



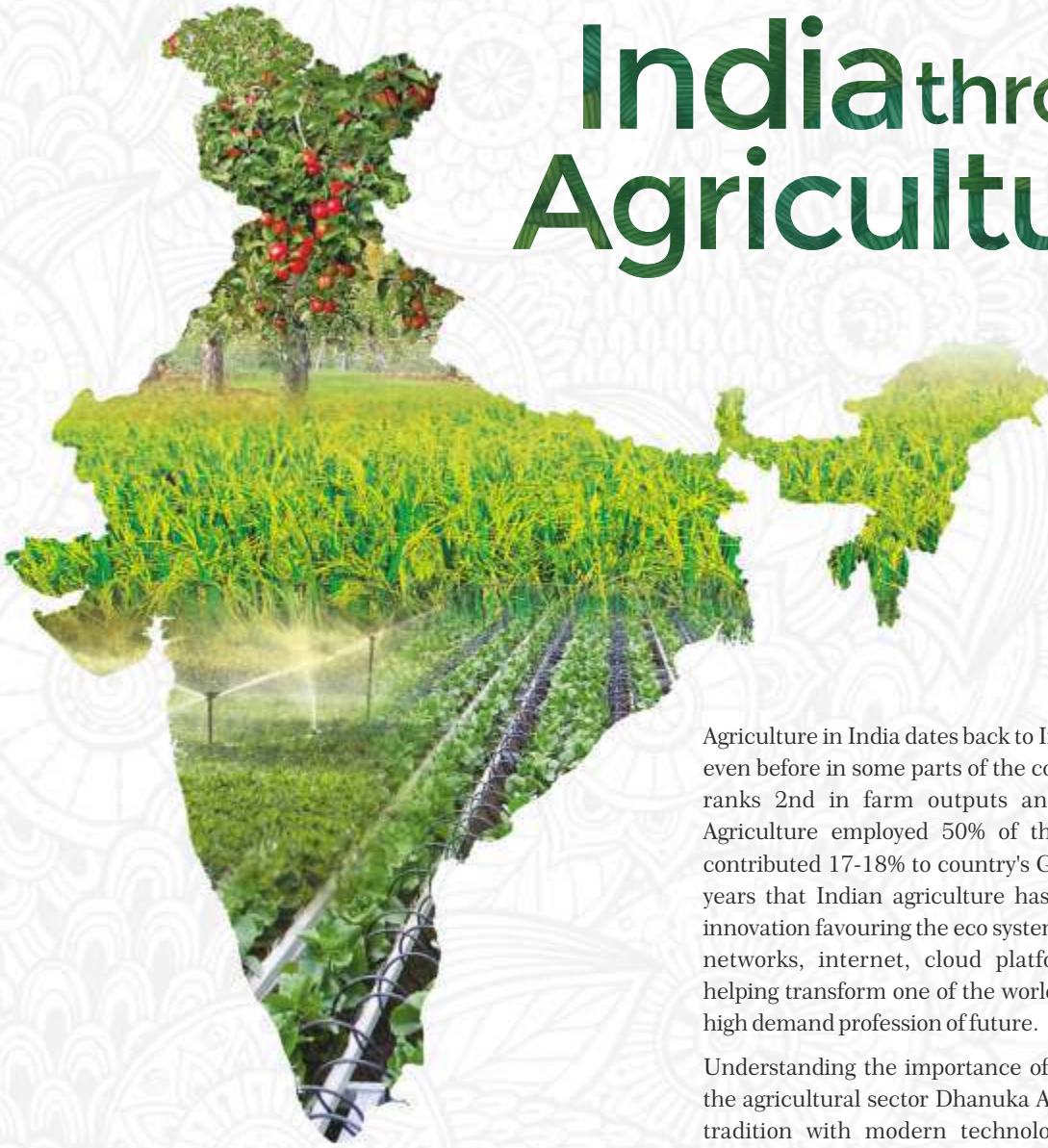
Dhanuka Agritech Limited

TRANSFORMING INDIA Through **Agriculture**



35th Annual Report 2019-20

Transforming India through Agriculture



Agriculture in India dates back to Indus Valley Civilization and even before in some parts of the country. Today, globally India ranks 2nd in farm outputs and as per recent reports, Agriculture employed 50% of the Indian work force and contributed 17-18% to country's GDP. It is evident in last few years that Indian agriculture has seen boom due to digital innovation favouring the eco system. The absorption of mobile networks, internet, cloud platforms, Automation etc. is helping transform one of the world's oldest occupation into a high demand profession of future.

