributions to the scheme are charged to the statement of profit and loss during the year in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on projected unit cost method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

Actuarial gains/(losses) are immediately taken to the statement of profit and loss and are not deferred.

**(j) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer.

**Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

**(k) Foreign currency transactions**

**Foreign currency transactions and balances**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. 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 the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

**(iv) Forward exchange contracts not intended for trading or speculation purpose**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or as expense for the year.

**(l) Derivative instruments**

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## (m) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## (n) Earnings per share

Basic earnings per share has been calculated by dividing the net profit / (Loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit / (Loss) after tax for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## (o) Segment reporting

### Identification of segments

The Company's operating businesses are organized and managed separately according to the products with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company carry on business.

### Inter-segment transfers

The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

### Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### Unallocated items

It includes general corporate income and expense items which are not allocated to any business segment.

### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

## (p) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand, cash at bank and term deposits with banks and also include short term investments with an original maturity of three months or less.

## (q) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## (r) Provisions and Contingencies

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the note to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

## (s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss). In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

### 3. Share capital

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Authorised shares</b>		
105,000,000 (Previous year: 105,000,000) equity shares of ₹10/- each	10,500.00	10,500.00
<b>Issued, subscribed and fully paid-up shares</b>		
90,220,495 (Previous year: 90,220,495) equity shares of ₹10/- each	9,022.05	9,022.05
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>9,022.05</b>	<b>9,022.05</b>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

##### Equity shares

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	(₹ in Lacs )	No. of Shares	(₹ in Lacs )
At the beginning of the year	90,220,495	9,022.05	90,220,495	9,022.05
<b>Outstanding at the end of the year</b>	<b>90,220,495</b>	<b>9,022.05</b>	<b>90,220,495</b>	<b>9,022.05</b>

#### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-15	31-Mar-14
	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (in FY 2011-12).	72,176,396	72,176,396

#### (d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr. Ramprakash V. Bubna	14,152,686	15.69%	18,270,000	20.25%
Mrs. Sharda R. Bubna	14,152,685	15.69%	18,270,000	20.25%
Mr. Ashish R. Bubna*	15,180,000	16.83%	15,180,000	16.83%
Mr. Manish R. Bubna**	15,180,000	16.83%	15,180,000	16.83%
HEP Mauritius Limited	-	0.00%	14,320,495	15.87%

\* Shareholding includes 10 Equity shares held jointly by Ashish R. Bubna and Seema A. Bubna, with Ashish R. Bubna as the first holder.

\*\* Shareholding includes 10 Equity shares held jointly by Manish R. Bubna and Anisha M. Bubna, with Manish R. Bubna as the first holder.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 4. Reserves and surplus

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Capital reserve</b>		
Balance as per the last audited financial statements	1,491.29	1,491.29
<b>Closing balance</b>	<b>1,491.29</b>	<b>1,491.29</b>
<b>Securities premium</b>		
Balance as per the last audited financial statements	2,148.55	2,148.55
<b>Closing balance</b>	<b>2,148.55</b>	<b>2,148.55</b>
<b>General Reserve</b>		
Balance as per the last audited financial statements	664.93	-
Add: Amount transferred from surplus balance in the statement of profit and loss	-	664.93
<b>Closing balance</b>	<b>664.93</b>	<b>664.93</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last audited financial statements	38,322.61	32,232.85
Add: Profit for the year	9,774.80	8,865.76
Less: Proposed final dividend on equity shares (Amount per share ₹2.50 (Previous year: ₹ 2.00 per share))	2,255.51	1,804.41
Less: Tax on equity dividend	459.17	306.66
Less: Transfer to General reserve	-	664.93
Less: Depreciation as per Schedule II of Companies Act, 2013 (Refer note 10(a))	14.71	-
<b>Net surplus in the statement of profit and loss</b>	<b>45,368.02</b>	<b>38,322.61</b>
<b>Total</b>	<b>49,672.79</b>	<b>42,627.38</b>

## 5. Long term provisions

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Provision for employee benefits</b>		
Gratuity (Refer note 32)	43.16	15.28
<b>Total</b>	<b>43.16</b>	<b>15.28</b>

## 6. Short term borrowings

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Buyer's credit (Secured) (Refer note below)	3,782.53	-
<b>Total</b>	<b>3,782.53</b>	<b>-</b>

Note: Buyer's Credit is secured against hypothecation of stocks meant for exports and book debts. The Buyer's credit is further secured by personal guarantees of four directors of the Company and by a lien on fixed deposits placed by two directors of the Company with the bank. The Buyer's credit carries interest @ LIBOR plus 1.00% p.a.

## 7. Trade payables

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Trade payables (Refer note 42)	19,042.63	16,145.73
	<b>19,042.63</b>	<b>16,145.73</b>

## 8. Other current liabilities

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Interest accrued and due on borrowings	16.69	-
Book Overdraft (Refer note below)	50.98	23.35
Capital creditors	4,235.41	5,907.25
Advance from customers	200.11	176.44
Directors' commission	328.59	185.40
Salary and bonus	150.49	124.50
Statutory Dues	680.31	523.65
<b>Total</b>	<b>5,662.58</b>	<b>6,940.59</b>

Note: Book overdraft is secured against hypothecation of stocks meant for exports and book debts. The book overdraft is further secured by personal guarantees of four directors of the Company and by a lien on fixed deposits placed by two directors of the Company with the bank. The book overdraft is repayable on demand and interest is charged at the bank's PLR rate plus 2.50% p.a.

## 9. Short term provisions

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 32)	10.83	18.04
Provision for leave benefits	23.47	19.12
	<b>34.30</b>	<b>37.16</b>
<b>Other provisions</b>		
Proposed final equity dividend	2,255.51	1,804.41
Provision for tax on equity dividend	459.17	306.66
Provision for income tax (Net of advance tax)	-	534.52
Provision for reward payable (Refer note below)	153.21	-
	<b>2,867.89</b>	<b>2,645.59</b>
<b>Total</b>	<b>2,902.19</b>	<b>2,682.75</b>

Note: The Company has implemented a reward scheme in one of the countries where it operates, wherein the customer earns reward points upon purchase of the Company's products which entitle them to certain benefits in the form of excursion trips, etc. These points can either be utilised in the year of purchase or can be carried forward to the next year.

## Provision for reward payable

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Opening balance</b>	-	-
Add: Booked during the year	305.69	-
Less: Utilised during the year	152.48	-
<b>Closing balance</b>	<b>153.21</b>	-

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 10. Tangible assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 01.04.2014 (01.04.2013)	Additions during the year	Adjustments during the year	Deductions during the year	As at 31.03.2015 (31.03.2014)	Transfer to reserves (Refer note (a) below)	As at 01.04.2014 (01.04.2013)	As at 31.03.2015 (31.03.2014)
Office equipments	35.14 (33.88)	2.59 (1.26)	-	-	37.73 (35.14)	11.95	7.55 (5.91)	28.31 (27.59)
Furniture and fixtures	99.90 (99.90)	0.63	-	-	100.53 (99.90)	-	48.69 (42.40)	61.92 (48.69)
Motor cars	30.59 (30.59)	-	-	-	30.59 (30.59)	-	8.18 (5.27)	12.59 (8.18)
Computers	77.47 (57.66)	5.33 (19.81)	-	-	82.80 (77.47)	2.76	47.83 (40.46)	65.85 (47.83)
<b>Total - Current year</b>	<b>243.10</b>	<b>8.55</b>	-	-	<b>251.65</b>	<b>14.71</b>	<b>112.25</b>	<b>168.67</b>
<b>Total - Previous year</b>	<b>(222.03)</b>	<b>(21.07)</b>	-	-	<b>(243.10)</b>	-	<b>(94.04)</b>	<b>(130.85)</b>

## 11. Intangible assets

Description of Assets	Gross Block			Amortisation			Net Block	
	As at 01.04.2014 (01.04.2013)	Additions during the year	Adjustments during the year (c) below	Deductions during the year (Refer note (c) below)	As at 31.03.2015 (31.03.2014)	Transfer to reserves	As at 01.04.2014 (01.04.2013)	As at 31.03.2015 (31.03.2014)
Computer Software	106.39 (89.07)	- (17.32)	-	-	106.39 (106.39)	-	71.32 (63.37)	82.57 (71.32)
Product Registration (Refer note (b) & note 34)	24,622.59 (22,406.83)	4,816.79 (2,804.86)	164.80	9.67 (589.10)	29,264.91 (24,622.59)	-	18,467.83 (16,155.30)	20,645.34 (18,467.83)
<b>Total - Current year</b>	<b>24,728.98</b>	<b>4,816.79</b>	<b>164.80</b>	<b>9.67</b>	<b>29,371.30</b>	-	<b>18,539.15</b>	<b>20,727.91</b>
<b>Total - Previous year</b>	<b>(22,495.90)</b>	<b>(2,822.18)</b>	-	<b>(589.10)</b>	<b>(24,728.98)</b>	-	<b>(16,218.67)</b>	<b>(18,539.15)</b>

### Note:

- Effective April, 2014, the Company has revised the useful life of certain fixed assets based on Schedule II of the Companies Act, 2013 for the purpose of providing depreciation on fixed assets. Accordingly, the carrying amount of assets as on April 1, 2014 has been depreciated over its remaining revised useful life. Further, an amount of ₹14.71 Lacs representing the carrying amount of assets with revised useful life as Nil has been adjusted against opening reserves as on April 1, 2014.
- Out of total product registrations aggregating ₹29,264.91 Lacs (Previous year: ₹24,622.59 Lacs), product registrations which are held in the name of overseas subsidiary companies and third parties aggregate ₹6,689.77 Lacs (Previous year: ₹5,654.61 Lacs) for which the Company is the sole beneficiary.
- The data compensation element of product registration was initially capitalised based on management estimates. The outcome of negotiations with contracting parties during the year has resulted in a reduction in the gross block of product registration by ₹164.80 Lacs, thus resulting in a reduction in depreciation by ₹89.68 Lacs.
- Figures in bracket represent amounts pertaining to previous year.

## 12. Non-current investments

Particulars	As at 31-Mar-15	(₹ in Lacs) As at 31-Mar-14
<b>A. Trade investments</b>		
<b>(Valued at cost, unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>Investments in subsidiaries</b>		
20 (Previous year: 20) equity shares of PLN 1,000 each fully paid-up in Sharda Polska SP. ZO.O	2.99	2.99
62,500 (Previous year: 62,500) equity shares of UAH 1 each fully paid-up in Sharda Ukraine LLC	4.25	4.25
398 (Previous year: 398) equity shares of USD 1 each fully paid-up in Sharda Del Ecaudor CIA LTDA.	0.20	0.20
1,999 (Previous year: 1,999) equity share of PEN 1 each fully paid-up in Sharda Peru SAC	0.33	0.33
20 (Previous year: 20) equity shares of CHF 1,000 each fully paid-up in Sharda Swiss SARL	8.62	8.62
30,690 (Previous year: 30,690) equity shares of BRL 1 each fully paid-up in Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos LTDA.	8.20	8.20
150 (Previous year: 150) equity shares of EURO 30 each fully paid-up in Sharda Hellas Agrochemicals Limited	2.82	2.82
150 (Previous year: 150) equity shares of EURO 30 each fully paid-up in Sharda Balkan Agrochemicals Limited	2.82	2.82
1 (Previous year: 1) Partly paid-up equity share of EURO 500 each in Shardaserb DO.O. (50% of face value has been paid)	0.17	0.17
1 (Previous year: 1) equity share of RUB 9,900 each fully paid-up in Shardarus LLC.	0.17	0.17
3,050 (Previous year: 3,050) equity shares of EURO 1 each fully paid-up in Sharda Spain S.L.	1.96	1.96
99 (Previous year: 99) equity shares of COLON 20 each fully paid-up in Sharda Costa Rica SA	0.00	0.00
49 (Previous year: 49) equity shares of GTQ 100 each fully paid-up in Sharda De Guatemala, S.A.	0.34	0.34
2 (Previous year: 2) equity shares of AED 100,000 each fully paid-up in Sharda International DMCC	27.68	27.68
2,475 (Previous year: 2,475) equity shares of EURO 1 each fully paid-up in Sharda Italia SRL	1.75	1.75
1 (Previous year: 1) equity share of HUF 500,000 each fully paid-up in Sharda Hungary Kft	1.25	1.25
61 (Previous year: 61) equity shares of Euro 50 each fully paid in Sharda Cropchem Espana, S.L.	2.59	2.59
100 (Previous year: Nil) equity shares of PLN 50 each fully paid in Sharda Poland SP Z.O.O.	0.98	-
10,000 (Previous year: Nil) equity shares of TWD 10 each fully paid in Sharda Taiwan Limited	2.03	-
99 (Previous year: Nil) equity shares of TND 10 each fully paid in Sharda Cropchem Tunisia SARL	0.75	-
166,667 (Previous year: 126,667) equity shares of ₹10 each fully paid-up in Axis Crop Science Private Limited	60.67	50.67
<b>Sub total</b>	<b>130.57</b>	<b>116.81</b>
<b>B. Non-trade investments</b>		
<b>(Valued at cost, unless stated otherwise)</b>		
<b>- Investment in others (Unquoted)</b>		
4,000,000 (Previous year: Nil) units of ₹10 each of DSP BlackRock FMP 111-12M Reg	400.00	-
Nil (Previous year: 249,990) units of ₹10 each of Union KBC Capital Protection Oriented Fund Series 1	-	25.00
5,000,000 (Previous year: 5,000,000) units of ₹10 each of HDFC FMP 1001D August 2013(1) Series 27 Regular	500.00	500.00
<b>Sub total</b>	<b>900.00</b>	<b>525.00</b>
<b>Total (A+B)</b>	<b>1,030.57</b>	<b>641.81</b>
Aggregate amount of unquoted investments	1,030.57	641.81

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 13. Deferred tax asset/(liability) (net)

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Deferred tax asset</b>		
Others (Provision for gratuity, leave encashment & amalgamation expense)	19.46	27.18
<b>Gross deferred tax asset</b>	<b>19.46</b>	<b>27.18</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	2,178.57	1,053.42
<b>Gross deferred tax liability</b>	<b>2,178.57</b>	<b>1,053.42</b>
<b>Net deferred tax asset/(liability)</b>	<b>(2,159.11)</b>	<b>(1,026.24)</b>

## 14. Long term loans and advances

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Security deposit</b>		
Unsecured, considered good	2.01	1.78
<b>Other loans and advances (Unsecured, considered good)</b>		
Loan to employees	12.00	19.25
Advance tax (Net of provision for income tax)	3,632.93	1,871.30
<b>Total</b>	<b>3,646.94</b>	<b>1,892.33</b>

## 15. Other non-current assets

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Bank deposits</b>		
Deposits with original maturity for more than 3 months but less than 12 months	-	799.56
	<b>-</b>	<b>799.56</b>

Note: There is a lien marked on fixed deposits aggregating Nil (Previous year: ₹799.56 Lacs) in favour of Union Bank of India against its issuance of a standby letter of credit in favour of Standard Chartered Bank, Dubai in order to facilitate working capital limits to M/s. Sharda International DMCC, Dubai a wholly owned subsidiary of the Company.

