Annual Report 2016-2017 **UPL Limited**

Doing things better!

UPL Limited. Farmers. Prosperity.

At UPL Limited, we are driven by two objectives.

Enhance farm viability

Enrich farmer prosperity.

Inside the document

Prosperity across 130+ countries.

UPL's overarching objective has generated heartening results.

In FY2017, even as the global crop protection chemical industry contracted 2.5%, UPL Limited grew revenues 17%.

What's good for farmers is good for shareholders.

-2.5% Growth of global agrochemicals sector, CY2016

+17% Growth in UPL revenues, FY2017

Doing thing better.

UPL could have been happy cloning products of innovators.
We chose to innovate off-patent products.

UPL could have been happy making generic products.
We selected to make branded generics instead.

UPL could have been content marketing products in India.
We ventured to market products in more than 130 countries (six continents) instead.

UPL could have manufactured products in its Indian plants.
We established a manufacturing footprint in 33 locations across the world instead.

UPL could have outsourced research and focused on marketing.
We invested in research to provide complete crop solutions instead.

UPL could have developed me-too products.
We invested in developing unique combinations, mixtures and formulations.

UPL could have focused on a handful of products.
We created a diversified portfolio of products for a wide range of crops.

UPL Limited.

More than just an agrochemical product manufacturer.

A one-stop crop protection solutions provider.

More than just a company matching global sectoral growth.

A company that has created value for its customers and all stakeholders.

Vision

To be a world-class organisation by enhancing value for customers and other stakeholders, by caring for employees to inspire their engagement as a motivated team in an open and learning environment, by setting new performance standards and by focusing on total quality control, innovation and responsive care towards the environment.

Mission

Manufacturing and supplying crop protection and specialty chemicals worldwide, by providing solutions to optimise farm productivity for the farmer through innovative and cost-effective products, to provide the customer with better value for money.

Solutions-driven

UPL's large basket of crop protection chemical products safeguards crops against pest infestations. Over the years, UPL has extended beyond crop protection chemicals; the company has diversified its portfolio across seeds, seed treatment solutions, post-harvest solutions and industrial chemicals.

Widening value chain

UPL has extended across the sectoral value-chain: R&D, registrations, manufacture, packaging and marketing. The result is that the company has emerged as one of the most comprehensive crop protection chemical companies in the world.

Entrenched presence

UPL has established its footprint across more than 40 countries and six continents; the company enjoys a visible presence in key agro-based economies (India and Brazil for instance). This 'glocal' approach has helped mitigate the risk of an excessive dependence on a single country or region.

Core values

Changing the game	Fostering a passion for excellence	Nurturing the environment	Energising employees
• Challenge the status quo	• Set high standards in everything we do	• Ensure high standards of compliance and safety	• Provide a stimulating environment to help employees learn and grow
• Anticipate the future and be adaptive to change	• Strive to achieve qualitative excellence	• Follow sustainable environment practices	• Promote teamwork
• Develop innovative solutions for customers	• Maximise productivity through efficient processes		• Focus on competence development and career growth
• Ensure lowest-cost manufacturing operations across the globe	• Respond promptly to customer needs		• Respect people and care for them

Awards and achievements

2012
Agriculture Leadership Award for Mr. Rajju Shroff and Mr. Vikram Shroff

2013
Ernst & Young 'Entrepreneur of the Year' award

2015
Lifetime Achievement Award by AGROW for Mr. Rajju Shroff

2016
First position in the agrochemical Sector for UPL (Dun & Bradstreet's Top 500 Companies in 2016)

2017
IIRIM – India Green Manufacturing Challenge 2016 – Silver and Special award (Unit 2)

Milestones

1969
Started manufacturing red phosphorus

1976
- Entered the agrochemicals sector
- Started exporting products

1980
Started production of yellow phosphorus at Ankleshwar

1994
- Acquired the UK-based MTM Agrochemicals to gain access into the European herbicides market
- Commenced operations at the Jhagadia plant, UPL's largest manufacturing site with a cumulative capacity of 240,000 metric tonnes per annum

1996
- Acquired Devrinol to gain access into the American, Japanese and RoW markets
- Operationalised a caustic chlorine manufacturing plant

2005
- Acquired SWAL to bolster scale and distribution efficiency in India
- Registered the first EMR (SAAF)

2006
- Acquired Reposo to access the Argentine market
- Acquired Advanta to foray into the seeds business

2007
Acquired Cerexagri to enhance global revenues

2010
- Leveraged the global sales and marketing network of RiceCo
- Diversified into the Manzate fungicide business via dedicated manufacturing facilities

2012
Acquired DVA Agro and SIB in Brazil to access the Brazilian market

2014
- Crossed ₹100 billion in revenues
- Introduced Unizeb Gold

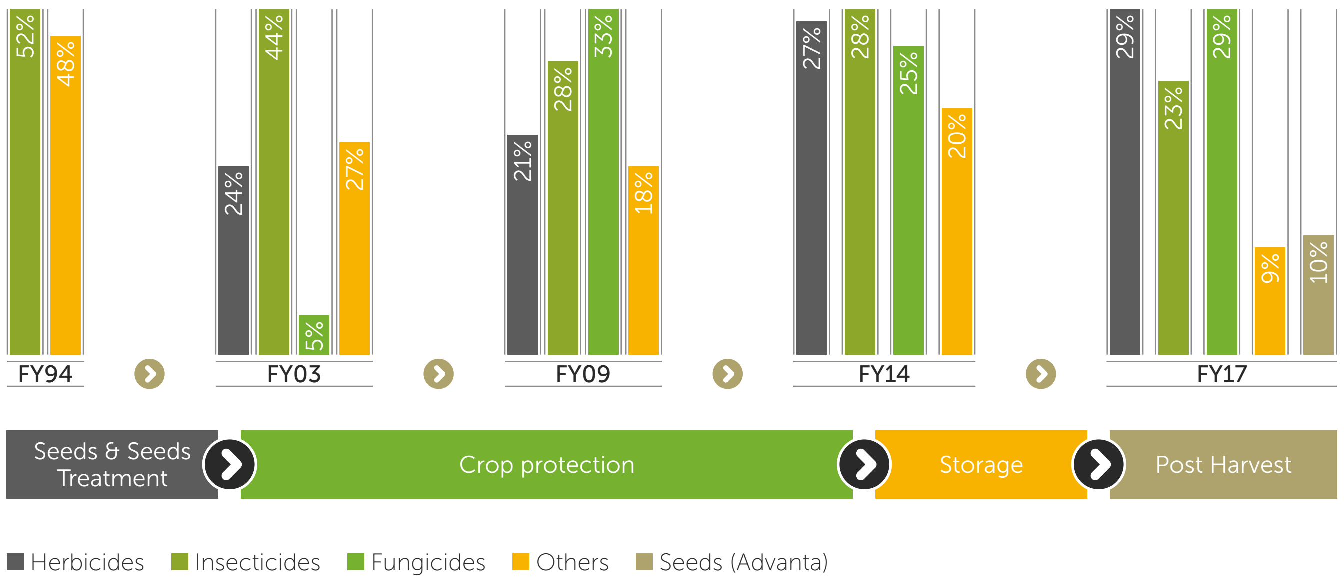
2016
- Crossed US$ 2 bn in revenues
- Crossed 5,000 mark in registrations
- Merged with Advanta