Understanding the importance of developing and reforming the agricultural sector Dhanuka Agritech Ltd. is merging the tradition with modern technology for strengthening the backbone of Indian economy. Dhanuka Agritech Limited with more than 150 registrations including Herbicides, Insecticides, Fungicides and Plant Growth Regulators /Bio-Stimulants and with over 350 active SKUs has one of the most extensive market penetration in Agrochemical Industry. The Company has solutions for all major crops grown in the country including cotton, paddy, wheat, sugarcane, pulses, fruits & vegetables, plantation crops and others. The Company's impetus is on marketing quality and eco-friendly chemistry which comply with ICM/IPM, and is safe for humans and flora & fauna. Dhanuka has also developed several Public-Private and Private-Private partnerships for agricultural extension projects which are accelerating the transfer of improved agriculture technology to the Indian farming community.

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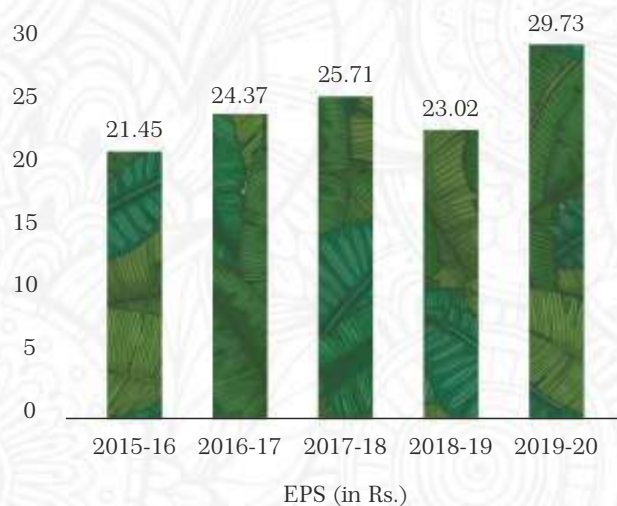
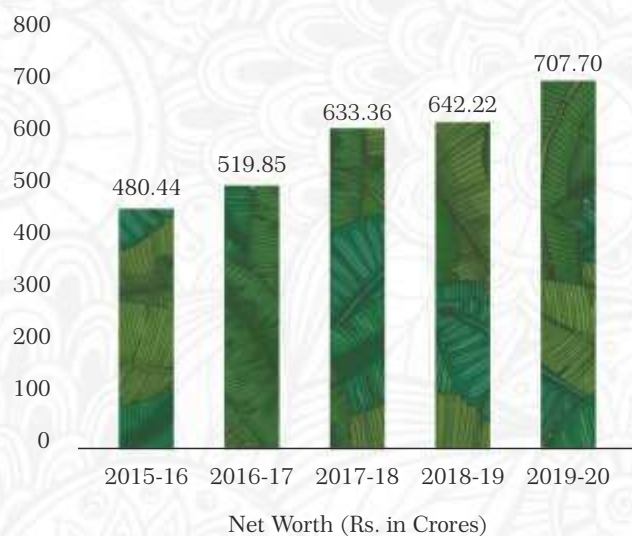
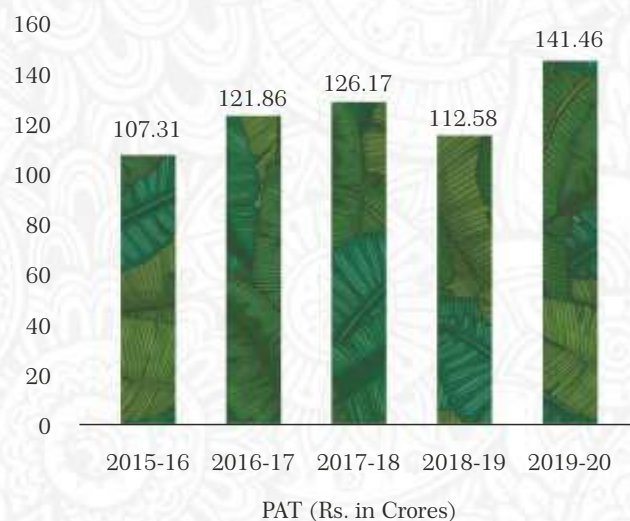
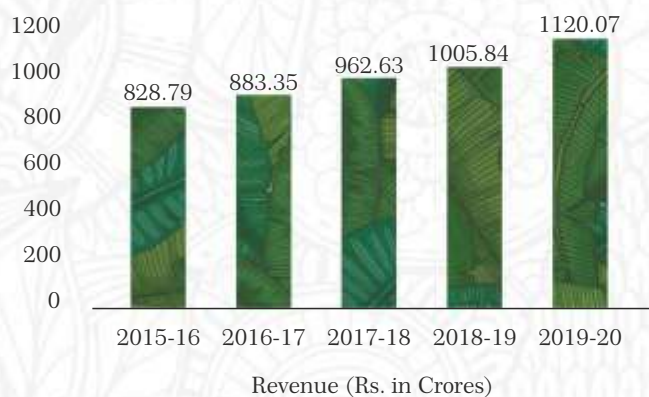
Notice to the Members