## 16. Current investments

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Current investments (valued at lower of cost and fair value, unless stated otherwise)</b>		
<b>Unquoted mutual funds</b>		
2,226 (Previous year: 14,107) units of ₹1,000 of Axis Liquid Fund	34.47	200.00
Nil (Previous year: 10,000,000) units of ₹1,000 of Birla Sun Life Fixed Term Plan Series KL (30 days) Regular	-	1,000.00
896,257 (Previous year: Nil) units of ₹100 of Birla Sun Life Treasury Optimizer Plan Regular Plan	1,510.88	-
Nil (Previous year: 590,697) units of ₹100 each of Birla Sun Life Cash Plus - Regular Plan	-	1,180.52

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Nil (Previous year: 2,982,528) units of ₹10 each of Birla sun Life Interval Income Fund Quarterly Plan Series 1 - Regular Plan	-	500.00
Nil (Previous year: 89,410) units of ₹1,000 each of DSP BlackRock Liquidity Fund - Institutional Plan	-	1,600.35
Nil (Previous year: 5,000,000) units of ₹10 each of DSP BlackRock FMP Series 147- 3M - Regular	-	500.00
Nil (Previous year: 4,000,000) units of ₹10 each of DSP BlackRock FMP-Series 111-12M - Regular	-	400.00
Nil (Previous year: 4,500,000) units of ₹10 each of HDFC Banking & PSU Debt Fund	-	450.00
36,136 (Previous year: Nil) units of ₹10 each of HDFC Liquid Fund - Direct Plan	9.35	-
Nil (Previous year: 442,992) units of ₹10 each of HDFC Cash Management Fund-Savings Plan - Direct Plan	-	108.35
8,459 (Previous year: 101,758) units of ₹10 each of HDFC Cash Management Fund - Savings Plan	2.40	26.47
Nil (Previous year: 8,720,090) units of ₹10 each of HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option	-	1,875.08
8,562,564 (Previous year: Nil) units of ₹10 each of HDFC Gilt Fund Long Term	2,332.12	-
803 (Previous year: 103,082) units of ₹100 each of ICICI Prudential Liquid - Regular Plan	1.62	188.02
4,061,757 (Previous year: Nil) units of ₹10 each of IDFC Arbitrage Fund - Regular Plan	700.00	-
3,154,972 (Previous year: Nil) units of ₹10 each of IDFC Arbitrage Plus Fund - Regular Plan	500.00	-
Nil (Previous year: 4,500,000) units of ₹10 each of ICICI Prudential FMP Series 66-412 Days Plan E - Regular Plan	-	450.00
Nil (Previous year: 386,633) units of ₹100 each of ICICI Prudential Flexible Income - Regular Plan	-	903.50
Nil (Previous year: 2,574,684) units of ₹10 each of ICICI Prudential Ultra Short Term - Regular Plan	-	327.73
Nil (Previous year: 4,538,893) units of ₹10 each of ICICI Prudential Interval Fund II Quarterly Interval Plan B - Regular Plan	-	500.00
2,653,022 (Previous year: Nil) units of ₹10 each of ICICI Prudential Long Term Gilt Fund - Regular Plan	1,207.18	-
Nil (Previous year: 3,951,203) units of ₹10 each of ICICI Prudential Banking & PSU Debt Fund - Regular Plan	-	400.00
Nil (Previous year: 10,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 73 - Regular Plan	-	1,000.00
Nil (Previous year: 4,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 82 - Regular Plan	-	400.00
Nil (Previous year: 2,251,171) units of ₹10 each of IDFC Money Manager Fund Treasury Plan	-	450.00
10,634,076 (Previous year: Nil) units of ₹10 each of IDFC Dynamic Bond Fund - Regular	1,733.68	-
Nil (Previous year: 8,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 11 - Regular Plan	-	800.00
122 (Previous year: 7,021) units of ₹10 each of IDFC Cash Fund - Regular	2.02	105.71
11,252 (Previous year: 46,487) units of ₹1,000 each of Tata Liquid Fund Plan A	271.50	1,058.47
Nil (Previous year: 6,400,000) units of ₹10 each of Tata Fixed Maturity Plan Series 42 Scheme H-Plan A	-	640.00



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-2014
Nil (Previous year: 13,931,457) units of ₹10 each of Tata Fixed Income Portfolio Fund Scheme C2 Plan A	-	1,500.00
1,000,000 (Previous year: 1,000,000) units of ₹10 each of Union KBC Fixed Maturity Plan Series 10 - Regular Plan	100.00	100.00
971,653 (Previous year: 971,653) units of ₹10 each of Union KBC Dynamic Bond Fund *	103.25	103.25
Nil (Previous year: 7,777) units of ₹1,000 each of Union KBC Liquid Fund - Direct Plan	-	98.41
249,990 (Previous year: Nil) units of ₹10 each of Union KBC Capital Protection Oriented Fund Series 1	25.00	-
Nil (Previous year: 500,000) units of ₹10 each of Union KBC Asset Allocation Fund - Conservative Plan (net of provision of ₹Nil (Previous year ₹0.39 Lacs))	-	50.00
439,499 (Previous year: Nil) units of ₹10 each of Union KBC Asset Allocation Fund - Moderate Plan	54.16	-
Nil (Previous year: 726) units of ₹1,000 each of Morgan Stanley Liquid Fund - Direct Plan	-	8.35
<b>Total</b>	<b>8,587.63</b>	<b>16,924.21</b>
Aggregate amount of unquoted investments (Repurchase value ₹8,971.22 Lacs (Previous year: ₹17,412.76 Lacs))	<b>8,587.63</b>	<b>16,924.21</b>
Aggregate provision for diminution in value of investments	<b>0.03</b>	-

\*Note: There is a lien marked on the units of Union KBC Dynamic Bond Fund for ₹103.25 Lacs in favour of Union Bank of India for availment of additional working capital facilities in the form of letters of credit and bank guarantees. In the previous year, the lien was marked on the same units of Union KBC Dynamic Bond Fund for ₹103.25 Lacs in favour of Union Bank of India against its issuance of standby letter of credit in favour of Standard Chartered Bank, Dubai in order to facilitate working capital limits to M/s. Sharda International DMCC, Dubai a wholly owned subsidiary of the Company.

## 17. Inventories (valued at lower of cost and net realizable value)

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-2014
Finished goods (Stock in transit ₹469.83 Lacs (Previous year: ₹427.51 Lacs))	3,461.37	2,877.12
Traded goods	55.32	540.08
Raw materials (Stock in transit ₹2,249.98 Lacs (Previous year: ₹1,485.22 Lacs))	7,692.15	2,700.33
<b>Total</b>	<b>11,208.84</b>	<b>6,117.53</b>

## 18. Trade receivables

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-2014
<b>Unsecured, considered good unless stated otherwise</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	434.84	517.41
	<b>434.84</b>	<b>517.41</b>
<b>Other receivables</b>		
Unsecured, considered good	34,270.35	28,039.30
	<b>34,270.35</b>	<b>28,039.30</b>
<b>Total</b>	<b>34,705.19</b>	<b>28,556.71</b>

## 19. Cash and bank balances

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Cash and cash equivalents</b>		
Balances with banks:		
- Current account	2,111.57	1,537.76
Cash on hand	0.25	1.17
	<b>2,111.82</b>	<b>1,538.93</b>
<b>Other Bank Balances (Refer note below)</b>		
- Deposits with original maturity for less than 3 months	1,315.36	-
- Deposits with original maturity for more than 3 months but less than 12 months	3,224.51	-
	<b>4,539.87</b>	<b>-</b>
<b>Total</b>	<b>6,651.69</b>	<b>1,538.93</b>

Note: There is a lien marked on fixed deposits placed with Union Bank of India for an amount aggregating ₹4,539.87 Lacs (Previous year: Nil) for availment of additional working capital facilities in the form of Letter of Credit and Bank Guarantees.

## 20. Short term loans and advances

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>		
<b>Advances recoverable in cash or kind</b>		
Related party (Refer note 36 and note 41)	2,228.11	1,629.53
Others	44.79	124.26
	<b>2,272.90</b>	<b>1,753.79</b>
<b>Other loans and advances</b>		
Prepaid expenses	106.97	91.31
Security Deposits	175.93	-
Loan to employees	8.23	8.51
Balances with statutory/government authorities	231.61	217.68
IPO expenses recoverable	-	7.00
	<b>522.74</b>	<b>324.50</b>
<b>Total</b>	<b>2,795.64</b>	<b>2,078.29</b>

## 21. Other current assets

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>		
Forward contracts receivable	23.68	236.82
Accrued income	35.53	4.73
<b>Total</b>	<b>59.21</b>	<b>241.55</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 22. Revenue from operations

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>Revenue from operations</b>		
Export of goods	76,931.65	54,058.67
<b>Revenue from operations (net)</b>	<b>76,931.65</b>	<b>54,058.67</b>

Note: Revenue from operations include recoveries (net) of quality and rate difference charges of ₹235.37 Lacs (Previous year: ₹898.41 Lacs) provided for in earlier years.

## Details of products sold

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Agrochemicals	76,524.67	53,701.93
Belts	406.98	140.37
Others	-	216.37
<b>Total</b>	<b>76,931.65</b>	<b>54,058.67</b>

## 23. Other income

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Interest income		
-On fixed deposits	166.40	66.57
-On others	317.88	394.44
Dividend income		
-On current investments	31.03	69.81
-On non-current investments	-	2.02
Export incentives	48.97	4.67
Share of income from task force	89.86	72.68
Exchange rate fluctuation (net)	-	1,939.50
Profit on sale of investments		
-On current investments	1,418.18	736.69
-On non-current investments	-	102.85
Reversal of provision for diminution in value of investment (net)	-	36.65
Sundry balance written back (net)	696.76	111.51
Discount received	-	0.07
Miscellaneous income	0.22	0.05
<b>Total</b>	<b>2,769.30</b>	<b>3,537.51</b>

## 24. Cost of material consumed

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Agrochemicals	22,201.39	14,936.09
	<b>22,201.39</b>	<b>14,936.09</b>

## 25. Purchase of traded goods

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Agrochemicals	25,715.64	14,074.34
Belts	313.56	115.71
Others	-	157.98
<b>Total</b>	<b>26,029.20</b>	<b>14,348.03</b>

## 26. (Increase)/decrease in inventories

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14	(₹ in Lacs) (Increase)/ decrease
Inventories at the end of the year			31-Mar-15
Traded goods	55.32	540.08	484.76
Finished goods	3,461.37	2,877.12	(584.25)
<b>Total</b>	<b>3,516.69</b>	<b>3,417.20</b>	<b>(99.49)</b>
Inventories at the beginning of the year			31-Mar-14
Traded goods	540.08	887.05	346.97
Finished goods	2,877.12	4,168.46	1,291.34
<b>Total</b>	<b>3,417.20</b>	<b>5,055.51</b>	<b>1,638.31</b>
<b>(Increase)/decrease in inventories</b>	<b>(99.49)</b>	<b>1,638.31</b>	<b>1,737.80</b>

## Details of finished goods and traded goods inventory

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Agrochemicals	3,516.69	3,417.20
	<b>3,516.69</b>	<b>3,417.20</b>

## 27. Employee benefit expenses

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Salaries, wages and bonus	1,677.07	1,149.50
Contribution to provident and other funds	9.23	5.94
Gratuity (Refer note 32)	20.67	22.02
Staff welfare expenses	6.00	3.27
<b>Total</b>	<b>1,712.97</b>	<b>1,180.73</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 28. Other expenses

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Freight and forwarding charges	1,226.90	1,196.67
Rent	273.04	231.85
Rates and taxes	48.08	28.62
Insurance	128.93	98.49
Repairs and maintenance		
- Buildings	5.31	3.37
- Others	42.34	26.81
Advertising and sales promotion (Refer note 9)	561.14	294.12
Sales commission	1,335.07	1,320.89
Travelling and conveyance	1,207.37	634.89
Communication costs	214.26	157.09
Office expenses	352.95	395.19
Professional charges	4,517.40	3,958.33
Directors sitting fees	12.81	5.39
Donation (Refer note 49)	151.11	137.50
Payment to auditor (Refer details below)	35.78	33.57
Provision for diminution in value of current investment	0.03	-
Exchange differences (net)	1,323.39	-
Bad debts written off	56.63	-
Bank charges	632.94	462.81
Loss on sale/discard of assets	321.96	80.96
Miscellaneous expenses	20.46	59.39
<b>Total</b>	<b>12,467.90</b>	<b>9,125.94</b>

## Payment to auditor

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
As auditor:		
Audit fee	29.07	28.09
Limited Review	5.70	-
Other services (certification fees)	1.01	4.11
Reimbursement of expenses	-	1.37
<b>Total</b>	<b>35.78</b>	<b>33.57</b>

## 29. Depreciation and amortization expense

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Depreciation of tangible assets	41.71	18.21
Amortization of intangible assets	2,278.44	2,869.96
<b>Total</b>	<b>2,320.15</b>	<b>2,888.17</b>

### 30. Finance costs

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Interest	43.76	58.57
Others	6.33	-
<b>Total</b>	<b>50.09</b>	<b>58.57</b>

### 31. Earnings per share (EPS)

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14
Basic and diluted earnings per share:		
Profit after taxation as per statement of profit and loss (₹ in Lacs)	9,774.80	8,865.76
Weighted average number of equity shares outstanding	90,220,495	90,220,495
Basic and diluted earnings per share (in ₹)	10.83	9.83
Nominal value of equity share (in ₹)	10.00	10.00

### 32. Retirement benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service.

Disclosures as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 as amended are given below:

**a) The amounts recognised on account of defined benefit plan in the statement of profit and loss are as follows:**

Particulars	(₹ in Lacs)	
	Gratuity	
	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Current service cost	8.32	7.63
Interest cost on benefit obligation	5.36	3.62
Expected return on plan assets	(3.12)	(3.05)
Net actuarial (gain)/loss recognized in the year	10.11	13.82
<b>Net expenses/(benefit) under the head 'Employee benefit expense' in note 27</b>	<b>20.67</b>	<b>22.02</b>
Actual return on plan assets	3.12	3.05

**b) The amounts recognised on account of defined benefit plan in the balance sheet are as follows:**

Particulars	(₹ in Lacs)	
	Gratuity As at	
	31-Mar-15	31-Mar-14
Present value of defined benefit obligation	94.07	70.26
Less: Fair value of plan assets	40.08	36.94
<b>Net liability included under the head 'Provision for gratuity' in note 5 and note 9</b>	<b>53.99</b>	<b>33.32</b>



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

c) Changes in the present value of defined benefit obligation are as follows:

Particulars	Gratuity As at	
	(₹ in Lacs)	
	31-Mar-15	31-Mar-14
Opening defined benefit obligation	70.26	45.19
Current service cost	8.32	7.63
Interest cost	5.36	3.62
Benefits paid	-	-
Actuarial (gains)/losses on obligation	10.13	13.82
<b>Closing defined benefit obligation as at 31st March</b>	<b>94.07</b>	<b>70.26</b>

d) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity As at	
	(₹ in Lacs)	
	31-Mar-15	31-Mar-14
Opening fair value of plan assets	36.94	33.89
Expected return	3.12	3.05
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains/(losses)	0.02	-
<b>Closing fair value of plan assets</b>	<b>40.08</b>	<b>36.94</b>

e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity As at	
	31-Mar-15	31-Mar-14
Funds managed by insurer	100%	100%

f) The principal actuarial assumptions as at the balance sheet date:

Particulars	As at	As at
	31-Mar-15	31-Mar-14
Discount rate	7.70%	9.10%
Expected rate of return on assets	8.00%	9.00%
Expected rate of salary increase	5.10%	5.10%
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Proportion of employees opting for early retirement	1% to 3%	1% to 3%

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. There has been significant change in expected rate of return on assets due to change in the market scenario.

**g) Gratuity plan (Funded):**

Amounts for the current year and previous four years are as follows:

Particulars	(₹ in Lacs)				
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
<b>Gratuity</b>					
Defined benefit obligation	94.07	70.26	45.19	36.76	22.83
Plan assets	40.08	36.94	33.88	34.66	22.26
Surplus/(deficit)	(53.99)	(33.32)	(11.31)	(2.10)	(0.57)
Experience adjustments on plan liabilities (gain)/loss	10.13	20.98	1.99	8.64	(6.95)
Experience adjustments on plan assets (gain)/loss	0.02	-	(19.30)	7.01	10.56

**h) Defined contribution plans:**

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Amount recognised as an expense and included under the head 'Contribution to provident and other funds' in note 27	9.23	5.94

**33. Leases****Operating lease: company as lessee**

The Company has certain operating leases for office facility which are non cancellable. Such leases are generally with the option of renewal depending on the rent prevailing at the time of renewal. The lease term is 3 years (Previous year: 5 years). There is no escalation clause in the lease agreement. There are no sub leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Within one year	273.04	273.04
After one year but not more than five years	136.52	409.55

**34. Capitalisation of Expenditures**

During the year, the Company has capitalised the following expenses of revenue nature to the cost of Intangible asset/Intangible asset under development (IAUD). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	(₹ in Lacs)	
	31-Mar-15	31-Mar-14
Consultancy of registration	825.47	891.29
	<b>825.47</b>	<b>891.29</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 35. Segment information

The Company has disclosed business segment as primary segment. Segments have been identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems.

**Agrochemicals** : Insecticides, Herbicides, Fungicides and Biocides  
**Belts** : Conveyor Belts, V Belts and Timing Belts  
**Others** : Dyes and Dye Intermediates and General Chemicals

The Company considers secondary segment based on revenues within India and outside India which is further bifurcated in four regions LATAM, Europe, NAFTA and ROW.