2017
Issuance of USD 500 mn bonds, through overseas subsidiary – UPL Corporation, as per 144A / Reg. S, with an Investment Grade rating from Moody's / S&P / Fitch

UPL in numbers

3rd	Global status as a post-patent crop protection chemicals company
130+	Number of countries of the company's presence
33	Number of manufacturing facilities
5,714	Number of global employees
25+	Acquisitions in more than two decades
200	Number of patents awarded to the company
5,934	Number of product registrations across countries
9	UPL's status among the largest global agrochemical countries

Evolving **value chain**

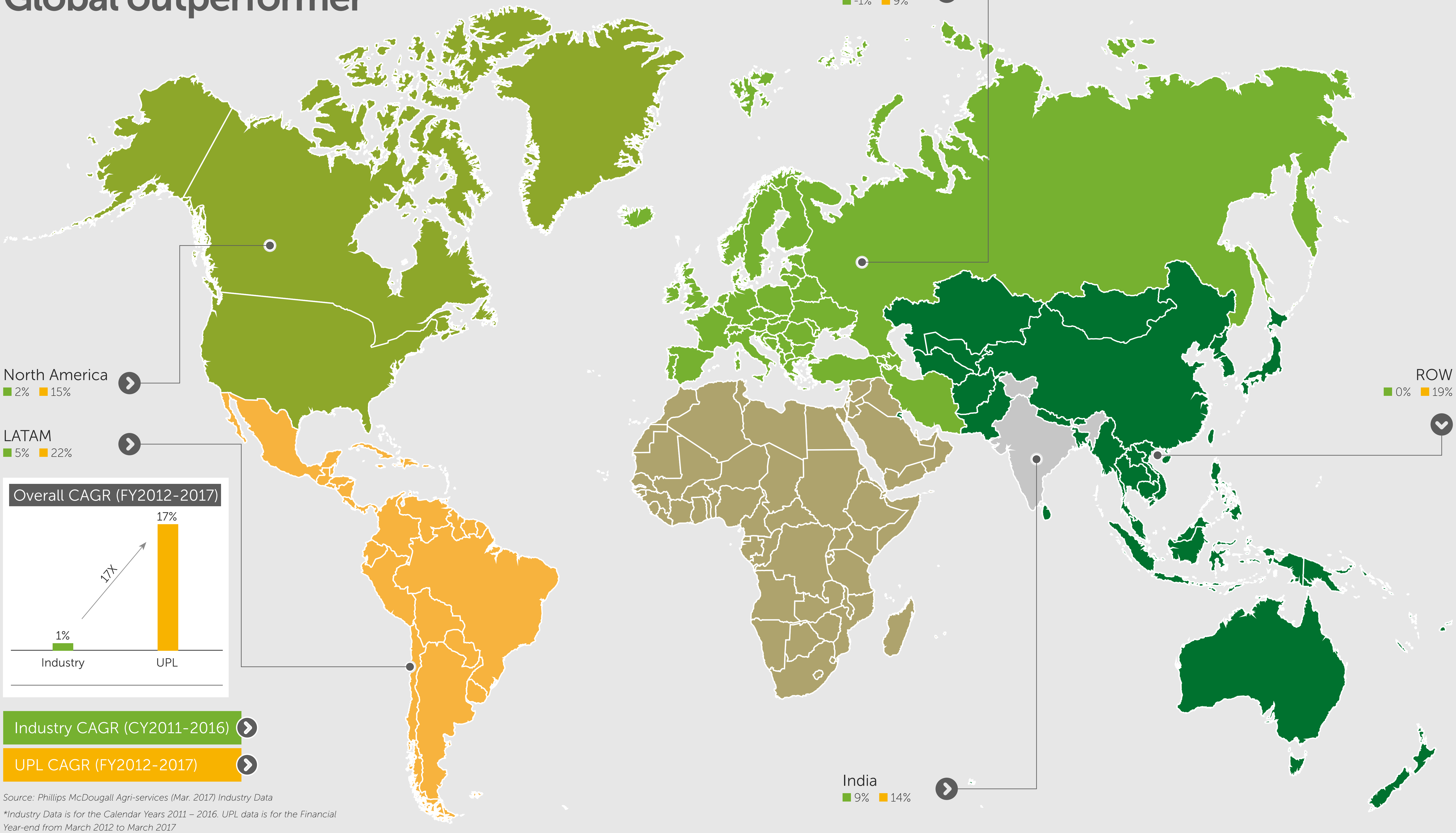


Complete crop solutions						
	Seeds	Herbicides	Insecticide	Fungicide	Fumigant and storage	Specialty post-harvest
Primary use	Provide added value to farmers through superior genetics	Prevent or reduce weeds which hamper crop growth and harvest	Control insect pests which reduce crop yields and quality	Prevent and cure fungal plant diseases	Pest control in warehouses	Technical applications like special coatings
Key products	Sorghum, Corn, Canola, Sunflower, Vegetables	Propanil, Metribuzin, Glufosinate, Pendimethalin, S-Metolachlor	Acephate, Imidacloprid, Bifenozate, Flonicamid	Mancozeb, Copper, Sulphur	Aluminum Phosphide (ALP) Magnesium Phosphide	Natural coatings CIPC
Key brands	Advanta, Alta, Pacific, Golden, Nutrisun	Stam, Devrinol Tricor, Fascinate, Lifeline, Satellite, Lagaam, Saathi, Mocasin	Lancer Gold, Ulala, Phoskill, Batus Gold, Banter	Manzate, Vondozeb, Microthial, Unizeb Gold, Glory, BB20, TBCS40, Saaf	Weevilcide, Quickphos	Oorja