Financial Highlights



Year	Revenue (Rs. in Crores)	PAT (Rs. in Crores)	Net Worth (Rs. in Crores)	EPS (in Rs.)	EBIDTA (Rs. in Crores)	EBIDTA Margin	PAT Margin
2015-16	828.79	107.31	480.44	21.45	152.35	18.38	12.95
2016-17	883.35	121.86	519.85	24.37	187.38	21.21	13.80
2017-18	962.63	126.17	633.36	25.71	182.09	18.92	13.11
2018-19	1005.84	112.58	642.22	23.02	167.20	16.62	11.19
2019-20	1120.07	141.46	707.70	29.73	198.56	17.73	12.63

Note: All above figures are based on Audited Standalone Financial.



Notes :

1. Revenue from Operations (Net of Excise) increased by 11.36% from 1,00,5.84 Crores in 2018-19 to 1,120.07 Crores in 2019-20.
2. Profit before tax increased by 17.34% from 153.95 Crores in 2018-19 to 180.64 Crores in 2019-20.
3. Operating Profit before tax increased by 17.56 % from 133.64 Crores in 2018-19 to 157.11 Crores in 2019-20.
4. Net profit Increased by 25.66% from 112.58 Crores in 2018-19 to 141.47 Crores in 2019-20.
5. The Company reported an EPS of Rs. 29.73 in 2019-20 compared to Rs. 23.02 in 2018-19.

Note : All above figures are based on Standalone Financial.

Going Beyond the Borders

Dhanuka's aspiration of "Transforming India through Agriculture" warrants the use of best technologies from across the globe, to be adopted by the Indian farming community. Dhanuka being the architect of this dream, seek new opportunities, new solutions and drives beyond the borders. The Company has collaborated with the best technology providers in the world to bring quality solutions to India's farmlands.



Strategic Partnerships



Contact Information

Board of Directors

Mr. Ram Gopal Agarwal, Chairman
Mr. Mahendra Kumar Dhanuka, Managing Director
Mr. Arun Kumar Dhanuka, Executive Director
Mr. Rahul Dhanuka, Executive Director
Mr. Mridul Dhanuka, Non-executive Director
Mr. Harsh Dhanuka, Executive Director
Mr. Ashish Saraf, Executive Director
Mr. Sachin Kumar Bhartiya, Independent Director
Mr. Priya Brat, Independent Director
Mr. Vinod Kumar Jain, Independent Director
Mr. Sanjay Saxena, Independent Director
Ms. Namrata Gupta, Independent Director
Mr. Bajrang Lal Bajaj, Independent Director
Mr. Siraj Azmat Chaudhry, Independent Director

President & Chief Financial Officer

Mr. Vinod Kumar Bansal
14th Floor, Building 5A, DLF Epitome, Cyber City,
DLF Phase III, Gurugram-122002, Haryana
Phone Nos.: (0124) 3838500

Company Secretary & Compliance Officer

Mr. Jitin Sadana
14th Floor, Building 5A, DLF Epitome, Cyber City,
DLF Phase III, Gurugram-122002, Haryana
Phone Nos.: (0124) 3838500
E-mail: investors@dhanuka.com

Internal Auditors

Manoj Ritu & Associate
Chartered Accountants
322, Vardhman Diamond Plaza
Motia Khan, New Delhi - 110055

Cost Auditors

M/s. S. Chander & Associates
Cost Accountants
2nd 212, II Floor, Sarai Pipal Thala, G.T.
Karnal Road, Azadpur, Delhi – 110033

Statutory Auditors

M/s. S.S. Kothari Mehta & Co.
Chartered Accountants
Plot No - 68, First Floor, Phase -3,
Okhla Industrial Area, New Delhi - 110020