### Business segments

(₹ in Lacs)

Particulars	Agrochemicals		Belts		Others		Total operations	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Revenue</b>								
External sales	76,524.67	53,701.93	406.98	140.37	-	216.37	76,931.65	54,058.67
Other income	815.01	188.86	-	-	1.40	-	816.41	188.86
<b>Total revenue</b>	<b>77,339.68</b>	<b>53,890.79</b>	<b>406.98</b>	<b>140.37</b>	<b>1.40</b>	<b>216.37</b>	<b>77,748.06</b>	<b>54,247.53</b>
<b>Results</b>								
Segment results	13,299.54	12,233.73	(26.38 )	(21.89 )	1.39	44.39	13,274.55	12,256.23
Other income (Unallocated)	-	-	-	-	-	-	1,952.89	1,409.15
Unallocated expenses	-	-	-	-	-	-	(208.70)	(186.47)
<b>Operating profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,018.74</b>	<b>13,478.91</b>
Finance costs	-	-	-	-	-	-	-	(58.57)
Prior period adjustment	-	-	-	-	-	-	(42.48)	(140.12)
<b>Net profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,976.26</b>	<b>13,280.22</b>
Income taxes	-	-	-	-	-	-	(5,201.46)	(4,414.46)
<b>Net profit after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,774.80</b>	<b>8,865.76</b>
<b>Other segment information</b>								
Segment assets	69,709.55	54,792.73	7.24	33.08	-	44.55	69,716.79	54,870.36
Unallocated assets	-	-	-	-	-	-	22,570.25	23,589.66
<b>Total assets</b>	<b>69,709.55</b>	<b>54,792.73</b>	<b>7.24</b>	<b>33.08</b>	<b>-</b>	<b>44.55</b>	<b>92,287.04</b>	<b>78,460.02</b>
Segment liabilities	28,179.69	22,267.92	95.24	7.34	-	-	28,274.93	22,275.26
Unallocated liabilities	-	-	-	-	-	-	5,317.27	4,535.33
<b>Total liabilities</b>	<b>28,179.69</b>	<b>22,267.92</b>	<b>95.24</b>	<b>7.34</b>	<b>-</b>	<b>-</b>	<b>33,592.20</b>	<b>26,810.59</b>

(₹ in Lacs)

Particulars	Agrochemicals		Belts		Others		Total operations	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Capital expenditure:</b>								
Tangible assets (Unallocated)	-	-	-	-	-	-	8.55	21.07
Intangible assets (Including Intangible asset under development)	10,138.10	8,692.68	-	-	-	-	10,138.10	8,692.68
Intangible assets (Unallocated)	-	-	-	-	-	-	-	17.32
Depreciation (Tangible)	41.49	-	0.22	-	-	-	41.71	18.21
Amortization (Allocated)	2,267.19	2,862.01	-	-	-	-	2,267.19	2,862.01
Amortization (Unallocated)	11.19	-	0.06	-	-	-	11.25	7.95
Capital employed	41,529.86	32,524.81	(88.00)	25.74	-	44.55	41,441.86	32,595.10
Capital employed (Unallocated)	-	-	-	-	-	-	17,252.98	19,054.33

### Geographical segments

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following table presents revenue, expenditure and certain asset information regarding the Company's geographical segments:

(₹ in Lacs)

Particulars	31-Mar-15						31-Mar-14					
	Within India	Outside India				Total	Within India	Outside India				Total
		Europe	LATAM	NAFTA	ROW			Europe	LATAM	NAFTA	ROW	
<b>Revenue</b>												
Sales to external customers	-	42,127.16	13,297.52	15,869.75	5,637.22	76,931.65	-	32,556.63	11,349.93	4,889.75	5,262.36	54,058.67
<b>Other segment information</b>												
Segment assets	22,776.38	42,287.29	8,995.83	12,672.57	5,554.97	69,510.66	92,287.04	23,622.85	34,409.22	8,583.46	7,272.89	54,837.17
<b>Total assets</b>												
<b>Capital Expenditure</b>												
Tangible fixed assets	8.55	-	-	-	-	-	8.55	21.07	-	-	-	-
Intangible assets (Including Intangible asset under development)	81.27	6,133.95	1,064.77	2,364.66	493.45	10,056.83	10,138.10	79.77	6,572.40	1,041.27	605.91	8,630.23

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 36. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Subsidiaries	
	• Axis Crop Science Private Limited
	• Sharda Balkan Agrochemicals Limited
	• Sharda Chile SpA
	• Sharda Costa Rica SA
	• Sharda Cropchem Espana, S.L.
	• Sharda Cropchem Tunisia SARL
	• Sharda De Guatemala, S.A.
	• Sharda Del Ecuador CIA. Ltda.
	• Sharda Do Brasil Comercio De
	Produtos Quimicos E Agroquimicos LTDA
	• Sharda Hellas Agrochemicals Limited
	• Sharda Hungary Kft
	• Sharda International DMCC
	• Sharda Italia SRL
	• Sharda Peru SAC
	• Sharda Poland SP. ZO.O
	• Sharda Polska SP. ZO.O
	• Sharda Spain, S.L.
	• Sharda Swiss SARL
	• Sharda Taiwan Limited
	• Sharda Ukraine LLC
	• Sharda USA LLC
	• Shardacan Limited
	• Shardarus LLC
	• Shardasherb DO.O
	• Sharzam Limited
Stepdown subsidiaries (w.e.f 30.09.2013)	
	• Siddhivinayak International Limited
	• Sharda Bolivia SRL
	• Sharda Colombia S.A.S
	• Sharda De Mexico S De RL DE CV
	• Sharda Europe BVBA
	• Sharda International Africa (Pty) Ltd
	• Sharda Malaysia SDN. BHD.
	• Sharda Uruguay S.A.
	• Sharpar S.A.
Stepdown subsidiaries (w.e.f 13.11.2013)	
	• Sharda Benelux BVBA
Stepdown subsidiaries (w.e.f 07.01.2014)	
	• Euroazijski Pesticidi d.o.o.
Associate	
	• Sharda Private (Thailand) Limited

### Related parties with whom transactions have taken place during the year

Key Management Personnel and relatives	
Mr. Ramprakash V. Bubna	Chairman and 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
Mr. Gautam S. Arora	Chief Financial Officer
Mr. Jetkin N. Gudhka	Company Secretary
Enterprises owned or significantly influenced by key management personnel or their relatives	
	Jankidevi Bilasrai Bubna Trust

### Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### a. Transactions with directors and their relatives

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Nature of Transactions:</b>		
<b>Rent paid to:</b>		
Mr. Ramprakash V. Bubna	30.34	25.28
Mrs. Sharda R. Bubna	98.60	82.16
Mr. Ashish R. Bubna	30.34	25.28
Mr. Manish R. Bubna	37.92	31.60
Mrs. Seema A. Bubna	37.92	31.60
Mrs. Anisha M. Bubna	37.92	31.60
<b>Remuneration to Key Management Personnel:</b>		
Mr. Ramprakash V. Bubna	150.00	97.50
Mrs. Sharda R. Bubna	30.00	18.75
Mr. Ashish R. Bubna	125.00	76.25
Mr. Manish R. Bubna	125.00	76.25
Mr. Gautam S. Arora	112.45	78.97
Mr. Jetkin N. Gudhka	10.59	7.46
<b>Directors' Commission:</b>		
Mr. Ramprakash V. Bubna	156.65	88.00
Mr. Ashish R. Bubna	104.95	59.00
Mr. Manish R. Bubna	104.95	59.00
<b>Donations Paid to:</b>		
Jankidevi Bilasrai Bubna Trust	42.00	45.50
<b>IPO expenses incurred on behalf of directors:</b>		
Mr. Ramprakash V. Bubna	263.84	49.34
Mrs. Sharda R. Bubna	263.84	49.31
<b>IPO expenses recovered from directors:</b>		
Mr. Ramprakash V. Bubna	265.12	48.06
Mrs. Sharda R. Bubna	265.12	48.03
<b>Fixed deposits of directors placed as lien with bank for credit facility, working capital and standby letter of credit:</b>		
Mr. Ramprakash V. Bubna	320.63	-
Mrs. Sharda R. Bubna	113.26	107.75



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## b. Transactions with subsidiaries and step down subsidiaries

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Nature of transactions:</b>		
<b>Loans given to:</b>		
Axis Crop Science Private Limited	493.00	231.17
Sharda International DMCC	935.30	2,688.99
Sharda De Mexico S. De RL DE CV	-	339.65
Sharda Cropchem Espana, S. L.	32.26	8.26
<b>Outstanding interest converted into loan:</b>		
Axis Crop Science Private Limited	-	99.10
<b>Loans repaid by:</b>		
Axis Crop Science Private Limited	-	85.00
Sharda International DMCC	559.51	2,688.99
Sharda De Mexico S. De RL DE CV	377.85	1.48
Sharda Cropchem Espana, S. L.	40.53	-
<b>Return of corporate guarantee given to company's bank for issuing standby letter of credit in respect of loan taken by:</b>		
Sharda International DMCC USD Nil (Previous year: USD 8.00 million)	4,806.00	-
<b>Interest income/accrual:</b>		
Axis Crop Science Private Limited (including TDS - ₹14.86 lacs)	148.68	63.27
Sharda International DMCC	155.79	295.68
Sharda De Mexico S. De RL DE CV	13.32	26.35
Sharda Cropchem Espana, S. L.	0.08	0.01
<b>Sale of finished goods:</b>		
Sharda Cropchem Espana, S. L.	2,882.39	1,098.23
Sharda Colombia S.A.S.	-	85.84
Sharda De Mexico S. De RL DE CV	3,628.92	651.66
Sharda Poland SP ZO.O	596.62	-
<b>Purchase of finished goods:</b>		
Sharda International DMCC	13.69	143.57

## c. Outstanding balance as at balance sheet date

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Loan balances:</b>		
Axis Crop Science Private Limited	1,852.32	1,225.52
Sharda Cropchem Espana S L	-	8.26
Sharda De Mexico S. De RL DE CV	-	395.75
Sharda International DMCC	375.79	-
<b>Corporate guarantee given to company's bank for issuing standby letter of credit in respect of loan taken by:</b>		
Sharda International DMCC USD Nil (Previous year: USD 8.00 million)	-	4,806.00
<b>Receivable</b>		

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Sharda De Mexico S. De RL DE CV - Sale of finished goods	2,467.35	630.64
Sharda Cropchem Espana, S.L.	1,279.80	1,077.32
Sharda Colombia S.A.S.	89.23	85.59
Sharda Poland SP ZO.O	583.37	-
IPO expenses receivable - Mr. Ramprakash V. Bubna	-	1.28
IPO expenses receivable - Mrs. Sharda R. Bubna	-	1.28
<b>Trade Payable</b>		
Sharda International DMCC - Purchase of finished goods	-	43.90
<b>Fixed deposits of directors placed as lien with bank for credit facility, working capital and standby letter of credit:</b>		
<b>(Outstanding as at balance sheet date)</b>		
Mr. Ramprakash V. Bubna (Lien given)	1,419.84	1,099.21
Mrs. Sharda R. Bubna (Lien given)	1,431.32	1,318.06

### 37. Capital and other commitments

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	8,898.29	5,153.41

### 38. Contingent liabilities

Particulars	As at 31-Mar-15	(₹ in Lacs) As at 31-Mar-14
Corporate guarantee given to Company's bank for issuing standby letter of credit in respect of loan taken by M/s. Sharda International DMCC, a wholly owned subsidiary of the Company (Refer note 36 (b))	-	4,806.00
Bank's letter of guarantee	-	8.86
Letter of credit	3,804.05	2,206.83
Income tax matter (AY 2008-09)	-	21.26
Service tax matter (Refer note below)	785.14	785.14
<b>Total</b>	<b>4,589.19</b>	<b>7,828.09</b>

Note: Future cashflows in respect of the Service tax matter, if any, is determinable only on receipt of 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 conditions, result of operations or cashflows.

**39.** During the year, the Company has completed its Initial Public Offer (IPO) through an Offer for Sale of 22,555,124 equity shares at a price of ₹156 per share (including share premium of ₹146 per equity share). HEP Mauritius Ltd. (PE investor), which was holding 14,320,495 equity shares in the Company offered its entire holding in the Offer for Sale. Mr. Ramprakash V Bubna and Mrs. Sharda R Bubna offered 4,117,314 equity shares and 4,117,315 equity shares, respectively in the Offer for Sale in order to comply with SEBI's requirement of maximum holding of promoter and promoter group to 75%. Since the issue was an Offer for Sale, all the share issue expenses related to the IPO have been recovered from the selling shareholders.

### 40. Derivative instruments and unhedged foreign currency exposure

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations primarily relating to trade payables and trade receivables. The counter party is generally a bank. These contracts are for a period between one day and one year.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

Foreign exchange forward contracts outstanding as at the balance sheet date:

Nature of instrument	Foreign currency	As at 31-Mar-15		As at 31-Mar-14	
		Amount (FCY Mn.)	Amount (₹ in Lacs)	Amount (FCY Mn.)	Amount (₹ in Lacs)
Forward contract-sell	USD	7.20	4,509.45	2.00	1,201.50
	EUR	5.20	3,515.10	2.46	2,041.03
	HUF	-	-	-	-
	GBP	-	-	-	-
Forward Contract - Buy	USD	-	-	0.25	150.19
	EUR	-	-	-	-
	HUF	-	-	-	-
	CZK	-	-	-	-

Foreign exchange exposure outstanding as at the balance sheet date:

Nature of instrument	Foreign currency	As at 31-Mar-15		As at 31-Mar-14	
		Amount (FCY Mn.)	Amount (₹ in Lacs)	Amount (FCY Mn.)	Amount (₹ in Lacs)
Unhedged currency exposure on:-					
a) Receivable for goods	USD	18.63	11,667.73	15.56	9,348.42
	EUR	14.46	9,772.18	13.64	11,256.60
	HUF	454.86	1,028.86	843.26	2,236.15
	CZK	13.56	334.55	10.79	325.31
	PLN	22.55	3,734.18	10.78	2,134.31
	ZAR	-	-	0.24	13.40
	GBP	0.06	52.20	-	-
	CAD	0.18	90.93	-	-
b) Payable for goods	USD	19.65	12,309.92	16.87	10,132.71
	EUR	8.85	5,982.32	6.63	5,474.10
	HUF	50.42	114.04	69.39	184.00
	CZK	1.48	36.50	2.30	69.35
	PLN	0.18	30.11	0.03	5.34
	CHF	0.00	2.46	0.01	6.37
	GBP	0.03	31.99	0.04	41.70
	PHP	0.02	0.34	-	-
	CAD	0.05	24.34	-	-
c) Payable for expenses	USD	4.93	3,085.78	7.74	4,650.50
	EUR	1.55	1,047.28	1.40	1,155.22
	GBP	0.13	118.34	0.05	45.29
	PHP	0.01	0.11	0.02	0.29
	PLN	0.18	29.38	0.28	55.11
	AUD	-	-	0.00	2.46
	CHF	0.00	0.65	0.02	12.71
	HUF	109.68	248.08	142.72	378.47
	CZK	2.73	67.28	1.45	43.75
	ZAR	0.19	9.74	-	-
	CAD	-	-	0.02	10.03

Further, the company has not hedged its investments in subsidiaries outside India (Refer note 12 for list of subsidiaries).

#### 41. Loans and Advances in the nature of Loans given to subsidiaries and associates and firms/companies in which directors are interested.

Subsidiaries Name	2014-15		2013-14	
	31-Mar-15	Maximum amount outstanding during the year	31-Mar-14	Maximum amount outstanding during the year
Axis Crop Science Private Limited	1,852.32	1,852.32	1,225.52	1,225.52
Sharda Cropchem Espana. S.L.	-	32.85	8.26	8.38
Sharda De Mexico S. De RL DE CV	-	415.15	395.75	395.75
Sharda International DMCC	375.79	994.45	-	2,984.67
<b>Total</b>	<b>2,228.11</b>		<b>1,629.53</b>	

(₹ in Lacs)

#### 42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company there are no "The Micro, Small and Medium Enterprise Development Act, 2006" parties identified to whom any amounts are outstanding.

#### 43. Value of imports calculated on CIF basis

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Traded goods	25,873.60	14,110.53
Raw materials	26,726.10	13,922.07
<b>Total</b>	<b>52,599.70</b>	<b>28,032.60</b>

(₹ in Lacs)

#### 44. Expenditure in foreign currency (accrual basis)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Legal and professional fees	4,267.96	3,803.53
Interest paid to party	-	2.52
Commission	1,346.77	1,363.14
Intangible assets - registration assets	1,329.72	1,476.55
Intangible assets - under development	4,640.62	5,448.16
Others	4,078.60	2,702.00
<b>Total</b>	<b>15,663.67</b>	<b>14,795.90</b>

(₹ in Lacs)

#### 45. Earnings in foreign currency (accrual basis)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Export of goods on F.O.B. basis	76,445.61	52,775.47
Share of income from task force	89.86	72.68
Interest received from subsidiaries/customers	169.20	331.13
Interest received from fixed deposit	-	0.16
Dividend from foreign equity investment	-	2.02
Others	-	102.85
<b>Total</b>	<b>76,704.67</b>	<b>53,284.31</b>

(₹ in Lacs)

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 46. Imported and Indigenous raw materials

Particulars				
	% of Total Consumption 31-Mar-15	Value 31-Mar-15	% of Total Consumption 31-Mar-14	Value 31-Mar-14
<b>Raw Materials</b>				
Imported	99.19	22,022.44	99.35	14,838.29
Indigenously obtained	0.81	178.95	0.65	97.80
<b>Total</b>	<b>100.00</b>	<b>22,201.39</b>	<b>100.00</b>	<b>14,936.09</b>

(₹ in Lacs)

## 47. Prior period expenses

Particulars		
	Year ended 31-Mar-15	Year ended 31-Mar-14
Commission on sales/purchases	-	52.58
Freight and forwarding charges (Storage fees)	-	40.57
Legal & professional charges	-	18.03
Sales & promotion expenses	-	14.26
Travelling & conveyance	-	9.93
Communication expenses	-	1.84
Other expenses	-	4.52
Rates & Taxes	42.48	0.39
Office expenses	-	15.57
Bad debts/sundry balance recovered	-	(17.57)
<b>Total</b>	<b>42.48</b>	<b>140.12</b>

(₹ in Lacs)

## 48. Dividend Remitted in Foreign Exchange

Particulars Year of Remittance (ending on)		
	Year ended 31-Mar-15	Year ended 31-Mar-14
Year to which it relates	2013-14	2012-13
Number of Equity shares held by non resident shareholder on which dividend was due	14,320,495	14,320,495
Face value per share (₹)	10.00	10.00
Dividend remitted (in ₹ Lacs)	286.41	143.20

(₹ in Lacs)

49. The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of Section 135 of the Companies Act, 2013 amounts to ₹205.55 Lacs. During the year, the Company has spent an amount of ₹144.88 Lacs on CSR activities for education, health care, medical relief, skill development, etc. The same is included in note 28 of the statement of profit & loss.

50. The name of the Company has been changed from Sharda Worldwide Exports Private Limited to Sharda Cropchem Limited with effect from September 18, 2013.

51. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

As per our report of even date

**For S. R. BATLIBOI & CO. LLP**

ICAI Firm Registration No. 301003E

Chartered Accountants

**per Vijay Maniar**

Partner

Membership Number - 36738

Place: Mumbai

Date: May 30, 2015

**For and on behalf of the board of directors of  
SHARDA CROPCHEM LIMITED**

**R. V. Bubna**

[Chairman & Managing Director]

**Gautam Arora**

[Chief Financial Officer]

**Ashish R. Bubna**

[Whole-time Director]

**Jetkin Gudhka**

[Company Secretary]

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# Consolidated Financial Statements

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# INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Cropchem Limited (Formerly known as Sharda Worldwide Exports Private Limited)

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sharda Cropchem Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate entity, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the 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 and its associate, as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and a subsidiary company incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the auditors appointed under Section 139 of the Act, of a subsidiary company incorporated in India, none of the directors of the Holding Company and its Subsidiary incorporated in India, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 39 to the consolidated financial statements;
  - ii. The Group and its associate company did not have any material foreseeable losses in long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and a subsidiary company incorporated in India.

#### Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs 5,841.18 lacs as at March 31, 2015, and total revenues and net cash inflows of Rs 8,305.13 lacs and Rs 20.34 lacs respectively, for the year ended on that date, in respect of 20 subsidiaries and an associate, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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 an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and the associate, is based solely on the reports of such other auditors.

- (b) The accompanying consolidated financial statements include total assets of Rs 13,311.88 lacs as at March 31, 2015, and total revenues and net cash outflows of Rs. 28,369.68 lacs and Rs. 272.35 lacs respectively for the year ended on that date, in respect of one subsidiary company, which has been audited by another auditor, whose financial statements are prepared in accordance with International Financial Reporting Standards, being the generally accepted accounting principles ('GAAP') accepted in the country of its incorporation, other financial information and the auditor's report, have been furnished to us by the management. These financial statements and other financial information have been audited by another auditor who submitted its audit opinion, prepared under generally accepted auditing standards of the country in which the subsidiary is incorporated, a copy of which has been provided to us by the Company. The management of the Company has converted these audited financial statements to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amounts included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, is based solely on the report of the other auditor under the aforementioned GAAP and the aforesaid conversion undertaken by the management, examined by us on a test basis.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, 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 and other financial information certified by the Management

#### For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

#### per Vijay Maniar

Partner

Membership Number: 36738

Place of Signature: Mumbai

Date: 30 May, 2015



# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Re: The Group, comprising Sharda Cropchem Limited ('Holding Company') and a subsidiary incorporated in India and to whom the provisions of the Order apply (referred to as "the Covered Entity" in this report)

- (i) (a) The Holding Company and the Covered Entity of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management of the Holding Company during the year and no material discrepancies were identified on such verification. As reported by the auditors of the Covered Entity, certain fixed assets were physically verified by the management of the Covered Entity in accordance with a planned programme of physical verification every three year which in their opinion is reasonable having regard to the size of that entity and the nature of its assets and no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified by the management of the Holding Company and the Covered Entity of the Group during the year. In our opinion and as reported by the other auditors who audited the financial statements of the other Covered Entity of the Group, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered Entity of the Group and the nature of their business.
- (c) The Holding Company and the Covered Entity of the Group are maintaining proper records of inventory. In case of Holding Company, discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account. In case of Covered Entity as reported by its auditors, no material discrepancies were noticed upon stock statement received from various warehouses.
- (iii) (a) The Holding Company has granted loans to four subsidiary companies covered in the register maintained under section 189 of The Companies Act, 2013. The loans granted and interest thereon is re-payable on demand. We are informed that the amounts of interest and principal demanded by the Holding Company have been paid during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The Covered Entity has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered Entity of the Group and hence not commented upon.
- (b) There is no overdue amount of loans granted by the Holding Company and the Covered Entity of the Group to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditor who audited the financial statements of a Covered Entity of the Group, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered Entity of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods. The activities of the Group do not involve sale of services. During the course of our audit and as reported by the other auditors who audited the financial statements of a Covered Entity of the Group, no major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered Entity of the Group was observed in respect of these areas.
- (v) The Holding Company and the Covered Entity of the Group have not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of agrochemicals and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same have not been made by us. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of a Covered Entity of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Covered Entity of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, custom duty, value added tax and other material statutory dues have generally been regularly deposited with the appropriate authorities. Sales-tax, wealth tax and excise duty are not applicable to the Holding

Company. The covered entity of the Group is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues as applicable to the Covered Entity. The Covered Entity did not have any dues on account of employees' state insurance and excise duty.

- (b) According to the information and explanations given to us by the management of the Holding Company and as reported by the other auditor who audited the financial statements of the Covered Entity of the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales tax, wealth tax, income-tax, service tax, custom duty, value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Employees' state insurance is not applicable to the Covered Entity and Excise duty is not applicable to the Holding Company and Covered Entity.
- (c) According to the records of the Holding Company, the dues outstanding of income-tax, custom duty, value added tax and service tax on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which it relates	Amounts (Rs in Lacs)
Finance Act, 1994	Service Tax	Commissioner CESTAT	2007-08 to 2012-13	785.14

As reported by other auditors who audited the financial statements Covered Entity in the Group, there are no material dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entity of the Group in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Holding Company and the Covered Entity of the Group have no accumulated losses at the end of the financial year. The Holding Company has not incurred cash losses in the

current and immediately preceding financial year. According to the reports of the other auditors who audited the financial statements of the Covered Entity of the group, the Covered Entity did not incur cash losses in the current year, but it incurred cash losses in immediately preceding financial year.

- (ix) Based on our audit procedures and as per the information and explanations given by the management, and as reported by the other auditor who audited the financial statements of the Covered Entity of the Group, the Holding Company and the Covered Entity of the Group has not defaulted in repayment of dues to a bank. The Holding Company did not have any outstanding dues in respect of a financial institution or debentures during the year.
- (x) According to the information and explanations given to us, the Holding Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are prima-facie not prejudicial to the interest of the Holding Company. According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from financial institutions. Based on the report of the other auditors who audited the financial statements of the Covered Entity of the group, the Covered Entity has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Holding Company and the Covered Entity of the Group did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, and on the basis of the report of the other auditors who audited the financial statements of the Covered Entity of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered Entity of the Group has been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

**per Vijay Maniar**

Partner

Membership Number: 36738

Place of Signature: Mumbai

Date: 30 May, 2015

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2015

Particulars	Note No.	(₹ in Lacs)	
		As at 31-Mar-15	As at 31-Mar-14
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	9,022.05	9,022.05
Reserves and surplus	4	56,429.18	46,552.36
		<b>65,451.23</b>	<b>55,574.41</b>
<b>Minority Interest</b>		2.64	2.35
<b>Non-Current liabilities</b>			
Long term borrowings	5	-	0.38
Deferred tax liability (net)	14(a)	2,159.11	1,018.17
Long term provisions	6	54.82	21.20
		<b>2,213.93</b>	<b>1,039.75</b>
<b>Current liabilities</b>			
Short term borrowings	7	3,806.66	3,991.22
Trade payables	8	22,809.02	20,493.80
Other current liabilities	9	7,206.29	7,531.07
Short term provisions	10	3,173.60	2,785.78
		<b>36,995.57</b>	<b>34,801.87</b>
<b>TOTAL</b>		<b>104,663.37</b>	<b>91,418.38</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	152.21	189.76
Intangible assets	12	8,644.97	6,192.49
Intangible assets under development		14,878.45	13,348.42
Goodwill on consolidation		38.14	21.71
Non-current investments	13	900.00	525.00
Deferred tax asset (net)	14(b)	5.77	-
Long term loans and advances	15	3,668.13	2,048.37
Other non-current assets	16	-	799.56
		<b>28,287.67</b>	<b>23,125.31</b>
<b>Current assets</b>			
Current investments	17	8,587.63	16,924.21
Inventories	18	13,958.17	8,077.10
Trade receivables	19	45,444.35	40,021.34
Cash and bank balances	20	7,023.53	2,162.78
Short term loans and advances	21	1,241.52	865.31
Other current assets	22	120.50	242.33
		<b>76,375.70</b>	<b>68,293.07</b>
<b>TOTAL</b>		<b>104,663.37</b>	<b>91,418.38</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No. 301003E  
 Chartered Accountants

per **Vijay Maniar**  
 Partner  
 Membership Number - 36738

Place: Mumbai  
 Date: May 30, 2015

For and on behalf of the board of directors of  
**SHARDA CROP CHEM LIMITED**

**R. V. Bubna**  
 [Chairman & Managing Director]

**Gautam Arora**  
 [Chief Financial Officer]

**Ashish R. Bubna**  
 [Whole-time Director]

**Jetkin Gudhka**  
 [Company Secretary]

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2015

Particulars	Note No.	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Income</b>			
Revenue from operations (net)	23	106,106.47	79,037.26
Other income	24	2,871.64	3,282.80
<b>Total revenue (I)</b>		<b>108,978.11</b>	<b>82,320.06</b>
<b>Expenses</b>			
Cost of material consumed	25	22,268.48	15,128.57
Purchase of traded goods	26	49,674.51	34,437.77
(Increase)/decrease in inventories of traded and finished goods	27	(936.33)	1,837.74
Employee benefit expenses	28	2,463.94	1,812.69
Other expenses	29	15,510.39	10,394.30
<b>Total (II)</b>		<b>88,980.99</b>	<b>63,611.07</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period item (I) – (II)</b>		<b>19,997.12</b>	<b>18,708.99</b>
Depreciation and amortization expenses	30	2,331.16	2,892.92
Finance costs	31	79.87	137.26
<b>Profit before tax and prior period item</b>		<b>17,586.09</b>	<b>15,678.81</b>
<b>Tax expenses</b>			
Current tax		4,108.19	4,100.47
Deferred tax		1,135.17	331.45
<b>Total tax expense</b>		<b>5,243.36</b>	<b>4,431.92</b>
<b>Profit after tax and before minority interest &amp; prior period item</b>		<b>12,342.73</b>	<b>11,246.89</b>
Less: Prior period item (Net of tax)	42	45.32	141.75
<b>Profit after tax and before minority interest for the Year</b>		<b>12,297.41</b>	<b>11,105.14</b>
Minority Interest		0.29	(0.03)
<b>Profit for the Year</b>		<b>12,297.12</b>	<b>11,105.17</b>
<b>Earnings per share</b>	32		
Basic and diluted earning per share (₹)		13.63	12.31
Face value per share (₹)		10.00	10.00
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No. 301003E  
 Chartered Accountants

**per Vijay Maniar**  
 Partner  
 Membership Number - 36738

Place: Mumbai  
 Date: May 30, 2015

**For and on behalf of the board of directors of  
 SHARDA CROP CHEM LIMITED**

**R. V. Bubna**  
 [Chairman & Managing Director]

**Gautam Arora**  
 [Chief Financial Officer]

**Ashish R. Bubna**  
 [Whole-time Director]

**Jetkin Gudhka**  
 [Company Secretary]



# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2015

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Cash flow from operating activities</b>		
Profit before tax	17,586.09	15,678.81
<b>Profit before tax</b>	<b>17,586.09</b>	<b>15,678.81</b>
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	2,331.16	2,892.92
Provision for diminution in value of investments	0.03	(0.42)
Unrealized foreign exchange loss/(gain)	(59.69)	938.14
Loss/(profit) on sale of fixed assets	321.96	80.96
Net (gain)/loss on sale of current investments	(1,418.18)	(736.69)
Net (gain)/loss on sale of non-current investments	-	(139.09)
Provisions for gratuity	26.71	-
Bad debts/sundry debt balance written off/recovered	(29.44)	-
Sundry balances written back	(696.76)	(111.51)
Finance costs	79.87	137.26
Interest (income)	(167.15)	(76.03)
Dividend (income)	(32.25)	(71.95)
<b>Operating profit before working capital changes</b>	<b>17,942.35</b>	<b>18,592.40</b>
Movements in working capital:		
Increase/(decrease) in trade payables	3,114.56	(1,103.08)
Increase/(decrease) in long term provisions	-	19.50
Increase/(decrease) in short term provisions	104.82	69.19
Increase/(decrease) in other current liabilities	1,308.68	507.03
Decrease/(increase) in trade receivables	(5,350.99)	(1,706.31)
Decrease/(increase) in inventories	(5,881.06)	2,332.51
Decrease/(increase) in long term loans and advances	7.72	(172.80)
Decrease/(increase) in short term loans and advances	(412.55)	1,284.81
Decrease/(increase) in other current assets	(120.26)	(27.81)
<b>Cash generated from/(used in) operations</b>	<b>10,713.27</b>	<b>19,795.44</b>
Prior period adjustments (net of tax)	(45.32)	(141.75)
Direct taxes paid (net of refunds)	(6,055.03)	(4,024.42)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>4,612.92</b>	<b>15,629.27</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(29.05)	(67.27)
Purchase of intangible fixed assets, including IAUD and capital advances	(7,985.93)	(8,483.36)
Proceeds/(purchase) of non-current investments	(400.00)	94.24
Proceeds/(purchase) of current investments	9,806.06	(6,959.54)
Redemption/(investment) of bank deposits (having original maturity of more than three months)	(3,573.44)	291.98
Acquisition of step-down subsidiaries	-	(48.34)

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Interest received	-	16.10
Dividends received on current investments	5.93	69.50
Dividends received on non-current investments	-	2.02
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(2,176.43)</b>	<b>(15,084.67)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(0.38)	(1.27)
Proceeds from/(repayment of) short term borrowings	(242.43)	(999.40)
Finance costs paid	(79.87)	(137.26)
Dividend paid on equity shares	(1,804.41)	(902.20)
Tax on equity dividend paid	(306.66)	(146.36)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(2,433.75)</b>	<b>(2,186.49)</b>
<b>Exchange difference arising on conversion debited to foreign currency translation reserve (D)</b>	<b>309.34</b>	<b>278.57</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>312.08</b>	<b>(1,363.32)</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	8.52	3.46
Cash and cash equivalents at the beginning of the year	2,159.15	3,226.75
Add: Cash and cash equivalents of certain subsidiaries at the beginning of the year	-	17.26
Add: Cash and cash equivalents taken over on acquisition (Refer note 2.3, 2.4 & 2.5)	-	275.00
<b>Cash and cash equivalents at the end of the year</b>	<b>2,479.75</b>	<b>2,159.15</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	4.68	5.30
With banks	7,018.85	2,157.48
<b>Total cash and cash equivalents (Refer note 20)</b>	<b>7,023.53</b>	<b>2,162.78</b>
Less: Bank deposits not considered as cash and cash equivalents	(4,543.78)	(3.63)
<b>Total cash and cash equivalents as per the cash flow statement</b>	<b>2,479.75</b>	<b>2,159.15</b>
<b>Summary of significant accounting policies</b>	2.1	

As per our report of even date  
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No. 301003E  
 Chartered Accountants

**per Vijay Maniar**  
 Partner  
 Membership Number - 36738

Place: Mumbai  
 Date: May 30, 2015

**For and on behalf of the board of directors of  
 SHARDA CROP CHEM LIMITED**

**R. V. Bubna**  
 [Chairman & Managing Director]

**Gautam Arora**  
 [Chief Financial Officer]

**Ashish R. Bubna**  
 [Whole-time Director]

**Jetkin Gudhka**  
 [Company Secretary]

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 1. Corporate information

Sharda Cropchem Limited ("the Company") (Formerly known as Sharda Worldwide Exports Private Limited) is a public limited Company domiciled in India. Its shares are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE"). The Company is engaged in exports of Agro chemicals - technical grade and formulations to various countries around the world. The Company also exports Conveyor belts, Rubber belts/sheet, Dyes and Dye intermediates and other products worldwide.

## 2. Significant accounting policies

### (a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified). The financials statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### (b) Principles of Consolidation

The consolidated financial statements relate to Sharda Cropchem Limited, its subsidiary companies and an associate (hereinafter referred as "Group"). The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies have been combined on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit and loss in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements."
- (ii) In terms of Accounting Standard 21, minority interest consists of:
- The amount of equity attributable to minority at the date on which the investment in the subsidiary is made.
  - The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiary is absorbed by the Company.

- (iii) The financial statements of the following subsidiaries/ associate are drawn up to the same reporting date i.e., for the year ended 31st March, 2015 and have been used for the purpose of consolidation.

Sr. No.	Name	Relation
1	Axis Crop Science Private Limited	Subsidiary
2	Sharda Costa Rica SA	Subsidiary
3	Sharda Cropchem Espana, S.L.	Subsidiary
4	Sharda International DMCC	Subsidiary
5	Sharda Poland SP ZO.O	Subsidiary
6	Sharda Private (Thailand) Limited	Associate

The financial statements of the following Companies are drawn for the twelve month period ended 31st December, 2014 and have been used for the purpose of consolidation. All the material adjustments for the effect of significant transactions or events occurred between the reporting period of the Company and the subsidiaries, if any, have been adjusted in the current year's consolidated financial statements.