Financial **performance, 2016-17**

17,123	Revenue	(₹crore)
3,429	EBIDTA	(₹crore)
1,727	Net profit	(₹crore)
23.2	ROCE	(%) *based on normalised cash balance*
34.07	Earnings per share	(₹)
36,804	Market capitalisation	as on March 31, 2017 (₹crore)
20.0	EBIDTA margin	(%)
10.1	Net profit margin	(%)
2,594	Cash profit	(₹crore)
40,300	Enterprise value	as on March 31, 2017 (₹crore)
30.27%	Promoters holding	March 31, 2017
57.43%	Institutional holding	March 31, 2017

UPL Limited.
Global outperformer



Source: Phillips McDougall Agri-services (Mar. 2017) Industry Data

*Industry Data is for the Calendar Years 2011 – 2016. UPL data is for the Financial Year-end from March 2012 to March 2017

UPL. **Consistent outperformance**

Region-wise analysis

Country	Market	UPL	Growth enablers
India	Grew by ~9%	Grew y-o-y revenues by 11%	• Significant increase in pulses and oilseeds planting area • Reduction in cotton acreage – especially in Northern India • Ulala, Saaf and Phoskill brands joined the ₹100 crore club • Greater customer engagement • Introduction of biological and nutritional products • Strategic focus on vegetable and fruit crops
Latin America	Contracted 6.6%	Grew y-o-y revenues 26%	• Successful launch of eight new products (six herbicides, fungicide and insecticide) • Grew sales in all key LATAM countries • Growing need to address weed resistance • Significant currency volatility
Europe	Contracted 1.9%	Grew y-o-y revenues 12%	• Sugar beet area increased 15% • Wet North Europe led to high disease pressure on potatoes
Rest of world	Contracted 1.5%	Grew y-o-y revenues 15%	• Good rice crop recovery • Expansion into China • Established distribution partnership in Nigeria • Created a regional base in Kenya
North America	Grew 1.1%	Grew y-o-y revenues 11%	• Launched three products (two herbicides and a fungicide) • Significantly higher harvest in 2016 • Launched two aquatic business products; grew 15%

Champion **UPL brands**

Mancozeb
Fungicide used for vegetables and fruits. Expanded its usage in commercial crops including corn and soybean, among others.

Glufosinate
Effective alternative to glyphosate, even under resistance scenario. Marketed through the Company's Lifeline brand.

Acephate
Organophosphate foliar insecticide with residual systemic activity. Used in controlling aphids, including resistant species, in vegetables (potatoes, carrots, greenhouse tomatoes and lettuce) and horticulture. Also used in controlling of leaf miners, caterpillars, sawflies and thrips.

Metamitron
Systemic and selective herbicide. Controls pre-emergent and post-emergent weeds. Used against grass and broad-leaved weeds in sugar beet and fodder.

Sulphur
Inorganic, non-systemic protective fungicide with contact and vapour action. Serves as a secondary acaricide. Used extensively against scabs in apple, pears and peaches; leaf spots and mites in vegetables and powdery mildew in grapes.

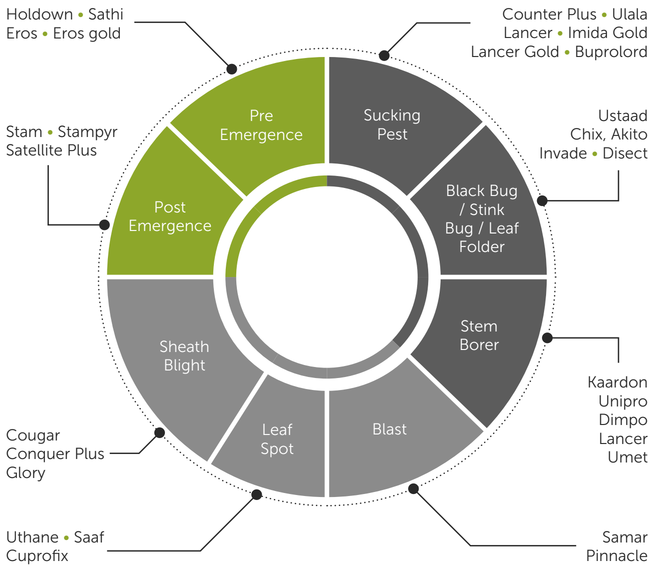
Copper
Inorganic foliar fungicide with preventive action. Controls diseases like, scabs, pink pitting, alternaria and phytophthora in citrus. Used in controlling diseases affecting fruit, nuts and vegetables.

Devrinol
Selective systemic pre-emergence herbicide. Controls grass and broad-leaved weeds. Long residual activity against weeds in brassicae, rapeseed, sunflower and safflower.

Propanil
Post-emergence rice herbicide. Used widely in the control of grassy weeds. Effective resistance management tool.

