



# Directors' Report

To,  
The Members of  
M/s. SHARDA CROPICHEM LIMITED

Your Directors have pleasure in presenting their report and audited accounts for the year ended March 31, 2018.

## FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2018	FY 2017	FY 2018	FY 2017
Revenue from operations (net)	147,680.41	1,12,920.70	1,71,338.97	1,39,922.68
Other income	3,335.83	5,552.24	1,656.16	1,568.48
<b>Total Income</b>	<b>1,51,016.24</b>	<b>1,18,472.94</b>	<b>1,72,995.13</b>	<b>1,41,491.16</b>
Expenses excluding depreciation and amortisation expenses	1,15,014.70	85,861.08	1,37,282.25	1,08,690.08
Earnings before interest, tax, depreciation and amortization (EBITDA)	36,001.54	32,611.86	35,712.88	32,801.08
Depreciation and amortization expenses	6,979.72	5,614.15	6,993.93	5,625.90
<b>Profit before tax (PBT)</b>	<b>29,021.82</b>	<b>26,997.71</b>	<b>28,718.95</b>	<b>27,175.18</b>
Tax Expense	9,683.10	8,123.14	9,641.64	8,138.74
<b>Net Profit for the year</b>	<b>19,338.72</b>	<b>18,874.57</b>	<b>19,077.31</b>	<b>19,036.44</b>
Other Comprehensive Income	(3.59)	(2.4)	232.80	3.83
<b>Total Comprehensive Income</b>	<b>19,335.13</b>	<b>18,872.17</b>	<b>19,310.11</b>	<b>19,040.27</b>

## OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:

Your Company achieved an all time performance high in terms of both operating revenues and net profit. The Company's consolidated revenue from operations increased by 22.5% to ₹ 171,338.97 Lakhs in FY 2018. This was possible on account of strong growth in the NAFTA and Europe regions due to new registrations. Your Company has 2,157 registrations as at March 31, 2018.

In FY2018, Gross margins and EBITDA margins (excluding foreign exchange impact) were marginally lower at 33.2% and 20.2% respectively on account of higher procurement cost and supply constraints in China due to the clamp on manufacturers in view of environment issues. Depreciation and amortisation expense was higher due to the spend on registrations. Tight control over fixed operating and non-operating expenses enabled achieve a Consolidated PAT of ₹ 19,310.11 Lakhs.

Your Company shall continue to focus on investment in product registrations in developed countries and high growth agricultural driven economies. Your Company strongly believes that the future of agrochemicals business is in obtaining early product registrations due to the high entry barrier for new entrants.

## DIVIDEND:

During the year, your Directors declared an interim dividend of ₹ 2 per share in October, 2017 on the paid-up equity shares of the Company. Your directors have recommended a final dividend of ₹ 2 per share on the paid-up equity shares of the Company for the Financial Year ended March 31, 2018 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 record date.

## Directors' Report

The aggregate amount of Interim Dividend Distributed is ₹ 1,804.41 Lakhs.

### DIVIDEND DISTRIBUTION POLICY:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Disclosure, 2015 ("LODR") required top 500 listed companies, based on the market capitalization, to formulate Dividend Distribution Policy. In compliance of the said requirement, the Company has formulated its Dividend Distribution Policy. The Policy is uploaded on the website of the Company viz.: [www.shardacropchem.com/investor-relation.html](http://www.shardacropchem.com/investor-relation.html)

### SHARE CAPITAL:

The paid up equity share capital of the Company as on March 31, 2018 was ₹ 9,022.05 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

Further, during the year under review, 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.

During the year, the Company has taken loan from the promoter directors and the promoter directors have given necessary declarations, as required.

### SUBSIDIARY COMPANIES/ASSOCIATE COMPANIES:

#### Subsidiary Companies - Direct

##### Axis Crop Science Private Limited

Axis Crop Science Private Limited is engaged in marketing and distribution of agrochemicals in India. For the year ended March 31, 2018, the Company's total income is ₹ 1,429.94 Lakhs (Previous year: ₹ 1,846.10 Lakhs) and Loss for the year is ₹ 20.77 Lakhs (Previous year: ₹ 343.31 Lakhs).