Sr. No.	Name	Relation
1	Sharda Balkan Agrochemicals Limited	Subsidiary
2	Sharda Chile SpA	Subsidiary
3	Sharda Cropchem Tunisia SARL	Subsidiary
4	Sharda De Guatemala, S.A.	Subsidiary
5	Sharda Del Ecuador CIA. Ltda.	Subsidiary
6	Sharda Do Brazil Comercio De Produtos Quimicos E Agroquimicos LTDA	Subsidiary
7	Sharda Hellas Agrochemicals Limited	Subsidiary
8	Sharda Hungary Kft	Subsidiary
9	Sharda Italia SRL	Subsidiary
10	Sharda Peru SAC	Subsidiary
11	Sharda Polska SP ZO.O	Subsidiary
12	Sharda Spain, S.L.	Subsidiary
13	Sharda Swiss SARL	Subsidiary
14	Sharda Taiwan Limited	Subsidiary
15	Sharda Ukraine LLC	Subsidiary
16	Sharda USA LLC	Subsidiary
17	Shardacan Limited	Subsidiary
18	Shardarus LLC	Subsidiary
19	Shardaserb DO.O	Subsidiary
20	Sharzam Limited	Subsidiary

- (iv) The Consolidated financial statements of Sharda International DMCC have been prepared in accordance with International Financial Reporting Standards (IFRS) issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2012 and the applicable rules and regulations of the Dubai Multi Commodities Centre. These IFRS financial statements have been converted into financial statements as per Indian GAAP and used for the purpose of consolidation.
- (v) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviation in accounting policies, if any and to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's separate financial statements.
- (vi) In translating the financial statements of the non-integral foreign subsidiaries for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, while income and expense items are translated at the date of transaction. For practical reasons, a rate that approximates the actual exchange rates i.e. average rate for the period has been used and all resulting exchange differences are accumulated in foreign currency translation reserve.
- (vii) Goodwill arising on consolidation is tested for impairment as at the balance sheet date.
- (viii) The details of subsidiary companies and Associate, together with the proportion of shareholding by the Group, considered in the consolidated financial statements for the financial year ended 31st March, 2015 are as follows:

Sr. No.	Name	Country of incorporation	Proportion of ownership interest as on March 31, 2015	Proportion of ownership interest as on March 31, 2014
	<b>Subsidiaries:</b>			
1	Axis Crop Science Private Limited	India	100.00%	76.00%
2	Sharda Balkan Agrochemicals Limited	Greece	100.00%	100.00%
3	Sharda Chile SpA	Chile	100.00%	100.00%
4	Sharda Costa Rica SA	Costa Rica	99.00%	99.00%
5	Sharda Cropchem Espana, S.L.	Spain	100.00%	100.00%
6	Sharda Cropchem Tunisia SARL	Tunisia	99.00%	-
7	Sharda De Guatemala, S.A.	Guatemala	98.00%	98.00%
8	Sharda Del Ecuador CIA. Ltda	Ecuador	99.50%	99.50%
9	Sharda Do Brasil Comercio De Produtos Quimicos Agroquimicos LTDA	Brazil	99.00%	99.00%
10	Sharda Hellas Agrochemicals Limited	Greece	100.00%	100.00%
11	Sharda Hungary Kft	Hungary	100.00%	100.00%
12	Sharda International DMCC	U.A.E.	100.00%	100.00%
13	Sharda Italia SRL	Italy	99.00%	99.00%
14	Sharda Peru SAC	Peru	99.95%	99.95%
15	Sharda Poland SP. ZO.O	Poland	100.00%	-
16	Sharda Polska SP. ZO.O.	Poland	100.00%	100.00%
17	Sharda Spain, S.L.	Spain	100.00%	100.00%
18	Sharda Swiss SARL	Switzerland	100.00%	100.00%
19	Sharda Taiwan Limited	Taiwan	100.00%	-
20	Sharda Ukraine LLC	Ukraine	100.00%	100.00%
21	Sharda USA LLC	USA	100.00%	100.00%
22	Shardacan Limited	Canada	100.00%	100.00%
23	Shardarus LLC	Russia	99.00%	99.00%
24	Shardaserb DO.O	Serbia	100.00%	100.00%
25	Sharzam Limited	Zambia	99.99%	99.99%
	<b>Associate:</b>			
26	Sharda Private (Thailand) Limited	Thailand	49.00%	49.00%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

Sr. No.	Name	Country of incorporation	Proportion of ownership interest as on March 31, 2015	Proportion of ownership interest as on March 31, 2014
	<b>Step down subsidiaries:</b>			
27	Sharda Benelux BVBA	Belgium	100.00%	100.00%
28	Euroazijski Pesticidi d.o.o.	Croatia	100.00%	100.00%
	<b>Step down subsidiaries:</b>			
29	Siddhivinayak International Limited	U.A.E.	100.00%	100.00%
30	Sharda Bolivia SRL	Bolivia	99.00%	99.00%
31	Sharda Colombia S.A.S	Colombia	99.48%	90.00%
32	Sharda De Mexico S. De RL DE CV	Mexico	99.00%	99.00%
33	Sharda Europe BVBA	Belgium	100.00%	100.00%
34	Sharda International Africa (PTY) Ltd	South Africa	100.00%	100.00%
35	Sharda Malaysia SDN. BHD.	Malaysia	100.00%	100.00%
36	Sharda Uruguay S.A.	Uruguay	100.00%	100.00%
37	Sharpar S.A.	Paraguay	90.00%	90.00%

- (ix) Investment in entities in which the Group has significant influence but not a controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost. Cost of investment in associates, over the share of net assets at the time of acquisition of the shares in the associates is recognised in the financial statements as goodwill or capital reserve, as the case may be.

## (c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## (d) Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

## (e) Depreciation on tangible fixed assets

Till the year ended 31st March, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. The depreciation rates prescribed

under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Schedule II prescribes useful lives for fixed assets, which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. This change in estimate does not have any material impact on financial statements of the Company. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

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, except in respect of certain assets located outside India in whose case the estimated useful life of the assets has been assessed as per the condition of the assets. The estimated useful life of such assets has been considered as follows:-

Asset class	Estimated useful life	
	Useful life adopted by foreign subsidiaries	Schedule II adopted by Indian subsidiaries
Computers	6 to 7 years	3 years
Furniture and Fixtures	15 to 16 years	10 years
Office Equipments	21 to 22 years	5 years

**(f) Intangible assets and amortisation**

Intangible Assets are stated at cost less accumulated amortisation.

Product registration costs generally 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.

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.

**Product Registration**

Product Registration expenses and Data Compensation charges are amortised on a straight line basis over a period of five years.

**Computer Software**

Expenses on implementation of Computer Software are amortised on a straight line basis over a period of four years.

**(g) Impairment of tangible and intangible assets**

(i) The carrying amounts of assets are reviewed for impairment at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre tax rate, that reflect current market assessment of the time value of money and the risk specific to the assets.

(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(h) Research and Development costs**

Research costs are expensed as incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit.

**(i) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in nature.

**(j) Inventories**

Raw materials, traded goods and finished goods are valued at lower of cost or net realizable value. Cost includes direct material and direct expenses. Cost is determined using weighted average method for batches identified on specific identification basis in respective locations. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

**(k) Retirement and other employee benefits**

Provident Fund is a defined contribution scheme established under a State Plan in India. The contributions to the scheme are charged to the statement of profit and loss during the period in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on projected unit cost method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

Actuarial gains/(losses) are immediately taken to the statement of profit and loss and are not deferred.

**(l) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

**Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer.

**Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

## (m) Foreign currency transactions

### Foreign currency transactions and balances

#### (i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Conversion

Foreign currency monetary items are reported using the closing rate. 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 the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

#### (iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Group at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

#### (iv) Forward exchange contracts not intended for trading or speculation purpose

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or as expense for the year.

#### (n) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

#### (o) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### (p) Earnings per share

Basic earnings per share has been calculated by dividing the net profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit/(loss) after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### (q) Segment reporting

##### Identification of segments

The Group's operating businesses are organized and managed separately according to the products with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group carry on business.

##### Inter-segment transfers

The Group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

##### Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

##### Unallocated items

It includes general corporate income and expense items which are not allocated to any business segment.

##### Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.



**(r) Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand, cash at bank and term deposits with banks and also include short term investments with an original maturity of three months or less.

**(s) Taxes on income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India, except for the overseas subsidiaries and associate where current tax provision is determined based on the local tax laws. Deferred tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(t) Provisions and Contingencies**

Provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined

based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the note to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

**(u) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(v) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss). In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

**2.3 Acquisition of 100% stake by Sharda International DMCC, a wholly owned subsidiary, in Siddhivinayak International Limited on 30th September, 2013**

In the previous year, the Company's wholly owned subsidiary M/s. Sharda International DMCC had acquired 100% stake in M/s. Siddhivinayak International Limited as on 30th September, 2013. The net assets acquired and included in the consolidated financial statements is ₹76.55 Lacs and the capital reserve created on acquisition amounts to ₹33.75 Lacs.

**2.4 Acquisition of 100% stake by Sharda International DMCC, a wholly owned subsidiary, in Sharda Benelux BVBA on 13th November, 2013**

In the previous year, the company's wholly owned subsidiary M/s. Sharda International DMCC had acquired 100% stake in M/s. Sharda Benelux BVBA on 13th November, 2013. The net assets acquired and included in the consolidated financial statements is ₹0.72 Lacs and the goodwill created on acquisition amounts to ₹4.59 Lacs.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 2.5 Acquisition of 100% stake by Sharda International DMCC, a wholly owned subsidiary, in Euroazijski Pesticidi D.O.O on 7th January, 2014

In the previous year, the Company's wholly owned subsidiary M/s. Sharda International DMCC had acquired 100% stake in M/s. Euroazijski Pesticidi D.O.O on 7th January, 2014. The net assets/(liability) acquired and included in the consolidated financial statements is ₹(14.98) Lacs and the goodwill created on acquisition amounts to ₹17.12 Lacs.

## 2.6 Acquisition of remaining 24% stake in Axis Crop Science Private Limited on 1st October, 2014

The Company has acquired remaining 24% stake in Axis Crop Science Private Limited, which made that company a wholly owned subsidiary on 1st October, 2014. The net assets acquired and included in the consolidated financial statements is ₹22.60 Lacs and the capital reserve created on acquisition amounts to ₹12.67 Lacs.

## 3. Share capital

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Authorised shares</b>		
105,000,000 (Previous year: 105,000,000) equity shares of ₹10/- each	10,500.00	10,500.00
<b>Issued, subscribed and fully paid-up shares</b>		
90,220,495 (Previous year: 90,220,495) equity shares of ₹10/- each	9,022.05	9,022.05
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>9,022.05</b>	<b>9,022.05</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

#### Equity shares

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
At the beginning of the year	90,220,495	9,022.05	90,220,495	9,022.05
<b>Outstanding at the end of the year</b>	<b>90,220,495</b>	<b>9,022.05</b>	<b>90,220,495</b>	<b>9,022.05</b>

### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-15	31-Mar-14
	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (in FY 2011-12).	72,176,396	72,176,396

**(d) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Mr. Ramprakash V. Bubna	14,152,686	15.69%	18,270,000	20.25%
Mrs. Sharda R. Bubna	14,152,685	15.69%	18,270,000	20.25%
Mr. Ashish R. Bubna*	15,180,000	16.83%	15,180,000	16.83%
Mr. Manish R. Bubna**	15,180,000	16.83%	15,180,000	16.83%
HEP Mauritius Limited	-	0.00%	14,320,495	15.87%

\* Shareholding includes 10 Equity shares held jointly by Ashish R. Bubna and Seema A. Bubna, with Ashish R. Bubna as the first holder.

\*\* Shareholding includes 10 Equity shares held jointly by Manish R. Bubna and Anisha M. Bubna, with 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.

**4. Reserves and surplus**

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Capital reserve</b>		
Balance as per the last audited financial statements	1,568.44	1,534.69
Add: On account of acquisition of subsidiaries	12.67	33.75
<b>Closing balance</b>	<b>1,581.11</b>	<b>1,568.44</b>
<b>Securities Premium</b>		
Balance as per the last audited financial statements	2,168.55	2,168.55
<b>Closing balance</b>	<b>2,168.55</b>	<b>2,168.55</b>
<b>General Reserve</b>		
Balance as per the last audited financial statements	664.93	-
Add: Amount transferred from surplus balance in the statement of profit and loss	-	664.93
<b>Closing balance</b>	<b>664.93</b>	<b>664.93</b>
<b>Foreign currency translation reserve</b>		
Balance as per the last audited financial statements	284.94	3.00
Add: Foreign currency translation reserve for the year	309.34	281.94
<b>Closing balance</b>	<b>594.28</b>	<b>284.94</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last audited financial statements	41,865.50	33,568.13
Add: Profit for the year	12,297.12	11,105.17
Less: Accumulated profit of certain subsidiaries	-	31.80
Less: Transfer to capital reserve on account of acquisition of residual stake in Axis Crop Science Private Limited	12.67	-
Less: Proposed final dividend on equity shares (Amount per share ₹2.50 (Previous year: ₹2.00 per share))	2,255.51	1,804.41
Less: Tax on equity dividend	459.17	306.66
Less: Transfer to general reserve	-	664.93
Less: Depreciation as per Schedule II of Companies Act, 2013 (Refer note 11(a))	14.96	-
<b>Net surplus in the statement of profit &amp; loss</b>	<b>51,420.31</b>	<b>41,865.50</b>
<b>Total</b>	<b>56,429.18</b>	<b>46,552.36</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 5. Long term borrowings

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Secured</b>		
- From banks	0.38	1.79
Less: Amount disclosed under other current liabilities (Refer note 9)	(0.38)	(1.41)
	<b>-</b>	<b>0.38</b>

Note: The loan was secured against hypothecation of vehicle (car) purchased out of the loan. The loan carries average interest rate of 11.25% p.a.

## 6. Long term provisions

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Provision for employee benefits		
Gratuity (Refer note 33)	54.82	21.20
	<b>54.82</b>	<b>21.20</b>

## 7. Short term borrowings

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Overdraft from banks	-	3,964.67
Buyer's credit (Secured) (Refer note below)	3,782.53	-
Others	24.13	26.55
<b>Total</b>	<b>3,806.66</b>	<b>3,991.22</b>
<b>The above amount includes</b>		
Unsecured borrowings	24.13	3,964.67

**7.1 The Overdraft from banks of Nil (Previous year: ₹3,964.67 Lacs)** is secured against standby letter of credit from Union Bank of India, India which in turn is secured by a combination of lien on fixed deposit placed by the Company, by a lien marked on units of Union KBC Dynamic Bond Fund held by the Company, by a lien on fixed deposit placed by two directors of the Company and is also secured by personal guarantees of four directors of the Company. The standby letter of credit issued by Union Bank of India, India in turn is further secured by a corporate guarantee issued to it by the Company. Overdraft is repayable on demand and interest on overdraft is charged at 1 Month Libor plus 2.00% p.a.

**7.2 Buyer's Credit** is secured against hypothecation of stocks meant for exports and book debts. The buyer's credit is further secured by personal guarantees of four directors of the Company and by a lien on fixed deposits placed by two directors of the Company with the bank. The Buyer's credit carries interest @ LIBOR plus 1.00% p.a.

**7.3 Others in Short term borrowings of ₹24.13 Lacs (Previous year: ₹26.55 Lacs) include:-**

- loan amounting to ₹7.86 Lacs (Previous year: ₹7.86 Lacs) has been taken by Axis Crop Science Private Limited from Mr. Anil Kumta. It is repayable on demand and carries an interest rate of 11.00% p.a.;
- loan amounting to Rs 15.95 Lacs (Previous year ₹18.65 Lacs) has been taken by Sharda Europe BVBA from Mr. Jacques Ryon. It is repayable on demand and does not carry any interest;
- loan amounting to ₹0.02 Lacs (Previous year ₹0.03 Lacs) has been taken by Shardarus LLC from Mr. Andrey Potseluev. It is repayable on demand and does not carry any interest;
- loan amounting to ₹0.30 Lacs (Previous year Nil) has been taken by Sharda Hungary Kft from Mr. Zoltan Papp. It is repayable on demand and does not carry any interest.

## 8. Trade payables

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Trade payables	22,809.02	20,493.80
	<b>22,809.02</b>	<b>20,493.80</b>

## 9. Other current liabilities

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Current maturity of long term borrowings (Refer note 5)	0.23	1.41
Interest accrued and due on borrowings	17.67	-
Book Overdraft (Refer note below)	50.98	23.35
Forward contract payable	-	5.30
Capital creditors	4,235.41	5,907.25
Advance from customers:		
Deposits	41.80	27.95
Other advances	360.75	509.96
Directors' commission	328.59	185.40
Salary & bonus	279.32	216.67
Statutory dues	807.55	424.74
Other payables	1,083.99	229.04
<b>Total</b>	<b>7,206.29</b>	<b>7,531.07</b>

Note: Book overdraft is secured against hypothecation of stocks meant for exports and book debts. The book overdraft is further secured by personal guarantees of four directors of the Company and by a lien on fixed deposits placed by two directors of the Company with the bank. The book overdraft is repayable on demand and interest is charged at the bank's PLR rate plus 2.50% p.a.

## 10. Short term provisions

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 33)	12.34	19.25
Provision for leave benefits	23.47	19.12
	<b>35.81</b>	<b>38.37</b>
<b>Other provisions</b>		
Proposed final equity dividend	2,255.51	1,804.41
Provision for tax on equity dividend	459.17	306.66
Provision for income tax (Net of advance tax)	255.52	552.64
Provision for reward payable (Refer note below)	153.21	-
Provision for product claims	14.38	83.70
	<b>3,137.79</b>	<b>2,747.41</b>
<b>Total</b>	<b>3,173.60</b>	<b>2,785.78</b>

Note: The Company has implemented a reward scheme in one the countries where it operates, wherein the customers earn reward points upon purchase of the Company's products which entitle them to certain norm monetary benefits in the form of excursion trips, etc. These points can either be utilised in the year of purchase or can be carried forward to the next year.