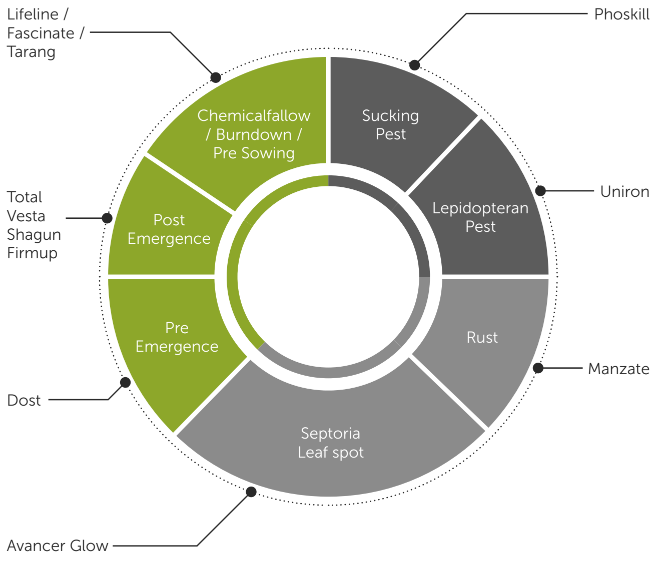
UPL. **Integrated solutions provider**

Rice
A US$4.8 bn global opportunity



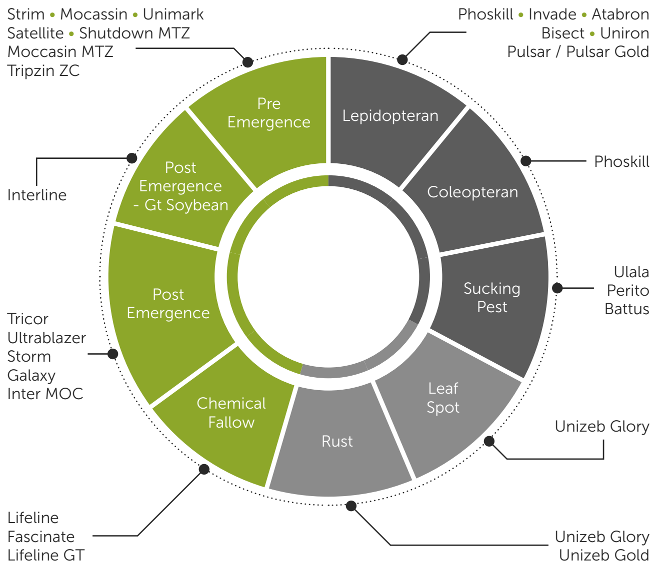
■ Insecticide ■ Fungicide ■ Herbicide

Wheat
A US$6 bn global opportunity



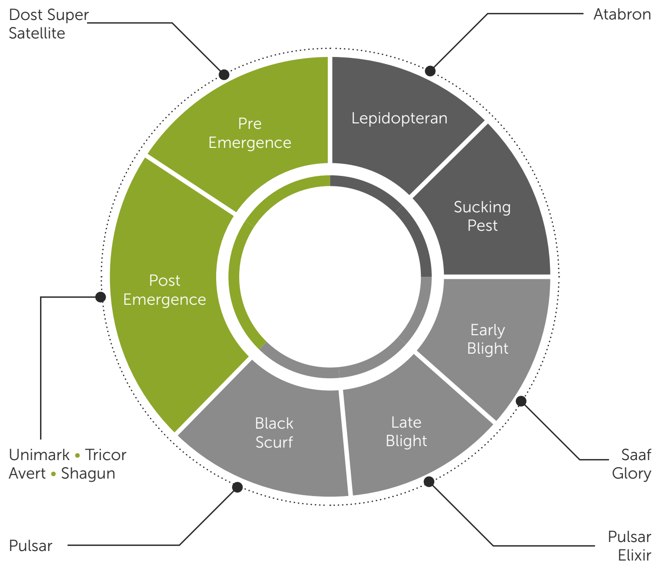
■ Insecticide ■ Fungicide ■ Herbicide

Soybean
A US$8.3 bn global opportunity



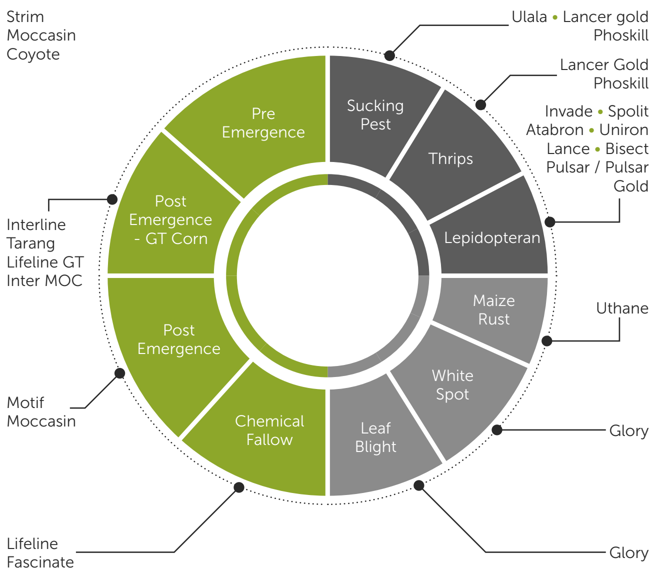
■ Insecticide ■ Fungicide ■ Herbicide

Potato
A US$1.2 bn global opportunity



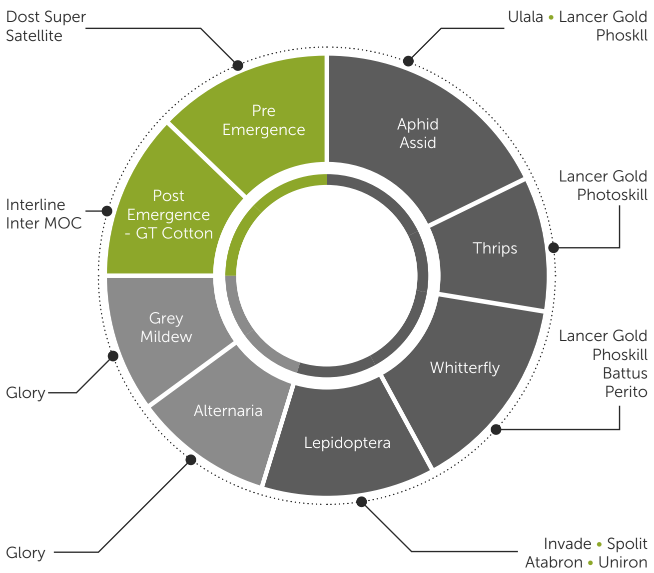
■ Insecticide ■ Fungicide ■ Herbicide

Corn
A US$5.7 bn global opportunity



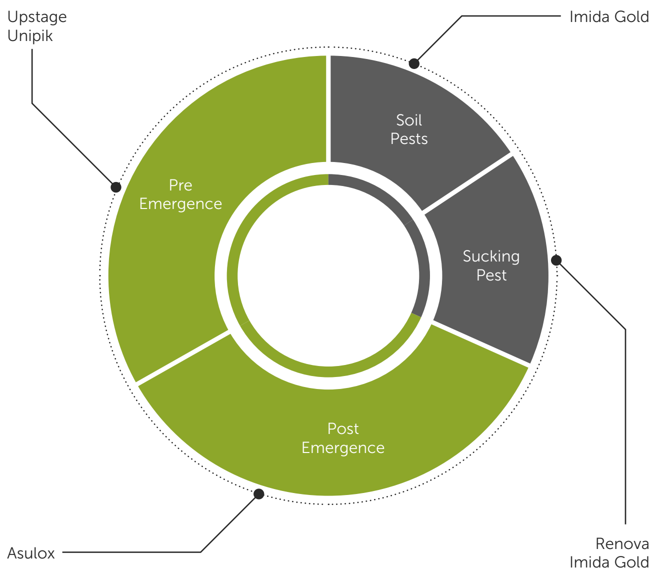
■ Insecticide ■ Fungicide ■ Herbicide

Cotton
A US$2.5 bn global opportunity



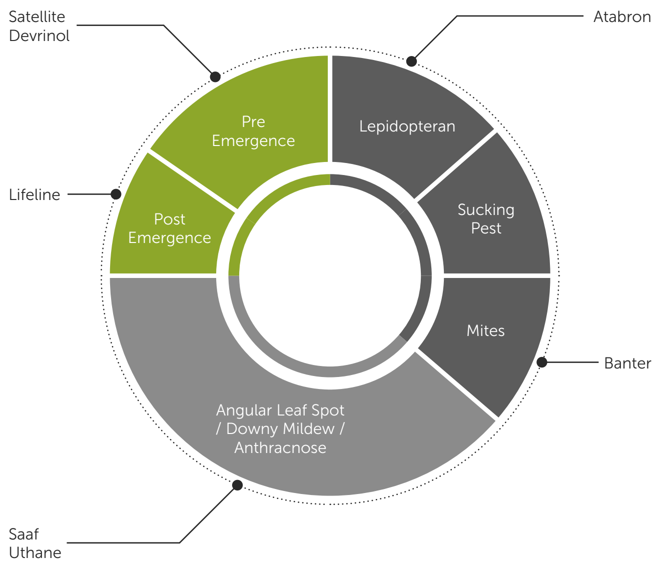
■ Insecticide ■ Fungicide ■ Herbicide

Sugarcane
A US$8.4 bn global opportunity



■ Insecticide ■ Herbicide

Vine
A US$1.7 bn global opportunity



■ Insecticide ■ Fungicide ■ Herbicide

Chairman's **overview**

Dear shareholders,

I am pleased to report that FY2016-17 proved to be yet another successful year at UPL for a number of reasons.

UPL continued to outperform the global crop protection chemical industry by reporting revenue growth of 17% against the broad sector's *degrowth* of 2.5%. This outperformance is remarkable considering that the overall sector posted its second consecutive de-growth year. The weaker the performance of the overall global sector, the stronger was UPL's response.

UPL did not merely grow; EBIDTA and PAT grew 26.5% and 83.8% respectively, indicating qualitative profitable growth, which is the hallmark of outperforming companies.

At UPL, we believe that this sustained outperformance is the result of a focus on the development of innovative farm solutions. We do not just manufacture products; we address marketplace gaps. We do not just launch new products that we think will succeed; we speak extensively with farmers the world over who tell us just what kind of products would make the biggest difference to their viability.

In view of this, UPL's competitiveness is principally derived from a sense of humility. Even as we market products in more than 130 countries, we believe that we need to know more about what is transpiring in farms in real time. We believe the words 'real time' are critical; as climates evolve and pests actions mutate, there is a growing need to reconcile corporate discipline with organisational flexibility.

At UPL, we pick data faster than most companies from across the countries of our presence. We pool this information to be able to deduce and dissect. We draw our principal learnings from emerging realities. We integrate the head and tail of our decision-making to respond with speed. We fuse new product development, marketing, distribution and brand building to respond to unmet farm needs. And we do all this around a price-value proposition that attracts new customers on the one hand and enhances our share of the customer wallet on the other.

The key then to our sustainability is not that we maximise revenues, margins and profits; it is that we empower the farmer to do so in the first place. Our solutions are customised around specific terrains, pests and crops, enhancing farmer effectiveness. During the last number of years, we have helped a number of farmers in South America virtually transform their farm viability towards robust growth; we have helped a number of European farmers protect their crops more

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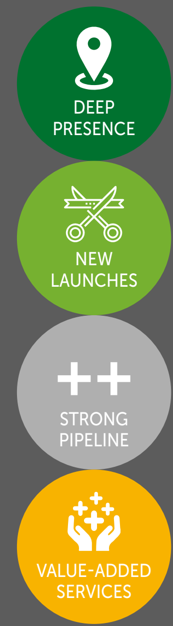


effectively; we have helped a number of Asian farmers reduce crop shrinkage through timely crop protection chemical intervention; we have helped a number of farmers in Africa with the right seed quality, enhancing their viability.

We believe that this ability to enhance farmer competitiveness boosted a growing preference for our products, making it possible to enhance market share at a time when farmers remained cautious about additional investments in agri-inputs.

Year in review, FY2016-17