##### Nihon Agro Service Kabushiki Kaisha

Nihon Agro Service Kabushiki Kaisha is engaged in the business of dealing in agrochemical products in Japan. For the year ended March 31, 2018, the Company's total income is ₹ 1.00 Lakhs (Previous Year: ₹ 22.75 Lakhs) and Loss for the year is ₹ 0.17 Lakhs (Previous Year: ₹ 0.36 Lakhs).

##### Sharda Agrochem Doel Skopje, Macedonia

Sharda Agrochem Doel Skopje is engaged in the business of dealing in agrochemical products in Macedonia. During the year ended December 31, 2017, the Company's total income is ₹ 25 Lakhs and Loss for the year is ₹ 0.25 Lakhs.

##### Sharda Balkan Agrochemicals Limited, Greece

Sharda Balkan Agrochemicals Limited is engaged in the business of dealing in agrochemical products in Greece. During the year ended December 31, 2017, the Company's total income is ₹ 4.13 Lakhs (Previous Year: ₹ 4.18 Lakhs) and Profit for the year is NIL. (Previous Year: NIL).

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

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

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

Sharda Cropchem Espana, S.L. is engaged in the business of distribution of agrochemical products in Spain and abroad. For the year ended March 31, 2018, the Company's total income is ₹ 5,216.61 Lakhs (Previous year: ₹ 6,274.15 Lakhs) and Loss for the year is ₹ 66.50 Lakhs (Previous year Profit: ₹ 19.10 Lakhs).

##### Sharda Cropchem Israel Limited, Israel

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

##### Sharda Cropchem Tunisia SARL, Tunisia

Sharda Cropchem Tunisia SARL is engaged in the business of dealing in agrochemical products in Tunisia. For the year ended December 31, 2017, the Company's total income is ₹ 0.16 Lakhs and Profit for the year is ₹ 0.03 Lakhs.

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

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

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

Sharda Del Ecuador CIA. Ltda. is engaged in the business of dealing in agrochemical products in Ecuador. For the year ended December 31, 2017, the Company's total income is ₹ 32.45 Lakhs (Previous Year: ₹ 10.75 Lakhs) and Loss for the year is NIL (Previous year: ₹ NIL).

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

Sharda Do Brasil Comercio De Produtos Quimicos E Agroquimicos Ltda is engaged in the business of dealing in agrochemical products in Brazil. During the year ended December 31, 2017, there are no revenues and Loss for the year is ₹ 14.13 Lakhs (Previous year: ₹ 17.34 Lakhs).

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

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

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

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

**Sharda Hellas Agrochemicals Limited, Greece**

Sharda Hellas Agrochemicals Limited is engaged in the business of dealing in agrochemical products in Greece. For the year ended December 31, 2017, the Company's total income is ₹ 4.13 Lakhs (Previous Year: ₹ 4.18 Lakhs) Profit for the year is NIL (Previous year: ₹ NIL).

**Sharda Hungary Kft, Hungary**

Sharda Hungary Kft is engaged in the business of dealing in agrochemical products in Hungary. For the year ended March 31, 2018, the Company's total income is ₹ 6716.96 Lakhs (Previous year: ₹ 5633.48 Lakhs) and Profit for the year is ₹ 276.67 Lakhs (Previous year: ₹ 106.38 Lakhs).

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

Sharda International DMCC is engaged in trading in agrochemicals, conveyor belts and chemicals. For the year ended March 31, 2018, the Company's total income is ₹ 24,696.87 Lakhs (Previous year: ₹ 22,634.25 Lakhs) and Profit for the year is ₹ 4,062.27 Lakhs (Previous year: ₹ 3,913.59 Lakhs).

**Sharda Italia SRL, Italy**

Sharda Italia SRL is engaged in the business of dealing in agrochemical products in Italy. For the year ended March 31, 2018, the Company's total income is ₹ 808.99 Lakhs (Previous Year: ₹ 4.02 Lakhs) and Profit for the year is ₹ 74.40 Lakhs (Previous year: ₹ 2.67 Lakhs).

**Sharda Peru SAC, Peru**

Sharda Peru SAC is engaged in the business of dealing in agrochemical products in Peru. For the year ended December 31, 2017, the Company's total income is NIL (Previous Year: ₹ 1.31 Lakhs) and Loss for the year is ₹ 54.67 Lakhs (Previous year: ₹ 39.35 Lakhs).