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Opening Balance</b>	-	-
Add: Booked during the year	305.69	-
Less: Utilised during the year	152.48	-
<b>Closing Balance</b>	<b>153.21</b>	<b>-</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 11. Tangible assets

Description of Assets	Gross Block					Depreciation					Net Block		
	As at 01.04.2014 (01.04.2013)	Additions during the year	Acquisition (Refer note 2.3)	Deductions during the year	As at 31.03.2015 (31.03.2014)	As at 01.04.2014 (01.04.2013)	Adjustments (Refer note (d) below)	Transfer to Reserve (Refer note (a) below)	Deductions during the year	Provided during the year	Acquisition (Refer note 2.3)	As at 31.03.2015 (31.03.2014)	As at 31.03.2014 (31.03.2013)
Office Equipments	56.07 (34.78)	9.66 (20.93)	- (0.06)	- (0.30)	65.73 (56.07)	7.97 (5.95)	- (0.05)	11.95 (0.03)	- (1.94)	11.76 (28.83)	- (0.03)	34.05 (48.10)	48.10 (28.83)
Furniture & Fixtures	124.86 (100.01)	10.68 (22.24)	- (2.61)	- (100.01)	135.54 (124.86)	50.38 (42.41)	- (0.05)	- (0.05)	- (1.94)	15.63 (6.57)	- (1.40)	69.53 (74.48)	74.48 (57.60)
Motor Cars	37.31 (37.31)	- (37.31)	- (37.31)	- (37.31)	37.31 (37.31)	10.36 (6.82)	- (0.05)	- (0.05)	- (1.94)	5.94 (3.54)	- (0.03)	21.01 (26.95)	26.95 (30.49)
Computers	86.48 (61.86)	5.33 (22.52)	- (1.70)	- (0.40)	91.81 (86.48)	51.48 (41.47)	- (0.05)	3.01 (0.03)	- (1.94)	17.46 (8.54)	- (1.47)	19.86 (35.00)	35.00 (20.39)
Cylinders	7.73 (6.66)	3.38 (1.07)	- (0.06)	- (0.06)	11.11 (7.73)	2.50 (1.94)	- (0.05)	- (0.05)	- (1.94)	0.85 (0.56)	- (0.03)	7.76 (5.23)	5.23 (4.72)
Total - Current year	312.45 (240.62)	29.05 (66.76)	- (4.37)	- (0.70)	341.50 (312.45)	122.69 (98.59)	- (0.05)	14.96 (2.90)	- (21.15)	51.64 (189.76)	- (2.90)	189.29 (189.76)	189.76 (142.03)

## 12. Intangible assets

Description of Assets	Gross Block					Amortisation					Net Block		(₹ in Lacs)
	As at 01.04.2014 (01.04.2013)	Additions during the year	Acquisition (Refer note 2.3)	Deductions during the year	Adjustments (Refer note (c) & (d) below)	As at 01.04.2014 (01.04.2013)	Transfer to Reserve	Deductions during the year (Refer note (c) below)	Provided during the year	Acquisition (Refer note 2.3)	As at 31.03.2015 (31.03.2014)	As at 31.03.2014 (31.03.2013)	
Computer Software	110.78 (91.25)	- (18.49)	-	-	- (1.04)	73.06 (64.08)	- (0.22)	-	12.31 (8.76)	-	25.41 (37.72)	37.72 (27.17)	
Product Registration (Refer note a & 35)	24,623.86	4,816.79	-	9.67	164.80	18,469.09	-	-	89.68	2,267.21	8,619.56	6,154.77	
	(22,406.84)	(2,804.86)	(1.18)	(589.11)	(0.09)	(16,155.33)	(0.03)	-	(549.48)	(2,863.01)	(6,154.77)	(6,251.51)	
Total - Current year	24,734.64	4,816.79	-	9.67	164.80	18,542.15	-	-	89.68	2,279.52	20,731.99	8,644.97	
Total - Previous year	(22,498.09)	(2,823.35)	(1.18)	(589.11)	(1.13)	(16,219.41)	(0.25)	-	(549.48)	(2,871.77)	(6,192.49)	(6,278.68)	

### Note:

- Effective April 1, 2014, the Company has revised the useful life of certain fixed assets based on Schedule II of the Companies Act, 2013 for the purpose of providing depreciation. Accordingly, the carrying amount of such assets as on April 1, 2014 has been depreciated over its remaining revised useful life. Further, an amount of ₹14.96 Lacs representing the carrying amount of assets with revised useful life as Nil has been adjusted against opening reserves as on April 1, 2014.
- Out of total product registrations aggregating ₹29,266.18 Lacs (Previous year: ₹24,623.86 Lacs), product registrations which are held in the name of third parties aggregate ₹485.70 Lacs (Previous year: ₹472.46 Lacs) for which the Company is the sole beneficiary.
- The data compensation element of product registration was initially capitalised based on management estimates. The outcome of negotiations with contracting parties during the year has resulted in a reduction in the gross block of product registration by ₹164.80 Lacs, thus resulting in a reduction in depreciation by ₹89.68 Lacs.
- During the previous year, the management had decided to consolidate the financial statements of all its subsidiaries, irrespective of their materiality, with effect from 1st April, 2013. The figures of Fixed Assets of these subsidiaries have been reflected as Adjustments in the aforesaid table.
- Figures in brackets represent amounts pertaining to previous year.

## 13. Non-current investments

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Non-trade investments</b>		
<b>(Valued at cost, unless stated otherwise)</b>		
<b>Investment in others (Unquoted)</b>		
4,000,000 (Previous year: Nil) units of ₹10 each of DSP BlackRock FMP 111-12M Reg	400.00	-
Nil (Previous year: 249,990) units of ₹10 each of Union KBC Capital Protection Oriented Fund Series 1	-	25.00
5,000,000 (Previous year: 5,000,000) units of ₹10 each of HDFC FMP 1001D August 2013(1) Series 27 Regular	500.00	500.00
<b>Total</b>	<b>900.00</b>	<b>525.00</b>
Aggregate amount of unquoted investments	900.00	525.00

## 14(a). Deferred tax liability (net)

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Deferred tax asset</b>		
Others (Provision for gratuity, leave encashment & amalgamation expense)	19.46	36.70
<b>Gross deferred tax asset</b>	<b>19.46</b>	<b>36.70</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	2,178.57	1,054.87
<b>Gross deferred tax liability</b>	<b>2,178.57</b>	<b>1,054.87</b>
<b>Net deferred tax (liability)</b>	<b>(2,159.11)</b>	<b>(1,018.17)</b>

## 14(b). Deferred tax asset (net)

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Deferred tax asset</b>		
Others (Provision for gratuity, ex-gratia, leave salary)	7.42	-
<b>Gross deferred tax asset</b>	<b>7.42</b>	<b>-</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	1.65	-
<b>Gross deferred tax liability</b>	<b>1.65</b>	<b>-</b>
<b>Net deferred tax asset</b>	<b>5.77</b>	<b>-</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 15. Long term loans and advances

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Security deposit</b>		
Unsecured, considered good	2.01	3.73
<b>Other loans and advances (Unsecured, considered good)</b>		
Loans to Employees	12.00	18.00
Advance tax (Net of provision for income tax)	3,654.12	2,026.64
<b>Total</b>	<b>3,668.13</b>	<b>2,048.37</b>

## 16. Other non-current assets

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Bank deposits</b>		
– Deposits with original maturity for more than 3 months but less than 12 months	-	799.56
		<b>799.56</b>

Note: There is a lien marked on fixed deposits aggregating Nil (Previous year: ₹799.56 Lacs) in favour of Union Bank of India against its issuance of a standby letter of credit in favour of Standard Chartered Bank, Dubai, in order to facilitate working capital limits to M/s. Sharda International DMCC, Dubai a wholly owned subsidiary of the Company.

## 17. Current investments

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Current investments (valued at lower of cost and fair value, unless stated otherwise)</b>		
<b>Unquoted mutual funds</b>		
2,226 (Previous year: 14,107) units of ₹1,000 of Axis Liquid Fund	34.47	200.00
Nil (Previous year: 10,000,000) units of ₹1,000 of Birla Sun Life Fixed Term Plan Series KL (30 days) Regular	-	1,000.00
896,257 (Previous year: Nil) units of ₹100 of Birla Sun Life Treasury Optimizer Plan Regular Plan	1,510.88	-
Nil (Previous year: 590,697) units of ₹100 each of Birla Sun Life Cash Plus - Regular Plan	-	1,180.52
Nil (Previous year: 2,982,528) units of ₹10 each of Birla Sun Life Interval Income Fund Quarterly Plan Series 1 - Regular Plan	-	500.00
Nil (Previous year: 89,410) units of ₹1,000 each of DSP BlackRock Liquidity Fund - Institutional Plan	-	1,600.35
Nil (Previous year: 5,000,000) units of ₹10 each of DSP BlackRock FMP Series 147- 3M - Regular	-	500.00
Nil (Previous year: 4,000,000) units of ₹10 each of DSP BlackRock FMP-Series111-12M - Regular	-	400.00
Nil (Previous year: 4,500,000) units of ₹10 each of HDFC Banking & PSU Debt Fund	-	450.00
36,136 (Previous year: Nil) units of ₹10 each of HDFC Liquid Fund - Direct Plan	9.35	-
Nil (Previous year: 442,992) units of ₹10 each of HDFC Cash Management Fund-Savings Plan - Direct Plan	-	108.35
8,459 (Previous year: 101,758) units of ₹10 each of HDFC Cash Management Fund - Savings Plan	2.40	26.47
Nil (Previous year: 8,720,090) units of ₹10 each of HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option	-	1,875.08
8,562,564 (Previous year: Nil) units of ₹10 each of HDFC Gilt Fund Long Term	2,332.12	-

Particulars	As at 31-Mar-15	(₹ in Lacs) As at 31-Mar-14
803 (Previous year: 103,082) units of ₹100 each of ICICI Prudential Liquid - Regular Plan	1.62	188.02
4,061,757 (Previous year: Nil) units of ₹10 each of IDFC Arbitrage Fund - Regular Plan	700.00	-
3,154,972 (Previous year: Nil) units of ₹10 each of IDFC Arbitrage Plus Fund - Regular Plan	500.00	-
Nil (Previous year: 4,500,000) units of ₹10 each of ICICI Prudential FMP Series 66-412 Days Plan E - Regular Plan	-	450.00
Nil (Previous year: 386,633) units of ₹100 each of ICICI Prudential Flexible Income - Regular Plan	-	903.50
Nil (Previous year: 2,574,684) units of ₹10 each of ICICI Prudential Ultra Short Term - Regular Plan	-	327.73
Nil (Previous year: 4,538,893) units of ₹10 each of ICICI Prudential Interval Fund II Quarterly Interval Plan B - Regular Plan	-	500.00
2,653,022 (Previous year: Nil) units of ₹10 each of ICICI Prudential Long Term Gilt Fund - Regular Plan	1,207.18	-
Nil (Previous year: 3,951,203) units of ₹10 each of ICICI Prudential Banking & PSU Debt Fund - Regular Plan	-	400.00
Nil (Previous year: 10,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 73 - Regular Plan	-	1,000.00
Nil (Previous year: 4,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 82 - Regular Plan	-	400.00
Nil (Previous year: 2,251,171) units of ₹10 each of IDFC Money Manager Fund Treasury Plan	-	450.00
10,634,076 (Previous year: Nil) units of ₹10 each of IDFC Dynamic Bond Fund - Regular	1,733.68	-
Nil (Previous year: 8,000,000) units of ₹10 each of IDFC Fixed Term Plan Series 11 - Regular Plan	-	800.00
122 (Previous year: 7,021) units of ₹ 10 each of IDFC Cash Fund - Regular	2.02	105.71
11,252 (Previous year: 46,487) units of ₹1,000 each of Tata Liquid Fund Plan A	271.50	1,058.47
Nil (Previous year: 6,400,000) units of ₹10 each of Tata Fixed Maturity Plan Series 42 Scheme H-Plan A	-	640.00
Nil (Previous year: 13,931,457) units of ₹10 each of Tata Fixed Income Portfolio Fund Scheme C2 Plan A	-	1,500.00
1,000,000 (Previous year: 1,000,000) units of ₹10 each of Union KBC Fixed Maturity Plan Series 10 - Regular Plan	100.00	100.00
971,653 (Previous year: 971,653) units of ₹10 each of Union KBC Dynamic Bond Fund *	103.25	103.25
Nil (Previous year: 7,777) units of ₹1,000 each of Union KBC Liquid Fund - Direct Plan	-	98.41
249,990 (Previous year: Nil) units of ₹10 each of Union KBC Capital Protection Oriented Fund Series 1	25.00	-
Nil (Previous year: 500,000) units of ₹10 each of Union KBC Asset Allocation Fund - Conservative Plan (net of provision of Nil (Previous year ₹0.39 Lacs))	-	50.00
439,499 (Previous year: Nil) units of ₹10 each of Union KBC Asset Allocation Fund - Moderate Plan	54.16	-
Nil (Previous year: 726) units of ₹1,000 each of Morgan Stanley Liquid Fund - Direct Plan	-	8.35
<b>Total</b>	<b>8,587.63</b>	<b>16,924.21</b>
Aggregate amount of unquoted investments (Repurchase value ₹8,971.22 Lacs (Previous year: ₹17,412.76 Lacs))	8,587.63	16,924.21
Aggregate provision for diminution in value of investments	0.03	-

\*Note: There is a lien marked on the units of Union KBC Dynamic Bond Fund for ₹103.25 Lacs in favour of Union Bank of India for availment of additional working capital facilities in the form of letters of credit and bank guarantees. In the previous year, the lien was marked on the same units of Union KBC Dynamic Bond Fund for ₹103.25 Lacs in favour of Union Bank of India against its issuance of standby letter of credit in favour of Standard Chartered Bank, Dubai in order to facilitate working capital limits to M/s. Sharda International DMCC, Dubai a wholly owned subsidiary of the Company.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 18. Inventories (valued at lower of cost and net realizable value)

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Finished goods (Stock in transit ₹469.83 Lacs (Previous year: ₹427.51 Lacs))	3,461.37	2,893.59
Traded goods	2,799.37	2,430.83
Raw materials (Stock in transit ₹2,249.98 Lacs (Previous year: ₹1,485.52 Lacs))	7,697.43	2,752.68
<b>Total</b>	<b>13,958.17</b>	<b>8,077.10</b>

## 19. Trade receivables

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good unless stated otherwise</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	13,787.36	788.78
	<b>13,787.36</b>	<b>788.78</b>
<b>Other receivables</b>		
Unsecured, considered good	31,656.99	39,232.56
	<b>31,656.99</b>	<b>39,232.56</b>
<b>Total</b>	<b>45,444.35</b>	<b>40,021.34</b>

## 20. Cash and bank balances

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Cash and cash equivalents</b>		
Balances with banks:		
- Current account	2,475.07	2,153.85
Cash on hand	4.68	5.30
	<b>2,479.75</b>	<b>2,159.15</b>
<b>Other bank balances (Refer note below)</b>		
- Deposits with original maturity for less than 3 months	1,319.27	-
- Deposits with original maturity for more than 3 months but less than 12 months	3,224.51	-
- Deposits with original maturity for more than 12 months	-	3.63
	<b>4,543.78</b>	<b>3.63</b>
<b>Total</b>	<b>7,023.53</b>	<b>2,162.78</b>

Note: There is a lien marked on fixed deposits placed with Union Bank of India for an amount aggregating ₹4,539.87 Lacs (Previous year Nil) for availing of additional working capital facilities in the form of Letters of Credit and Bank Guarantees.