Secretarial Auditors

M/s. R&D
Company Secretaries
785, Pocket E, Mayur Vihar II, New Delhi - 110091

Registrar and Transfer Agents

M/s. Abhipra Capital Limited
Abhipra Complex, A-387, Dilkhush Industrial Area,
G.T. Karnal Road, Azadpur, Delhi - 110033
Phone Nos. : (011) 42390909/708/783
E-mail : info@abhipra.com, rta@abhipra.com
Website : www.abhipra.com

Bankers

The Hongkong & Shanghai
Banking Corporation Limited
HDFC Bank Limited

Listing

BSE Ltd.
National Stock Exchange of India Limited

Reflection from the Chairman

It is my great privilege and honour to write to you as the Chairman of the Board of Dhanuka Agritech Limited. I would like to share my views on the Indian agricultural sector and the critical role played by Dhanuka to enhance livelihood of farmers.

Reflecting on 2019, it was a year of hits and misses for India's agrarian economy. Gross value added by the agriculture and allied sectors stood at approximately Rs.18.55 lac crores in 2019-20, a growth of 2.7% over the previous year. Despite the sectoral slowdown in 2019 after a brief period of improvement, Indian agriculture is on the cusp of major growth. Total food grain production was higher in 2019-20, estimated at 291.95 million tonnes. Food Corporation of India reported the highest food grain stock in 2019 compared to the previous four years. It is anticipated that next year's food stock will even exceed the previous year's record. Indian cotton prices were competitive globally in 2019-20 and the global consumption of cotton is projected to recover going forward.

The outbreak of COVID-19 pandemic came at a time when Indian agriculture was showing signs of revival after a long streak of monsoon deficit and crop failures. The crisis caused by COVID-19 led to the imposing of a nationwide lockdown by the Government of India. This temporarily impacted consumer demand and supply chain across the country. To provide relief against the economic impact of COVID-19, the Prime Minister of India announced a stimulus package "Atmanirbhar Bharat" worth approximately Rs. 20 lac crores to ensure the upkeep of the Indian economy.

Micro, Small, and Medium Enterprises, which employs over 11 crore people and form the backbone of our economy, were the first to receive relief measures. The lockdown resulted in a reverse migration of labourers from big cities to rural areas. To ensure their livelihood, Garib Kalyan Rozgar Yojana was announced to offer them employment with a major focus on districts which recorded the highest migration. The third set of relief measures was announced towards agriculture and allied sectors to strengthen the rural economy. Proactive measures taken by the government will ensure sustained development of agriculture and allied sectors and other small and medium businesses.

Despite the challenges presented by COVID-19 to economic activities in India, I am very pleased to inform you that the agrochemical industry has witnessed record sales in recent months in anticipation of good monsoon season and higher crop cultivation. Agriculture is one of the brighter spots in the Indian Economy with the potential to deliver strong growth despite obstacles posed by the nationwide lockdown.

It is very encouraging to see that there has been a renewed focus on development goals in agriculture. There is a big thrust towards driving digital innovations to improve farm yields and bring more efficiencies in the sector. Improvement in overall infrastructure, supply chain, logistics and distribution through digital initiatives will reap significant benefits to the entire farm ecosystem in the long run. Also, initiatives by the government to encourage direct selling and the industry's efforts to look at online retailing as a part of broader digital initiatives are key triggers for long term sustainable development of the agriculture sector.

It is equally important for us to prioritize our natural resources while we drive growth initiatives. The industry has consciously taken efforts towards optimum utilization of water and using advanced techniques such as drip irrigation to encourage sustainable farming practices. To summarise, the favourable monsoon season should result in a strong harvest season for the Kharif crop and it will certainly be a huge boost for the Indian Economy.

I wish to reassure you that, we at Dhanuka, are fully committed towards serving the Indian farmer. Being India's leading Agrochemical Company, we are at the forefront of introducing digital solutions and innovations, streamlining policies, and collaborating with ingenious entities to boost integration of technology across business segments.

On 22nd March 2020, we continued with our annual tradition of celebrating World Water Day which we started a decade ago through our successful digital media campaign "har boond keemti hai". We continue to walk the same path with the government to achieve India's aspiration of doubling farmers' income by 2022-23. We consider ourselves responsible towards securing the farmer's welfare and preserving the food security of the nation. We continue to strengthen our association with the farmer producer organisations (FPOs), Krishi Vigyan Kendras (KVKs) and other critical institutions to increase our business expertise and boost our market presence. With well-designed strategies, programs, resources, crop solutions and the introduction of the latest molecules and technologies, we are well poised to achieve the objective of "Transforming India through Agriculture". Inspired by this vision, our long-term value and delight creation strategy remains intact.