At UPL, we are never satisfied; there is always an obsession to make the good better.

We strengthened our business across a number of fronts during the year under review.

We continued to service key agriculture markets like India, Brazil and North America through the development of specialised products in line with emerging farmer needs.

We deepened our presence in geographies - Asia, Africa, Turkey and China - where we did not enjoy a pervasive presence.

We launched new products in Latin America, which helped moderate farming costs.

We built a pipeline of products that will be launched over three to four years.

We prioritised the manufacture and marketing of branded products.

We reinforced our product basket comprising seeds on the one hand and pre- and post-harvest chemicals on the other.

We offered farmers spraying services; we commissioned a advisory call centre to forge stronger farmer relationships.

We continued to file patents and register products across countries, strengthening our marketing footprint (filed 253 patents and registered 1,862 products in the five years ending 2016-17).

We improved process efficiencies to emerge as one of the most margins-accretive companies within the global

Prime Minister Narendra Modi on improving India's farm income

"Our land resources are limited while our population and demand for food is rising. We need a mix of scientific and traditional knowledge to improve soil fertility. We need more crop in less time.

Normally a farmer is doubtful about a new technology. But progressive farmers are ready to take the risk. Agricultural universities in the country should prepare a list of young and educated progressive farmers in their area and use this network to disseminate scientific knowledge. Agriculture colleges can start their own radio stations. Farmers are keen listeners of radio and students can give localised solutions to problems like less rainfall and pest attacks."

FAO indicates that global food production will need to rise 70%; food production in the developing world will need to double.

The spread of prosperity across the world, especially in China and India, has catalysed the demand for meat, eggs and dairy products. This has laid greater pressure on the need to grow more corn and soybeans to feed cattle, pigs, and chickens. The double-impact of population growth and a richer diet will require countries to double crop growth by 2050.

generic crop protection chemicals industry.

We, through our overseas subsidiary UPL Corporation, issued our inaugural USD 500 mn 5-year senior unsecured notes, rated Investment Grade by Moody's / S&P / Fitch – the first USD bond issued by an agrochemical company from Asia.

The case for global food security

At UPL, we are engaged in a business that will be increasingly critical for the survival of humankind.

Global population is expected to reach 8.4 billion by the mid-2030s and 9.6 billion by the mid-2050s. A country's ability to feed its people will depend on three major factors: availability of arable land, accessible water and increasing population.

FAO indicates that global food production will need to rise 70%; food production in the developing world will need to double. Interestingly, FAO also projects that biofuel production by 2030 will require 35 million hectares, roughly the size of France and Spain combined, which could affect farmland availability.

The spread of prosperity across the world, especially in China and India, has catalysed the demand for meat, eggs and dairy products. This has laid greater pressure on the need to grow more corn and soybeans to feed cattle, pigs and chickens. The double-impact of population growth and a richer diet will require countries to double crop growth by 2050. The increased 70% food production growth will need to counter rising energy costs, depleting aquifers, farmland loss to urbanisation and increased natural calamities. To top all these challenges are pests; insects are responsible for~13% of the global crop losses estimated at USD 2,000 billion per annum.