## 21. Short term loans and advances

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>		
<b>Advances recoverable in cash or kind</b>		
– Related party (Refer note 37)	1.68	-
– Others	367.60	504.86
	<b>369.28</b>	<b>504.86</b>
<b>Other loans and advances</b>		
Prepaid expenses	135.50	202.93
Security deposit	295.39	9.73
Loans to employees	8.23	9.76
Balances with statutory/government authorities	378.20	90.88
IPO expenses recoverable	-	7.01
Others	54.92	40.14
	<b>872.24</b>	<b>360.45</b>
<b>Total</b>	<b>1,241.52</b>	<b>865.31</b>

## 22. Other current assets

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>		
Forward contracts receivable	23.68	236.82
Accrued income	35.52	4.73
Others	61.30	0.78
<b>Total</b>	<b>120.50</b>	<b>242.33</b>

## 23. Revenue from operations

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>Revenue from operations</b>		
Sale of products	106,106.47	79,037.26
<b>Revenue from operations (net)</b>	<b>106,106.47</b>	<b>79,037.26</b>

Note: Revenue from operations include recoveries (net) of quality and rate difference charges of ₹263.15 Lacs (Previous year: ₹886.41 Lacs) provided for in earlier years.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## Details of products sold

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Agrochemicals	86,343.69	65,371.71
Belts	18,217.65	12,343.36
Others	1,545.13	1,322.19
<b>Total</b>	<b>106,106.47</b>	<b>79,037.26</b>

## 24. Other income

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>Interest income:</b>		
-On fixed deposits	166.73	66.88
-On others	0.42	9.15
<b>Dividend income:</b>		
-On current investments	32.25	69.93
-On non-current investments	-	2.02
Export incentives	48.98	4.67
Share of income from task force	89.86	72.68
Exchange rate fluctuation (net)	0.19	1,958.28
Profit on sale of investments		
-On current investments	1,418.18	736.69
-On non-current investments	-	102.85
Income from custodian services	53.10	30.60
Reversal of provision for diminution in value of investment (net)	-	36.65
Bad debts/sundry balances recovered	86.22	
Sundry balance written back (net)	696.76	111.51
Miscellaneous income	278.95	80.89
<b>Total</b>	<b>2,871.64</b>	<b>3,282.80</b>

## 25. Cost of materials consumed

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Agrochemicals	22,268.48	15,128.57
	<b>22,268.48</b>	<b>15,128.57</b>

## 26. Purchase of traded goods

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Agrochemicals	33,689.31	23,316.85
Belts	14,618.05	9,999.14
Others	1,367.15	1,121.78
<b>Total</b>	<b>49,674.51</b>	<b>34,437.77</b>

## 27. (Increase)/decrease in inventories

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14	(₹ in Lacs) (Increase)/ decrease
Inventories at the end of the year			31-Mar-15
Traded goods	2,799.37	2,430.83	(368.54)
Finished goods	3,461.37	2,893.58	(567.79)
<b>Total</b>	<b>6,260.74</b>	<b>5,324.41</b>	<b>(936.33)</b>
Inventories at the beginning of the year			31-Mar-14
Traded goods	2,430.83	1,843.76	(587.06)
Finished goods	2,893.58	4,200.36	1,306.79
<b>Total</b>	<b>5,324.41</b>	<b>6,044.12</b>	<b>719.73</b>
Less: Stock acquired on 30th September 2013 (Refer note 2.3)			
Traded goods*	-	1,118.03	1,118.03
<b>(Increase)/decrease in inventories</b>	<b>(936.33)</b>	<b>1,837.74</b>	

## Details of finished goods and traded goods inventory

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Agrochemicals	6,260.74	5,324.41
<b>Total</b>	<b>6,260.74</b>	<b>5,324.41</b>

\* Traded goods as at 30-Sep-13 of ₹1,118.03 Lacs were acquired through acquisition of Siddhivinayak International Ltd., Dubai.

## 28. Employee benefit expenses

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Salaries, wages and bonus	2,404.04	1,767.62
Contribution to provident and other funds	10.30	5.94
Gratuity (Refer note 33)	26.71	24.26
Staff welfare expenses	22.89	14.87
<b>Total</b>	<b>2,463.94</b>	<b>1,812.69</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 29. Other expenses

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Freight and forwarding charges	1,378.64	1,284.83
Rent	322.65	278.11
Rates and taxes	203.29	178.72
Insurance	211.40	146.71
Repairs and maintenance:		
- Buildings	5.31	3.37
- Others	44.59	31.02
Advertising and sales promotion	641.12	396.85
Sales commission	2,072.97	1,570.06
Travelling and conveyance	1,314.21	702.55
Communication costs	227.23	166.28
Office expenses	626.63	429.24
Professional charges	4,895.32	4,116.41
Cash discount	21.06	15.76
Directors sitting fees	16.88	5.39
Donation (Refer note 44)	151.11	137.50
Payment to auditor (Refer note below)	53.49	37.32
Provision for diminution in value of current investment	0.03	-
Exchange differences (net)	1,821.49	-
Bad debts/advances written off	56.77	-
Unrealized loss on forward currency contracts	-	5.33
Compensation to farmers	-	50.91
Bank charges	850.10	653.29
Loss on sale/discard of fixed assets	321.96	80.96
Miscellaneous expenses	274.14	103.69
<b>Total</b>	<b>15,510.39</b>	<b>10,394.30</b>

## Payment to auditor

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
As auditor:		
Audit fee	46.09	31.84
Limited review	5.70	-
Other services (certification fees)	1.70	4.11
Reimbursement of expenses	-	1.37
<b>Total</b>	<b>53.49</b>	<b>37.32</b>



**30. Depreciation and amortization expense**

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Depreciation of tangible assets	51.64	21.15
Amortization of intangible assets	2,279.52	2,871.77
<b>Total</b>	<b>2,331.16</b>	<b>2,892.92</b>

**31. Finance costs**

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Interest	72.75	136.80
Others	7.12	0.46
<b>Total</b>	<b>79.87</b>	<b>137.26</b>

**32. Earnings per share (EPS)**

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Basic and diluted earning per share:		
Profit after taxation as per statement of profit and loss (₹ in Lacs)	12,297.12	11,105.17
Weighted average number of equity shares outstanding	90,220,495	90,220,495
Basic and diluted earning per share (in ₹)	13.63	12.31
Nominal value of equity share (in ₹)	10.00	10.00

**33. Retirement benefit plans**

The Group has a defined benefit gratuity plan in India. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service.

Disclosures as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 as amended are given below:

**a) The amounts recognised on account of defined benefit plan in the statement of profit & loss are as follows:**

Particulars	(₹ in Lacs)	
	Gratuity	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Current service cost	11.18	10.24
Interest cost on benefit obligation	5.96	4.01
Expected return on plan assets	(3.12)	(3.04)
Net actuarial (gain)/loss recognized in the year	12.69	13.05
<b>Net Expenses/(benefit) under the head 'Employee benefit expense' in note 28</b>	<b>26.71</b>	<b>24.26</b>
Actual return on plan assets	3.12	3.05

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

b) The amounts recognised on account of defined benefit plan in the balance sheet are as follows:

Particulars	(₹ in Lacs)	
	Gratuity	
	As at 31-Mar-15	As at 31-Mar-14
Present value of defined benefit obligation	107.24	77.38
Less: Fair value of plan assets	40.08	36.93
<b>Net Liability included under the head 'Provision for gratuity' in note 6 &amp; 10</b>	<b>67.16</b>	<b>40.45</b>

c) Changes in the present value of defined benefit obligation are as follows:

Particulars	(₹ in Lacs)	
	Gratuity	
	As at 31-Mar-15	As at 31-Mar-14
Opening defined benefit obligation	77.38	50.08
Current service cost	11.18	10.24
Interest cost	5.96	4.01
Benefits paid	-	-
Actuarial (gains)/losses on obligation	12.72	13.05
<b>Closing defined benefit obligation as at 31st March</b>	<b>107.24</b>	<b>77.38</b>

d) Changes in the fair value of plan assets are as follows:

Particulars	(₹ in Lacs)	
	Gratuity	
	As at 31-Mar-15	As at 31-Mar-14
Opening fair value of plan assets	36.93	33.89
Expected return	3.13	3.04
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains/(losses)	0.02	-
<b>Closing fair value of plan assets</b>	<b>40.08</b>	<b>36.93</b>

e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	As at 31-Mar-15	As at 31-Mar-14
	100%	100%
Funds managed by insurer		

**f) The principal actuarial assumptions as at the balance sheet date:**

Particulars	As at 31-Mar-15	As at 31-Mar-14
Discount rate	7.70%	9.10%
Expected rate of return on assets	8.00%	9.00%
Expected rate of salary increase	5.10%	5.10%
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Proportion of employees opting for early retirement	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages

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. There has been significant change in expected rate of return on assets due to change in the market scenario.

**g) Gratuity plan (Funded):**

Amounts for the current year and previous four years are as follows:

Particulars	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	(₹ in Lacs) As at 31-Mar-11
<b>Gratuity</b>					
Defined benefit obligation	107.24	77.38	50.08	39.07	22.83
Plan assets	40.08	36.93	33.89	34.66	22.26
Surplus/(deficit)	(67.16)	(40.45)	(16.19)	(4.41)	(0.57)
Experience adjustments on plan liabilities (gain)/loss	12.72	13.05	1.81	8.74	(6.95)
Experience adjustments on plan assets (gain)/loss	0.02	-	(19.30)	7.01	10.56

**h) Defined contribution plans:**

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Amount recognised as an expense and included under the head 'Contribution to provident and other funds' in note 28	10.30	5.94

**34. Leases**

**Operating lease: Company as lessee**

The Company has certain operating leases for office facility which are non cancellable. Such leases are generally with the option of renewal depending on the rent prevailing at the time of renewal. The lease term is 3 years (Previous year: 5 years). There is no escalation clause in the lease agreement. There are no sub leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31-Mar-15	(₹ in Lacs) As at 31-Mar-14
Within one year	273.04	273.03
After one year but not more than five years	136.52	409.55

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 35. Capitalisation of Expenditure

During the year, the Company has capitalised the following expenses of revenue nature to the cost of intangible asset/intangible asset under development (IAUD). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	₹ in Lacs	
	31-Mar-15	31-Mar-14
Consultancy of registration	825.47	891.29
	<b>825.47</b>	<b>891.29</b>

## 36. Segment information

The Group has disclosed business segment as primary segment. Segments have been identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems.

<b>Agrochemicals</b>	:	Insecticides, Herbicides, Fungicides & Biocides
<b>Belts</b>	:	Conveyor Belts, V Belts and Timing Belts
<b>Others</b>	:	Dyes and Dye Intermediates and General Chemicals

The Group considers secondary segment based on revenues within India and outside India which is further bifurcated in four regions LATAM, Europe, NAFTA & ROW.

## Business segments

Particulars	₹ in Lacs							
	Agrochemicals		Belts		Others		Total operations	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Revenue</b>								
External sales	86,343.69	65,371.71	18,217.65	12,343.36	1,545.13	1,322.19	106,106.47	79,037.26
Inter segment sales	-	-	-	-	-	-	-	-
Other income	907.49	188.86	44.67	3.54	1.40	-	953.56	192.40
<b>Total revenue</b>	<b>87,251.18</b>	<b>65,560.57</b>	<b>18,262.32</b>	<b>12,346.90</b>	<b>1,546.53</b>	<b>1,322.19</b>	<b>107,060.03</b>	<b>79,229.66</b>
<b>Results</b>								
Segment results	14,887.30	15,047.15	2,456.84	2,194.39	92.23	182.34	17,436.37	17,423.88
Other income (Unallocated)	-	-	-	-	-	-	1,918.08	3,090.38
Unallocated expenses	-	-	-	-	-	-	(1,768.36)	(4,698.19)
<b>Operating profit</b>							<b>17,586.09</b>	<b>15,816.07</b>
Finance costs	-	-	-	-	-	-	-	(137.26)
Prior period adjustment	-	-	-	-	-	-	(45.32)	(141.75)
<b>Net Profit before tax</b>	-	-	-	-	-	-	<b>17,540.77</b>	<b>15,537.06</b>
Income taxes	-	-	-	-	-	-	(5,243.36)	(4431.92)
<b>Net Profit after tax but before minority interest</b>	-	-	-	-	-	-	<b>12,297.41</b>	<b>11,105.14</b>
Minority interest	-	-	-	-	-	-	0.29	(0.03)
<b>Net Profit after tax</b>	-	-	-	-	-	-	<b>12,297.12</b>	<b>11,105.17</b>
<b>Other segment information</b>								
Segment assets	76,241.25	63,302.01	6,199.45	4,238.08	1,083.15	421.81	83,523.85	67,961.90
Unallocated assets							21,139.52	23,456.48
<b>Total assets</b>	<b>76,241.25</b>	<b>63,302.01</b>	<b>6,199.45</b>	<b>4,238.08</b>	<b>1,083.15</b>	<b>421.81</b>	<b>104,663.37</b>	<b>91,418.38</b>
Segment liabilities	30,490.17	26,742.20	2,226.84	1,429.20	502.56	319.60	33,219.57	28,491.00

	Agrochemicals		Belts		Others		Total operations	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Unallocated liabilities							5,992.57	7,352.97
<b>Total liabilities</b>	<b>30,490.17</b>	<b>26,742.20</b>	<b>2,226.84</b>	<b>1,429.20</b>	<b>502.56</b>	<b>319.60</b>	<b>39,212.14</b>	<b>35,843.97</b>
<b>Capital expenditure:</b>								
Tangible assets (Unallocated)							29.05	66.75
Intangible assets (Including IAUD)	10,138.10	8,692.68	-	-	-	-	10,138.10	8,692.68
Intangible assets (Unallocated)							-	18.50
Depreciation (Allocated)	-	-	-	-	-	-	-	-
Depreciation (Unallocated)							51.64	21.15
Amortization (Allocated)	2,267.19	2,862.01	-	-	-	-	2,267.19	2,862.01
Amortization (Unallocated)							12.33	9.76
Capital employed	45,751.08	36,559.81	3,972.61	2,808.88	580.59	102.21	50,304.28	39,470.90
Capital employed (Unallocated)							15,146.95	16,103.51

### Geographical segments

The Group's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following table presents revenue, expenditure and certain asset information regarding the Group's geographical segments:

	31-Mar-15							31-Mar-14						
Particulars	Within India	Outside India					Total	Within India	Outside India					Total
Revenue		Europe	LATAM	NAFTA	ROW	Total			Europe	LATAM	NAFTA	ROW	Total	
Sales to external customers	3,231.65	49,568.84	19,543.64	21,472.21	12,290.13	102,874.82	106,106.47	2,292.19	36,651.89	16,549.02	12,834.84	10,709.32	76,745.07	79,037.26
<b>Other segment information</b>														
Segment assets	25,760.07	45,305.09	14,066.96	13,747.55	5,783.70	78,903.30	104,663.37	25,373.55	36,144.15	11,417.16	12,832.13	5,651.39	66,044.83	91,418.38
<b>Total assets</b>														
<b>Capital expenditure:</b>														
Tangible fixed assets	11.93	10.99	6.03	0.10	-	17.12	29.05	23.33	24.49	14.06	4.87	-	43.42	66.75
Intangible assets (Including IAUD)	81.27	6,133.95	1,064.77	2,364.66	493.45	10,056.83	10,138.10	79.78	6,572.40	1,041.27	607.09	410.64	8,631.40	8,711.18

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 37. Related party disclosures

### Names of related parties and related party relationship

#### Related parties with whom transactions have taken place during the year

Key Management Personnel & 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
Mr. Jacques Ryon	Director in Sharda Europe BVBA
Mr. Anil Kumta	Director in Axis Crop Science Private Limited
Mr. Gautam S. Arora	Chief Financial Officer
Mr. Jetkin N. Gudhka	Company Secretary
Enterprises owned or significantly influenced by key management personnel or their relatives	
Associate	Jankidevi Bilasrai Bubna Trust
	Sharda Private (Thailand) Limited

### Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### a. Transactions with directors & their relatives

Particulars	₹ in Lacs	
	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>Nature of transactions:</b>		
<b>Rent paid to:</b>		
Mr. Ramprakash V. Bubna	30.34	25.28
Mrs. Sharda R. Bubna	98.60	82.16
Mr. Ashish R. Bubna	30.34	25.28
Mr. Manish R. Bubna	37.92	31.60
Mrs. Seema A. Bubna	37.92	31.60
Mrs. Anisha M. Bubna	37.92	31.60
<b>Remuneration to Key Management Personnel:</b>		
Mr. Ramprakash V. Bubna	150.00	97.50
Mrs. Sharda R. Bubna	30.00	18.75
Mr. Ashish R. Bubna	125.00	76.25
Mr. Manish R. Bubna	125.00	76.25
Mr. Anil Kumta	6.00	5.95
Mr. Gautam S. Arora	112.45	78.97
Mr. Jetkin N. Gudhka	10.59	7.46
<b>Directors' commission:</b>		
Mr. Ramprakash V. Bubna	156.65	88.00
Mr. Ashish R. Bubna	104.95	59.00
Mr. Manish R. Bubna	104.95	59.00
<b>Loan taken/(repaid) from</b>		
Mr. Anil Kumta (including interest converted into loan current year Nil (Previous year ₹1.11 lacs))	-	1.11

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
Mr. Jacques Ryon	-	18.77
<b>IPO expenses incurred on behalf of directors:</b>		
Mr. Ramprakash V. Bubna	263.84	49.34
Mrs. Sharda R. Bubna	263.84	49.31
<b>IPO expenses recovered from directors:</b>		
Mr. Ramprakash V. Bubna	265.12	48.06
Mrs. Sharda R. Bubna	265.12	48.03
<b>Fixed deposits of directors placed as lien with bank for credit facility, working capital facility and standby letter of credit:</b>		
Mr. Ramprakash V. Bubna	320.63	-
Mrs. Sharda R. Bubna	113.26	107.75
<b>Others:</b>		
Mr. Anil Kumta (Leave encashment)	0.27	-
Mr. Anil Kumta (Travel expenses)	2.96	3.61
Mr. Anil Kumta (Telephone expenses)	0.26	0.32
Mr. Anil Kumta (Interest on unsecured loan)	0.87	0.45
Sharda International DMCC acquired shares of Euroazijski Pesticidi d.o.o from Mr. Ashish Bubna	-	2.14
Sharda International DMCC acquired shares of Sharda Benelux BVBA from Mr. Ramprakash V. Bubna	-	2.67
Sharda International DMCC acquired shares of Sharda Benelux BVBA from Mrs. Sharda R. Bubna	-	2.67
Sharda International DMCC acquired shares of Siddhivinayak International Limited from Mr. Ramprakash V. Bubna	-	42.81
<b>Donations paid to:</b>		
Jankidevi Bilasrai Bubna Trust	42.00	45.50

**b. Outstanding balance as at balance sheet date**

Particulars	Year ended 31-Mar-15	(₹ in Lacs) Year ended 31-Mar-14
<b>Loan balance:</b>		
Mr. Anil Kumta	7.86	7.87
Mr. Jacques Ryon	17.20	18.65
<b>Receivable</b>		
IPO expenses receivable - Mr. Ramprakash V. Bubna	-	1.28
IPO expenses receivable - Mrs. Sharda R. Bubna	-	1.28
<b>Payable</b>		
Mr. Ashish R. Bubna (Sharda International DMCC acquired shares of Euroazijski Pesticidi d.o.o from Mr. Ashish R. Bubna)	-	2.14
Interest payable to Anil Kumta	0.78	-
<b>Fixed deposits of directors placed as lien with bank for credit facility, working capital facility and standby letter of credit:</b>		
<b>(Outstanding as at the balance sheet date)</b>		
Mr. Ramprakash V. Bubna (Lien given)	1,419.84	1,099.21
Mrs. Sharda R. Bubna (Lien given)	1,431.32	1,318.06



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 38. Capital and other commitments

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	8,898.29	5,153.41

## 39. Contingent liabilities

Particulars	(₹ in Lacs)	
	As at 31-Mar-15	As at 31-Mar-14
Bank's letter of guarantee	-	8.86
Letter of credit	3,804.05	2,225.21
Income tax matter (AY 2008-09)	-	21.26
Service tax matter (Refer note below)	785.14	785.14
Claims against Company not acknowledged as debt	337.98	436.95
<b>Total</b>	<b>4,927.17</b>	<b>3,477.42</b>

Note: Future cashflows in respect of the Service tax matter, if any, is determinable only on receipt of 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 conditions, result of operations or cashflows.