With our constant endeavor towards achieving excellence, we continue to demonstrate our ability to overcome challenges and emerge stronger despite challenges and uncertain business environment. Your Company continues its strong legacy of providing world-class crop solutions, best in class digital innovations and superior supply chain management. We have a strong belief in our efforts towards achieving long term goals for the Company and express deep gratitude to all our stakeholders while we improve the lives of farmers.

R.G. Agarwal
Group Chairman



Managing Director

I would like to share my perspective on the landscape of the Indian agriculture sector and the key strategic initiatives of Dhanuka Agritech. As you all are aware, agriculture employs nearly half of the total workforce in India. We have witnessed a steady rise in the production of key crops such as wheat, rice, pulses, sugarcane, and cotton. Rice and wheat, being two of the most dominant crops in terms of market share, contributed 117.47 million tonnes and 106.21 million tonnes, respectively. Total pulse production was estimated at 23.02 million tonnes in 2019-20 which was higher than the five year average of 20.26 million tonnes. All these factors translated into a promising scenario for the entire agriculture industry in the current financial year.

The outbreak of COVID-19 brought about a minor blip in the much-anticipated recovery from the subdued crop prices. Despite the nationwide lockdown imposed towards the end of March this year, agriculture and allied sectors were exempted from major restrictions being part of essential activities. The harvest season of crops planted in the winter season in North and Central India such as wheat, lentils, pulses, and oilseeds coincided with the lockdown. We have witnessed a record harvest this year after a very favorable monsoon season.

Despite the challenges which many states encountered due to labour shortage in the times of COVID-19 pandemic, the farmers of Punjab set a great example to the rest of the country by using direct-seeded rice (DSR) method of crop establishment. DSR practice in paddy and maize cultivation helped tackle labour shortage and saved

groundwater. Further, the 50% subsidy announced by the government on farm machinery helped farmers save money.

At Dhanuka, we encourage innovation and digitally-enabled practices for improving farm productivity. Our best in class platform helped in reducing inventory loss, smooth fund transfers and matched demand and supply effectively which immensely benefited the entire value chain. Automated order processing and robust digital infrastructure ensured the timely delivery of crop solutions to our end customers. We consciously take efforts to make sure the farmers are prudent and punctual in using our solutions so that they benefit monetarily from higher yields.

India recently witnessed the worst locust swarm attack in 27 years, which affected close to 90,000 hectares of farmland in 20 districts of Rajasthan. Favorable rain-bearing winds brought them towards India. Being an integral part of the agrochemical industry, it is our responsibility to tackle this rapidly growing swarm before it adversely impacts the agriculture sector. We, at Dhanuka, have the most effective solutions to control the outbreak of locust. Our locust controlling crop solutions if applied judiciously through ultra-low volume (ULV) sprayer will reap substantial benefits to farmers.

Another cause of concern for farmers has been the fall armyworm infestation which has been a major threat to our farmland. We have taken Suraksha Sankalp to protect India's arable land from the fall armyworm. We have listed molecules in our portfolio which are effective against the fall armyworm and provide extensive crop solutions for countless pest/disease-related problems given very promising results. During the kharif season, we continue to build awareness through our vast experience and extend support through our valuable services to promote our crop solutions.

A positive outlook for the monsoon this year is a very promising sign for the Indian economy. We are very hopeful that the agriculture sector will remain unharmed in FY2021 despite the impact of the COVID-19 pandemic. Favorable rainfall in Central India has led to a big surge in sowing patterns. Paddy is up 39%, oilseed plantations have grown over three times, cultivation of pulses has quadrupled, and soyabean has increased over five times since last year. These are very encouraging signs and we are on the verge of witnessing one of the best seasons in recent history for our agrarian economy. Dhanuka is well geared to offer integrated crop management solutions which help in attaining higher crop yields which boosts farmers' income. We are focused on effectively expanding our market coverage, ensuring the availability of our solutions across touchpoints, and offering our best products and services. I reassure our shareholders that we are committed to the task of transforming the landscape of agriculture in India and will play an integral role in rewriting the future of a better and new India.

M. K. Dhanuka
(Managing Director)