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

Sharda Poland SP. ZO.O. is engaged in the business of distribution of agrochemical products in Poland and abroad. For the year ended March 31, 2018, the Company's total income is ₹ 3,966.75 Lakhs (Previous year: ₹ 3,365.25 Lakhs) and Profit for the year is ₹ 124.90 Lakhs (Previous year: Loss ₹ 101.37 Lakhs).

**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 December 31, 2017, the Company's total income is ₹ 4.07 Lakhs (Previous Year: ₹ 3.99 Lakhs) and Profit for the year is ₹ 0.11 Lakhs (Previous year: ₹ 0.10 Lakhs).

**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 December 31, 2017, the Company's total income is ₹ 7.02 Lakhs (Previous Year: ₹ 7.28 Lakhs) and Loss for the year is ₹ 0.33 Lakhs (Previous year: ₹ 0.68 Lakhs).

**Sharda Swiss SARL, Switzerland**

Sharda Swiss SARL is engaged in the business of dealing in agrochemical products in Switzerland. For the year ended December 31, 2017, the Company's total income is ₹ 1.07 Lakhs (Previous Year: ₹ 1.04 Lakhs) and Loss for the year is ₹ 0.08 Lakhs (Previous year: ₹ 0.17 Lakhs).

**Sharda Taiwan Limited, Taiwan**

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

**Sharda Ukraine LLC, Ukraine**

Sharda Ukraine LLC is engaged in the business of dealing in agrochemical products in Ukraine. For the year ended December 31, 2017, the Company's total income is ₹ 7.02 Lakhs (Previous Year: ₹ 3.52 Lakhs) and Profit for the year is ₹ 0.05 Lakhs (Previous year: ₹ 0.11 Lakhs).

**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.

**Shardaserb DO.O., Serbia**

Shardaserb DO.O. is engaged in the business of dealing in agrochemical products in Serbia. For the year ended December 31, 2017, the Company's total income is ₹ 2.66 Lakhs (Previous Year: ₹ 2.91 Lakhs) and Loss for the year is ₹ 0.27 Lakhs (Previous year: Profit ₹ 0.23 Lakhs).

**Sharzam Limited, Zambia**

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

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

Sharda Private (Thailand) Limited is engaged in the business of dealing in agrochemical products in Thailand. For the year ended March 31, 2018, the Company's total income is ₹ 92.59 Lakhs (Previous Year: ₹ 0.02 Lakhs) and Loss for the year is ₹ 8.96 Lakhs (Previous year: ₹ 1.23 Lakhs).

## Directors' Report

### Sharda Morocco SARL, Morocco

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

### SUBSIDIARY COMPANIES – INDIRECT

#### 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 March 31, 2018, the Company's total income is ₹ 24.38 Lakhs (Previous Year: ₹ 57.90 Lakhs) and Loss for the year is ₹ 5.16 Lakhs (Previous year: ₹ 14.91 Lakhs).

#### Sharda Benelux BVBA, Belgium

Sharda Benelux BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended December 31, 2017, there are no revenues and Loss for the year is ₹ 0.60 Lakhs (Previous year: ₹ 1.28 Lakhs).

#### Sharda Bolivia SRL, Bolivia

Sharda Bolivia SRL is engaged in the business of dealing in agrochemical products in Bolivia. For the year ended March 31, 2018, the Company's total income is 0.15 (Previous year: ₹ 0.14 Lakhs) and Loss for the year is ₹ 3.06 Lakhs (Previous year: Profit ₹ 5.37 Lakhs).

#### Sharda Colombia S.A.S., Colombia

Sharda Colombia S.A.S. is engaged in the business of distribution of agrochemical products in Colombia and abroad. For the year ended March 31, 2018, the Company's total income is ₹ 856.86 Lakhs (Previous year: ₹ 1,152.67 Lakhs) and Profit for the year is ₹ 41.52 Lakhs (Previous year: ₹ 132.91 Lakhs).

#### Sharda De Mexico S. De RI De CV, Mexico

Sharda De Mexico S. De RI De CV is engaged in the business of distribution of agrochemical products in Mexico and abroad. For the year ended March 31, 2018, the Company's total income is ₹ 5,370.99 Lakhs (Previous year: ₹ 4,331.21 Lakhs) and Loss for the year of ₹ 725.61 Lakhs (Previous year' Profit: ₹ 270.39 Lakhs).