40. During the year, the Company has completed its Initial Public Offer (IPO) through an Offer for Sale of 22,555,124 equity shares at a price of ₹156 per share (including share premium of ₹146 per equity share). HEP Mauritius Ltd. (PE investor), which was holding 14,320,495 equity shares in the Company offered its entire holding in the Offer for Sale. Mr. Ramprakash V Bubna and Mrs. Sharda R Bubna offered 4,117,314 equity shares and 4,117,315 equity shares, respectively in the Offer for Sale in order to comply with SEBI's requirement of maximum holding of promoter and promoter group to 75%. Since the issue was an Offer for Sale, all the share issue expenses related to the IPO have been recovered from the selling shareholders.

## 41. Derivative instruments and unhedged foreign currency exposure

The Group, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations primarily relating to trade payables and trade receivables. The counter party is generally a bank. These contracts are for a period between one day and one year.

Foreign exchange forward contracts outstanding as at the balance sheet date:

Nature of instrument	Foreign currency	As at 31-Mar-15		As at 31-Mar-14	
		Amount (FCY Mn.)	Amount (₹ in Lacs)	Amount (FCY Mn.)	Amount (₹ in Lacs)
<b>Forward contract-sell</b>	<b>USD</b>	7.20	4,509.45	2.00	1,201.50
	<b>EUR</b>	5.20	3,515.10	2.46	2,041.03
	<b>AUD</b>	-	-	0.22	123.63
	<b>GBP</b>	-	-	0.60	596.84
	<b>HUF</b>	-	-	-	-
<b>Forward contract-buy</b>	<b>EUR</b>	-	-	-	-
	<b>USD</b>	-	-	0.25	150.19

Foreign exchange exposure outstanding as at the balance sheet date:

	Foreign currency	As at 31-Mar-15		As at 31-Mar-14	
Nature of instrument		Amount (FCY Mn.)	Amount (₹ in Lacs)	Amount (FCY Mn.)	Amount (₹ in Lacs)
Unhedged currency exposure on:-					
a) Receivable for goods	USD	14.46	9,053.36	18.28	10,980.81
	EUR	14.55	9,764.42	13.62	11,237.77
	GBP	1.49	950.47	-	-
	AUD	0.24	150.04	0.01	4.38
	PLN	22.55	3,734.18	10.78	2,134.31
	ZAR	-	-	0.24	13.40
	HUF	454.86	1,028.86	843.26	2,236.15
	CZK	13.56	334.55	10.79	325.31
	CAD	0.18	90.93	-	-
b) Payable for goods	USD	19.65	122,309.92	18.78	11,279.72
	EUR	8.85	5,982.32	6.63	5,476.92
	HUF	50.42	114.04	69.39	184.00
	CZK	1.48	36.50	2.30	69.35
	PLN	0.18	30.11	0.03	5.34
	CHF	0.00	2.46	0.01	6.37
	GBP	0.03	31.99	0.04	41.70
	PHP	0.02	0.34	-	-
	CAD	0.05	24.34	-	-
c) Payable for expenses	USD	4.93	3,085.78	7.74	4,650.50
	EUR	1.66	1,114.00	1.43	1,180.49
	GBP	0.24	188.25	0.07	67.84
	CHF	0.00	0.65	0.02	12.71
	PLN	0.18	29.38	0.19	38.53
	AUD	0.00	2.16	0.01	4.58
	ZAR	0.19	9.74	-	-
	HUF	109.68	248.08	0.41	1.08
	CZK	-	-	-	-
	PHP	0.01	0.11	0.02	0.29
	CAD	-	-	0.02	10.03

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 42. Prior period expenses

Particulars	(₹ in Lacs)	
	Year ended 31-Mar-15	Year ended 31-Mar-14
Commission on sales/purchases	-	52.58
Freight and forwarding charges (Storage fees)	-	40.57
Legal & professional charges	-	18.03
Sales & promotion expenses	-	14.26
VAT expenses	0.54	1.63
Travelling & conveyance	-	9.93
Communication expenses	-	1.84
Other expenses	-	4.52
Rates & Taxes	42.48	0.39
Office expenses	-	15.57
Bad debts/sundry balances recovered	-	(17.57)
Service tax	2.30	-
<b>Total</b>	<b>45.32</b>	<b>141.75</b>

## 43. Dividend Remitted in Foreign Exchange

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>Year of Remittance (ending on)</b>		
Year to which to relates	2013-14	2012-13
Number of Equity shares held by non resident shareholder on which dividend was due	14,320,495	14,320,495
Face value per share (₹)	10 .00	10 .00
Dividend remitted (in ₹ Lacs)	286 .41	143 .20

44. The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of Section 135 of the Companies Act, 2013 amounts to ₹205.55 Lacs. During the year, the Company has spent an amount of ₹144.88 Lacs on CSR activities for education, health care, medical relief, skill development, etc. The same is included in note 29 of the statement of profit & loss.

45. The name of the Company has been changed from Sharda Worldwide Exports Private Limited to Sharda Cropchem Limited with effect from September 18, 2013.

46. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure. Since M/s. Sharda International DMCC, the Company's wholly owned subsidiary, had acquired 100% stake in Siddhivinayak International Limited on 30th September, 2013, the previous year's figures are strictly not comparable with those of the current year.

**47. Additional information related to the subsidiaries considered in the preparation of Consolidated Financial Statements**

(₹ in Lacs)					
		Net Assets *		Share in profit or loss	
Sr. No.	Name of the Entity	As % of consolidated net assets / (liabilities )	Amount	As % of consolidated profit / (loss)	Amount
	Parent				
	Sharda Cropchem Limited	89.68%	58,694.84	79.49%	9,774.80
	Indian Subsidiaries				
1	Axis Crop Science Private Limited	0.07%	45.07	0.29%	35.83
	Foreign Subsidiaries				
2	Sharda Balkan Agrochemicals Limited	0.00%	0.39	0.03%	4.12
3	Sharda Chile SpA	0.00%	-	0.00%	-
4	Sharda Costa Rica SA	0.00%	0.00	0.00%	-
5	Sharda Cropchem Espana, S.L.	0.07%	44.33	-0.22%	(26.53)
6	Sharda Cropchem Tunisia SARL	0.00%	0.77	0.00%	-
7	Sharda De Guatemala, S. A.	0.00%	0.02	-0.00%	(0.02)
8	Sharda Del Ecuador CIA. Ltda.	0.00%	0.26	-0.00%	(0.10)
9	Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos Ltda	-0.00%	(0.04)	0.01%	1.13
10	Sharda Hellas Agrochemicals Limited	0.00%	0.35	0.03%	4.10
11	Sharda Hungary Kft	0.00%	0.36	-0.00%	(0.15)
12	Sharda International DMCC (Consolidated)	11.23%	7,349.08	21.26%	2,614.50
13	Sharda Italia SRL	0.00%	3.03	0.00%	0.40
14	Sharda Peru SAC	-0.21%	(139.70)	-0.49%	(59.91)
15	Sharda Poland SP. ZO.O	0.15%	95.33	0.73%	90.17
16	Sharda Polska SP. ZO.O.	-0.00%	(0.15)	0.00%	0.53
17	Sharda Spain, S.L.	-0.00%	(0.52)	-0.01%	(0.73)
18	Sharda Swiss SARL	0.00%	1.95	-0.00%	(0.39)
19	Sharda Taiwan Limited	0.00%	2.03	0.00%	0.02
20	Sharda Ukraine LLC	0.00%	0.04	0.00%	0.02
21	Sharda USA LLC	-0.00%	(0.08)	0.00%	0.00
22	Shardacan Limited	0.00%	-	0.00%	-
23	Shardarus LLC	0.00%	0.07	-0.00%	(0.01)
24	Shardaserb DO.O.	-0.00%	(0.23)	-0.00%	(0.18)
25	Sharzam Limited	0.00%	-	0.00%	-
	Minority Interests in all subsidiaries	-0.00%	(2.64)	-0.00%	(0.29)
	Total Eliminations	-0.98%	(643.33)	-1.14%	(140.19)
	Total	100.00%	65,451.23	100.00%	12,297.12

\* Net assets = total assets minus total liabilities

As per our report of even date

**For S. R. BATLIBOI & CO. LLP**

ICAI Firm Registration No. 301003E

Chartered Accountants

**per Vijay Maniar**

Partner

Membership Number - 36738

Place: Mumbai

Date: May 30, 2015

**For and on behalf of the board of directors of  
SHARDA CROPChem LIMITED**

**R. V. Bubna**

[Chairman & Managing Director]

**Gautam Arora**

[Chief Financial Officer]

**Ashish R. Bubna**

[Whole-time Director]

**Jetkin Gudhka**

[Company Secretary]



To,  
Karvy Computershare Pvt. Ltd  
Karvy Selenium Tower B,  
6th Floor, Plot No 31 & 32  
Financial District,  
Nanakramguda, Serilingampally Mandal  
Hyderabad – 500 032

### Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

#### General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:*	
(applicable to Corporate Shareholders)	
Tel No. with STD Code	
Mobile No.:	
Email Id:	

\* Self attested copy of the documents(s) enclosed

Bank Details	
IFSC:	
(11 digit)	
MICR:	
(9 digit)	
Bank A/c Type:	
Bank A/c. No.: *	
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/First Holder





## SHARDA CROP CHEM LIMITED

Corporate Identity No. L51909MH2004PLC145007

Registered Office: Domnic Holm, 29th Road, Bandra (West), Mumbai – 400 050

Tel. No.: 91 22 6678 2800 Fax No.: 91 22 6678 2828

Email address: co.sec@shardaintl.com Website: www.shardacropchem.com

### ATTENDANCE SLIP

#### 12th ANNUAL GENERAL MEETING ON TUESDAY, 25th AUGUST, 2015 AT 4.00 P.M.

at National Stock Exchange Auditorium, Plot no. C/1, G Block, Bandra - Kurla Complex,

B. K. C. Road, Bandra (East) Mumbai – 400 051

Registered Folio / DP ID and Client ID (applicable for investors holding shares in electronic form)	
Name and Address of the Shareholder(s)	
No. of shares held	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my/our presence at the 12th Annual General Meeting of the Company at National Stock Exchange Auditorium, Plot no. C/1, G Block, Bandra - Kurla Complex, B. K. C Road, Bandra (East) Mumbai – 400 051 on Tuesday, 25th August, 2015 at 4.00 P.M.

\_\_\_\_\_  
Member's/Proxy's Signature

#### Notes:

1. Please complete the Folio/DP ID - Client ID No. and name, sign this Attendance Slip and hand it over at the Entrance of the Meeting Hall.
2. The copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form has been sent to the email ids of the shareholders whose email ids are registered with the Company and physical copies have been posted to those shareholders individually at their registered address, whose email ids are not registered with the Company.



## SHARDA CROP CHEM LIMITED

Corporate Identity No. L51909MH2004PLC145007

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Email address: co.sec@shardaintl.com Website: www.shardacropchem.com

### PROXY FORM

[Pursuant to Section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s)	
Registered address	
Email Id	
Folio No/ DP ID- Client ID No.	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him;
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him;
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held on Tuesday, 25th day of August, 2015 at 4.00 P.M. at National Stock Exchange Auditorium, Plot no. C/1, G Block, Bandra - Kurla Complex, BKC. Road, Bandra (East) Mumbai – 400 051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	Adoption of Audited Financial Statements, Directors' and Auditors' Report for the financial year ended 31st March, 2015
2.	Adoption of Audited Consolidated Financial Statements and Auditors' Report for the financial year ended 31st March, 2015
3.	Approval of Dividend on equity shares for the financial year ended 31st March, 2015
4.	Re-appointment of Mr. Manish R. Bubna, who retires by rotation
5.	Appointment of M/s. S R B C & Co. LLP, Chartered Accounts, as Auditors and fixing their remuneration

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of shareholder: \_\_\_\_\_

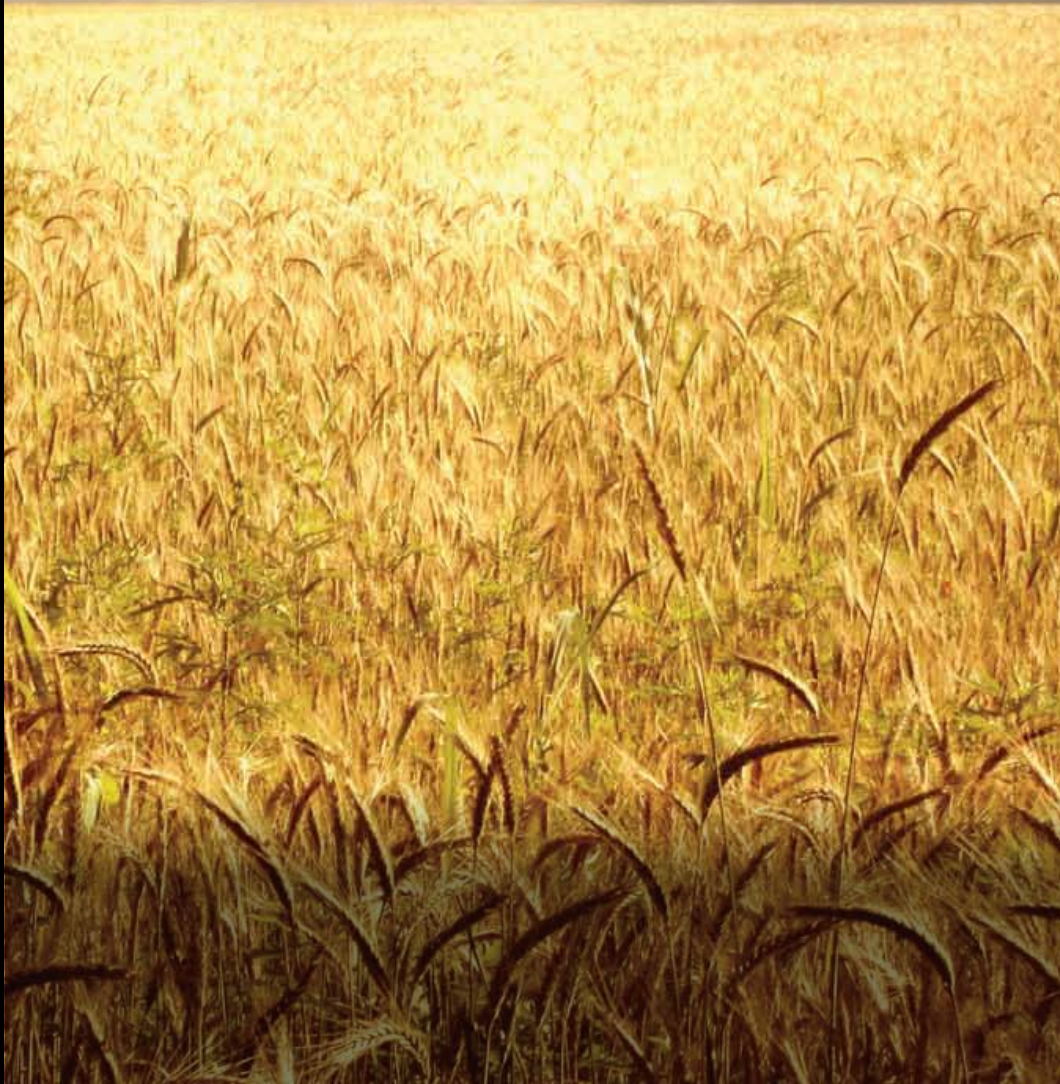
Signature of proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

#### Notes:

1. This form of proxy in order to be effective should be duly completed, stamped and deposited at the registered office of the Company at Domnic Holm, 29th Road, Bandra (West), Mumbai – 400050, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. For Resolutions and Notes, please refer to the Notice of the 12th Annual General Meeting.
4. Please complete all details including details of member(s) in above box before submission.
5. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

## NOTES







Sharda Cropchem Limited

**Registered Office:**

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29th Road, Bandra (West)  
Mumbai – 400 050  
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dickenson [www.dickensonworld.com](http://www.dickensonworld.com)