(Source: https://www.mordorintelligence.com).

At UPL, we believe that crop protection is possibly the most cost-effective, immediate and enduring intervention directed at enhancing farm security. To address the overarching need to provide adequate food in a cost-effective way, we are addressing the challenge with the seriousness it deserves: through the formulation and delivery of seeds to agrochemicals and ancillary products directed at enhancing soil fertility with nutrients, moderated water consumption, crop protection and value-added services.

The result is that UPL does not market products; it provides farm-enriching solutions.

The UPL advantage

What sets UPL apart in a challenging business is knowledge.

UPL comprises one of the most effective combinations of talented agronomists and engineers; these teams address emerging farm challenges to provide a superior value proposition around a combination of product superiority and optimised costs. Over the years, we have recruited professionals from local geographies, enhancing our global terrain understanding.

UPL also comprises a deep capability in the manufacture of a number of products where we are not only among the largest global producers but also enjoying demonstrated cost leadership.

UPL has a diversified product portfolio of unique mixtures, combination products and formulations, which are sold as branded off-patent products.

UPL also emerged from just a product provider to a solutions provider. The Company's Adarsh Kisan Centre is an advisory call centre for farmers in India in major Indian languages and English to provide farmers information such as weather conditions, *mandi* prices and technical issues among others.

The Company started Adarsh Farm Services, providing mechanised field spraying services. The Company's Unimart stores (a chain of farm advisory and solution centres in India and Africa) provide expert advice, quality products and necessary guidance to farmers.

UPL possessed local expertise in terms of registration capabilities across multiple geographies, which helps in access to different markets.

UPL's prudent financial management helps keep a tight control over the working capital cycle, managing foreign currency volatility through sound hedging mechanisms and mitigating credit risk through credit insurance covers.

It is the coming together of these diverse capabilities that makes UPL a well-rounded player, enhancing the optimism of sustained outperformance and the Compnay emerging as one of the top five global generic crop protection chemical players across the foreseeable future. UPL, being the market leader, is attractively positioned to reap the benefits from emerging opportunities that present themselves across the future.

R.D. Shroff,
Chairman

A review of **FY 2016-17**

Q&A

“We are consistently outperforming the global crop protection chemical industry for the last five consecutive years”

Jai Shroff, *Global CEO*

Q Were you pleased with the performance of the Company in FY2016-17?

A I was absolutely pleased with the Company's performance. The performance was yet another instance of UPL demonstrating its sectoral outperformance across financial parameters.

Our revenues grew by 16.8% to ₹17,123 crore, which was higher than the growth of the global crop protection chemical industry.

Our EBIDTA grew 26.5% from ₹2,711 crore in FY2015-16 to ₹3,429 crore in FY2016-17; our net profit, improved by 83.8% from ₹940 crore to ₹1,727 crore, which was among the few instances of profit accretion among the world's largest generic crop protection chemical companies.

Our EBIDTA margin strengthened 153 bps from 18.5% in FY2015-16 to 20% in FY2016-17; net profit margin advanced by 368 bps from 6.4% in FY2015-16 to 10.1% in FY2016-17, which indicates that we transformed global crop protection chemical sector challenges into opportunities.

So even as the global crop protection chemical market contracted for the second successive year, UPL reported profitable growth.

Q What were the reasons behind the company's profitable growth in a challenging period?

A The reason has been largely one: multi-segment strengthening of the business.

For instance, we deployed dedicated teams across manufacturing units with the objective to get more from less; we saved ~₹70 crore on this count in FY2016-17.

We evolved from being an India-based manufacturer of generic products to a global player with manufacturing operations in 12 countries, making it possible to manufacture closer to markets, and do all this by maximising our global logistical efficiency and market responsiveness.

We made strategic R&D investments to accelerate the offtake of premium products; revenues from branded products increased from 79% of revenues in FY2013 to 86% in FY 2017.

One of the highlights of FY 2017 was the issuance of USD 500 mn bonds through our overseas subsidiary UPL Corporation. This was a first of its kind by an Asian crop protection chemical company. The issue was rated Baa3 / BBB- / BBB- by Moody's / S&P / Fitch respectively and the issuer was rated Baa3 (Stable) / BBB- (Stable) / BBB- (Stable) by Moody's / S&P / Fitch respectively.

While most peers chose to innovate from within their laboratories, we engaged in farmer conversations and took learnings back to our R&D centres; this hands-on approach allowed us to understand grassroot realities better and respond with solutions that farmers were in dire need of. We launched a slew of products in specialised categories, which balanced our product mix, mitigated the risk from altered cropping patterns and helped us outperform even during sectoral troughs.

Q What were some of the challenges that UPL addressed during the year under review?

A With commodity prices under pressure, more farmers opted to buy affordable products, affecting the offtake of patented products. This widened the market for UPL's products. Besides, a number of large players selected to consolidate operations, creating a market imbalance that UPL capitalised on with speed. In view of these realities, UPL is attractively positioned to capitalise on emerging opportunities. The result is that despite a crop protection sectoral showdown, UPL enhanced its global market share from 3% in CY2014 to 4% in CY2016.

Q How will this consolidation affect UPL?

A This consolidation was inevitable considering the slowdown. Global innovators have been facing increasing pressure in addressing rising shareholder expectations in addition to curtailing costs. As these merged entities try to restructure their businesses, a market void will be created, which we will be able to fill. The large companies are also seeking to rationalise their product mix; we will leverage our R&D to produce relevantly that leads to enhanced market share. We believe that the merged entities will liberate dedicated distribution channels, which would then be available to us. We would try to recruit a number of talented personnel. The result is that at UPL, we believe that the ongoing consolidation will only make us stronger.

Q Tell us about the company's 'Farmer First' initiative?

A Our crop protection business emphasis is directed towards enhancing productivity and farmer earnings. For instance, we introduced specialised products to catalyse crop growth in arid and semi-arid areas, which was widely accepted in drought-like conditions. We strengthened our Innovation Rate (differentiated products as a percentage of total revenues) to address the incidence of resistant weeds, insects and diseases. We launched an array of biological products to guarantee crop nutrition. We extended beyond traditional products and services to provide chemical spraying coupled with advisory centres that addressed farmer queries.

The Company's graduation from just a product provider to a services provider is a step towards adding value to the farmers. Adarsh Kisan Centre, an advisory call centre for farmers in India across three locations, was set up by the Company. The call centres are manned by people conversant in all major Indian languages as well as English providing information related to weather conditions, *mandi* prices and technical issues, among others. The Company also sends periodical SMSes with various updates to farmers through these centres. Currently, 1.5 million farmers across geographies are registered on the Adarsh Kisan Centre database.