#### Sharda Europe BVBA, Belgium

Sharda Europe BVBA is engaged in the business of dealing in agrochemical products in Belgium. For the year ended March 31, 2018, the Company's total income is ₹ 10.79 (Previous Year: NIL) and Profit for the year is ₹ 7.49 Lakhs (Previous year: Loss of ₹ 1.11 Lakhs).

#### Sharda International Africa (Pty) Limited, South Africa

Sharda International Africa (Pty) Limited is engaged in the business of dealing in agrochemical products in South Africa. For the year ended March 31, 2018, the Company's total income is ₹ 840.19 Lakhs (Previous year: ₹ 475.09 Lakhs) and Profit for the year is ₹ 181.66 Lakhs (Previous year: ₹ 0.83 Lakhs).

### 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 March 31, 2018, the Company's total income is ₹ 2.59 Lakhs (Previous Year: ₹ 0.86 Lakhs) and Loss for the year is ₹ 0.33 Lakhs (Previous year: ₹ 0.30 Lakhs).

### 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 March 31, 2018, the Company's total income is NIL (Previous Year: ₹ 0.52 Lakhs) and Loss for the year is ₹ 0.38 Lakhs (Previous year: Profit ₹ 0.14 Lakhs).

### Sharpar S.A., Paraguay

Sharpar S.A. is engaged in the business of dealing in agrochemical products in Paraguay. For the year ended December 31, 2017, the Company's total income is ₹ 12.70 Lakhs (Previous Year: ₹ 12.15 Lakhs) and Profit for the year is ₹ 0.33 Lakhs (Previous year: Loss of ₹ 0.21 Lakhs).

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

Siddhivinayak International Limited is engaged in the business of trading and investments in U.A.E. and abroad. For the year ended March 31, 2018, there are no revenues and Loss for the year is ₹ 4.27 Lakhs (Previous year: ₹ 4.22 Lakhs).

During the year, Sharda Chile SpA has been dissolved.

From AOC.1 is annexed to this report as **Annexure 1**

### MATERIAL SUBSIDIARY

The Company does not have any Material Indian Subsidiary as per the parameters laid down by the Companies Act, 2013.

### RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during the Financial Year were on arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website viz. [www.shardacropchem.com/investor-relation.html](http://www.shardacropchem.com/investor-relation.html)

Since all the Related Party Transactions entered into by the Company are in the ordinary course of business and on arm's length basis, Form AOC-2 is not applicable to the Company. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.



## DIRECTORS

As on March 31, 2018, the Company has Nine (9) Directors consisting of Five (5) Independent Directors, Three (3) Executive Directors and One (1) Chairman & Managing Director.

### 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 are appointed for a term of five years and are not liable to retire by rotation.

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

### Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Regulations, a Company shall have at least one Woman Director on the Board of the Company. Your Company's Board is represented by two Woman Directors, Mrs. Sharda R. Bubna and Mrs. Urvashi Saxena.

### Directors Retiring by Rotation

In accordance with the provisions of Section 196, 197, 203 of the Companies Act, 2013, all the existing Executive Directors and Chairman & Managing Director's term of 5 years will be completed and all existing Executive Directors and Chairman & Managing Director's re-appointment is sought from the shareholders in forthcoming Annual General Meeting.

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

### Appointment/Resignation of the Key Managerial Personnel

There has been no change in the Key Managerial Personnel during the year.

### 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 four times during the FY 2017-18 viz, May 22, 2017, July 29, 2017, October 26, 2017 and January 25, 2018.

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

## 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. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee.

The details with respect to the composition, powers, roles, terms of reference, etc. of the aforesaid committees are given in details in the "Report on Corporate Governance" of the Company which forms part of the Annual Report.

## PERFORMANCE EVALUATION OF THE BOARD

In compliance with the provisions of the Companies Act, 2013 and Regulation 25(4)(a) of the SEBI Regulation, annual performance evaluation of the Board and its Directors individually was carried out. Various parameters such as the Board's functioning, composition of its Board and Committees, execution and performance of specific duties, obligations and governance were considered for evaluation.

The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was also carried out by the Board.

The Board of Directors expressed their satisfaction with the evaluation process.

## FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

Pursuant to the SEBI regulations, the Company has worked out a Familiarization programme for the Independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc.

Through the Familiarization programme, the Company apprises the independent directors about the business model, corporate strategy, business plans and operations of the Company. Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices.

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Details of Familiarization programme of Independent Directors with the Company are available on the website of the Company [www.shardacropchem.com/investor-relation.html](http://www.shardacropchem.com/investor-relation.html)

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As required by Section 135 of the Companies Act, 2013, the Company is required to spend 4,67,20,060/- towards CSR activities out of which during the year, the Company has spent ₹ 3,45,52,249/-. The reason for not spending the entire amount is disclosed in Annexure - 2.

The Corporate Social Responsibility (CSR) Committee have confirmed that unspent amount for the year March 31, 2018 will be spent next year together with next Financial Years budget.

The CSR initiatives taken up by the Company are in the areas of promoting education, medical relief, eradicating hunger, empowerment of women, animal welfare, promotion of Olympic sports and rural development projects. These projects are in accordance with the activities included in Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The Annual Report on CSR activities forms a part of this Report as **Annexure - 2**

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system. All these controls were operating effectively during the year.

The Company has adequate internal financial controls. During the year, such controls were tested to find out any weaknesses in them. Services of professional consultants were obtained to remove such weaknesses and ensure robust internal financial controls and to ensure that these controls are operating effectively.

The Company is complying with all the applicable Indian Accounting Standards (Ind AS). The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

### RISK MANAGEMENT POLICY

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

### REMUNERATION POLICY

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

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(e) of the SEBI Regulations, 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 Whistleblower Policy has been posted on the Company's website at [www.shardacropchem.com/investor-relation.html](http://www.shardacropchem.com/investor-relation.html)

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

The Company has in place a policy for Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. This Policy has been uploaded on the website of the Company. The Company has not received any complaint of sexual harassment during the Financial Year 2017-2018.

### AUDITORS

#### a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, M/s. S R B C & CO LLP, (Firm No. 324982E/E300003) Chartered Accountants, were appointed as the Statutory Auditor of the Company to hold office from the Conclusion of the Twelfth Annual General Meeting until the conclusion of the Fifteenth Annual General Meeting of the Company.

Since M/s. S R B C & CO LLP, (Firm No. 324982E/E300003) Chartered Accountants will complete their tenure of ten years upon conclusion of forthcoming Annual General Meeting (AGM). The Company proposes to appoint M/s. B S R & Associates LLP Chartered Accountants, (Firm Registration No 116231W/W-100024) as Statutory Auditor of the Company for the period of 5 years commencing from the conclusion of forthcoming AGM till the conclusion of 20<sup>th</sup> AGM to be held in



the year 2023 (subject to ratification of appointment at every AGM, if required by the Act).

The Statutory Auditor has given an un-modified audit report for the Financial Year ended March 31, 2018.

#### b) **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. C. J. Goswami & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report is annexed to this report as **Annexure – 3**.

The Board of Directors, in their report for the Financial Year 2016-2017, inadvertently failed to comment on the observations raised by the Secretarial Auditor and the same has been qualified by the Auditor in their report for the Financial Year 2017-2018.

### **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 Regulation 43(3) and Schedule V of the SEBI Regulations, together with a certificate from M/s. C. J. Goswami & Associates, a firm of Company Secretaries in Practice, confirming compliance to the conditions as stated in Regulation 34(3) of the SEBI Regulations forms part of this Annual Report.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder are given in the notes to Financial Statements.

### **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company prepared in accordance with the Indian GAAP, applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014 form 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**

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

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in 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 preparation of the Annual Financial Statements for the year ended March 31, 2018; the applicable accounting standards have been followed alongwith 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 March 31, 2018 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.

## Directors' Report

### 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 Lakhs)	
	Year ended 31-Mar-18	Year ended 31-Mar-17
Foreign Exchange Earnings	1,49,159.70	1,21,071.49
Foreign Exchange Outgo	1,09,199.30	1,02,986.83

### LISTING OF THE COMPANY'S EQUITY SHARES

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

For **Sharda Cropchem Limited**

**Ramprakash V. Bubna**

Chairman & Managing Director  
(Din: 00136568)

Place: Mumbai  
Date: May 09, 2018