Our revenues grew by 16.8% to ₹17,123 crore, which was higher than the growth of the global crop protection chemical industry

UPL's Adarsh Farm Services offer mechanised field spraying services, resulting in time and cost savings for marginal farmers. Currently, Adarsh Farm Services cover three Indian states.

UPL launched Unimart in 2009. This is a chain of farm advisory and solution centres in India and Africa. Unimart stores provide expert advice, quality products and necessary guidance to farmers. Each store has qualified personnel who visit farmers to identify their problems and provide solutions. The result of this initiative has been a visible increase in incomes (per acre of crop) translating into improved standards of living in the regions of their presence. Currently, there are 11 Unimart stores located across India and Africa.

Q What were some of the highlights of the fiscal gone by?

A During FY2016-17, we filed for 19 patents; we got 427 products registered across 72 countries. This reinforced our pipeline of prospective launches. We moderated our working capital cycle from 102 days of turnover equivalent in FY2015-16 to 90 days in FY2016-17. We deepened our presence in countries where we did not have a significant presence (Philippines, China, Turkey and Nigeria, among others), expecting that these markets will drive revenue growth across the medium-term.

Q What makes you optimistic of the company's future?

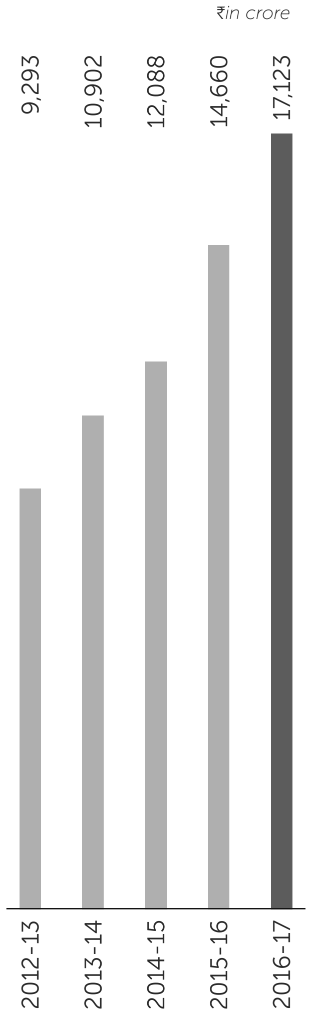
A We believe that UPL is faced with some of the most attractive prospects. The consolidation of several large global players is expected to accelerate our growth. With environmental concerns affecting supplies from China, we believe that the supply-demand gap is expected to widen.

So much for the sectoral landscape. At UPL, a strong line-up of new launches directed at solving farmer challenges bodes well for us. Our strategic extension into new markets and increase in market share in existing ones (India, Latin America, North America, among others) along with our products and geographical diversity will generate sustainable and profitable growth.

The ground reality is encouraging; cotton acreage is rising in India and US, creating a larger demand for protection against sucking pests. Besides, nations like Australia are recovering from sustained drought, which could translate into an enhanced focus on improved yields. We possess an expertise in both areas, providing us with optimism that we will continue to outperform industry growth and enhance shareholder value.

Key performance **indicators***

Total revenues



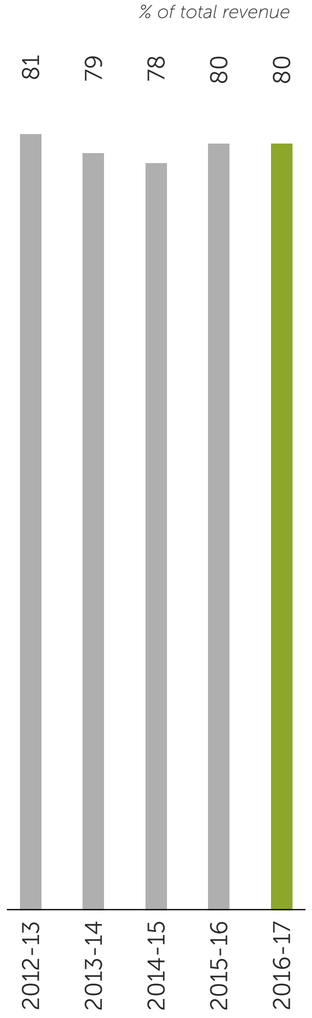
Aim
Increase sales.

Why we measure
To measure UPL's ability in comprehending global demand trends, enhancing supply chain efficiency and strengthening product acceptance.

Result
Revenues grew at a CAGR of 17% during the five years leading to 2016-17.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

International revenue



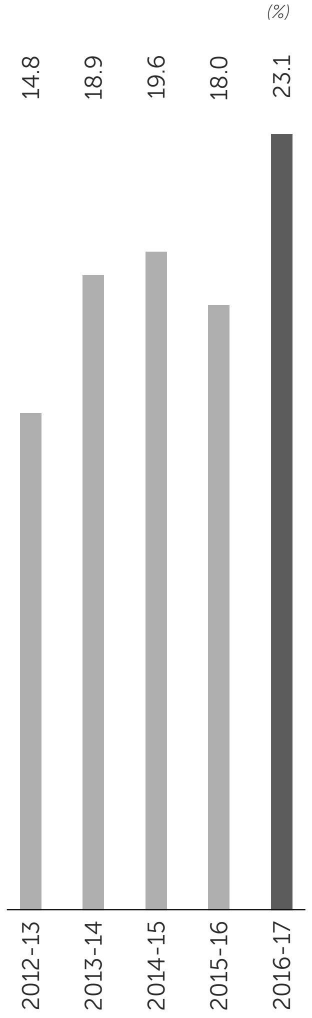
Aim
Balance revenues derived from five largest markets and other geographies of the Company's presence.

Why we measure
To de-risk the Company from geographic and forex-related risks.

Result
UPL's international revenues comprised 80% of total revenues.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

Return on capital employed



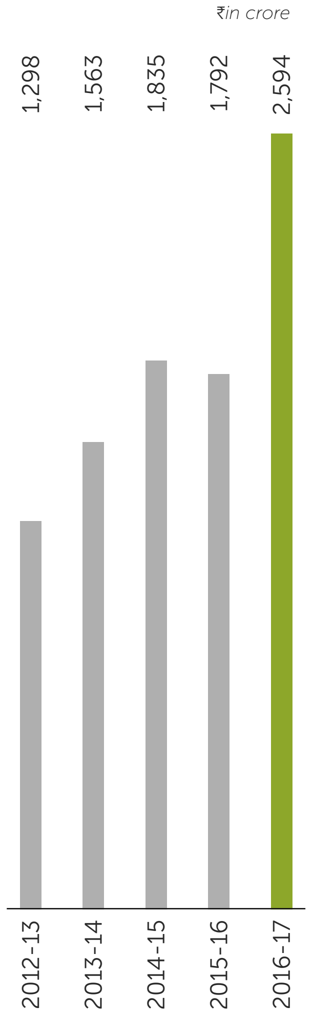
Aim
Enhance returns from every rupee invested.

Why we measure
To assess investment effectiveness and validate the strength of the business model.

Result
UPL's ROCE improved 833 basis points – from 14.8% in 2012-13 to 23.1% in 2016-17.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

Cash profit



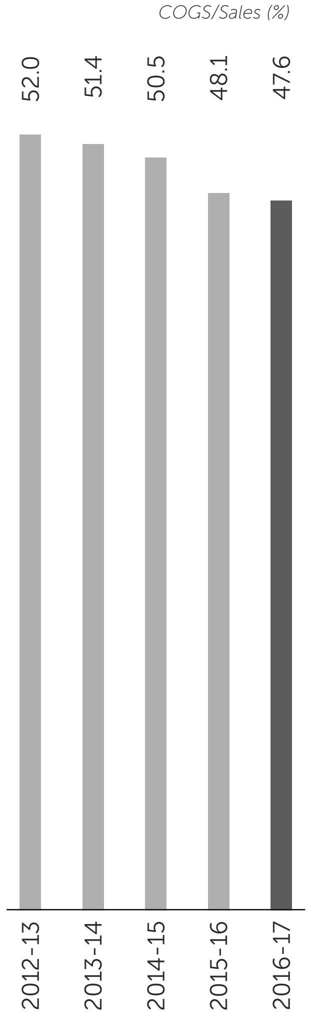
Aim
Enhance surplus generated (sum of profit before tax and depreciation / amortisation) for reinvestment.

Why we measure
To assess surpluses available for reinvestment and the Company's ability to maximise them.

Result
UPL reported a 100% growth in cash profit in the five years leading into 2016-17.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

Cost optimisation



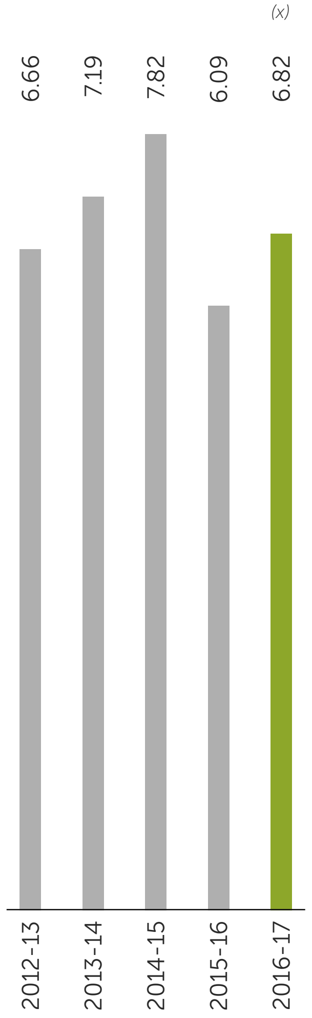
Aim
Reduce operating costs as a proportion of revenues.

Why we measure
To assess operational efficiency and margins.

Result
UPL's operating cost as a proportion of total sales declined from 52 % in 2012-13 to 47.6% in 2016-17.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

Interest cover



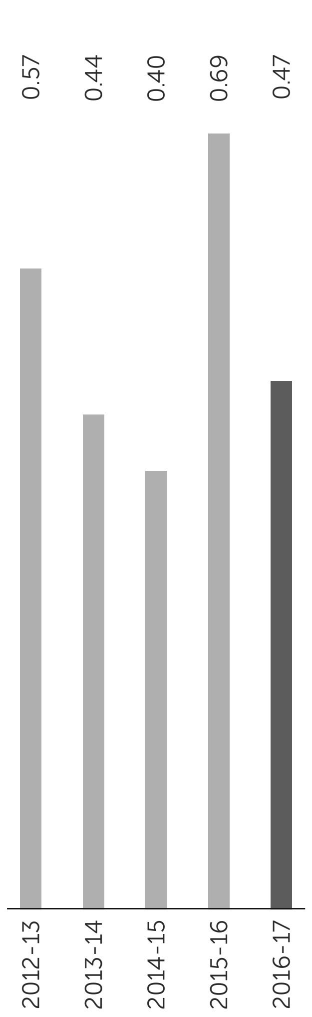
Aim
Improve the ability of the Company's earnings to service debt (calculated as EBIDTA divided by interest outflow).

Why we measure
To measure the Company's financial strength and ability to pay interest with ease.

Result
UPL's interest cover improved from 6.66 in 2012-13 to 6.82 in 2016-17.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

Net-debt equity ratio



Aim
To optimise leverage and strengthen the Balance Sheet.

Why we measure
To measure the extent of the Company's indebtedness.

Result
UPL improved its gearing from 0.57 in 2012-13 to 0.47 in 2016-17.

Note – Figures for FY 2015-16 & 2016-17 are for the merged entity (UPL and Advanta).

Product registrations

Aim
Ensure compliance with applicable country regulations to facilitate entry and offtake.

Why we measure
Widen the Company's registration portfolio to address regional opportunities.

Result
The Company had 5,934 products registered in 130+ countries.

Note – Figures for FY 2016-17 are for the merged entity (UPL and Advanta).

Doing things better is really about enhancing the value proposition for farmers

The business of agriculture is perhaps the most variable.

Weather. Soil fatigue. Cost volatility. Crop demand.

What the farmer really needs is to improve revenues and enhance value

At UPL, we protect the farmer's crop, taking much of the variability out of the business.

We engage with the farmer across each stage of the crop lifecycle.

We provide farm products that enhance output and improve crop health.

We provide a superior price-value proposition.

We provide this enhanced value without affecting the ecological balance.

The result is encapsulated in three words: superior sustainable value.

Doing things better is really about seeding growth

The biggest farm irony is that most agriculturists use sub-quality seeds at one end and the best crop protection chemicals at the other.

PRODUCT BASKET | TECHNOLOGY | CAPACITIES | GROWING GLOBAL MARKET

At UPL, we believe that well begun is half the battle won.

We provide world-class seeds.

We provide a wide product basket (sorghum, corn, canola, sunflower, soybeans, forages, wheat and various vegetables).

We leverage traditional breeding principles coupled with modern dihaploid and molecular marker technologies.

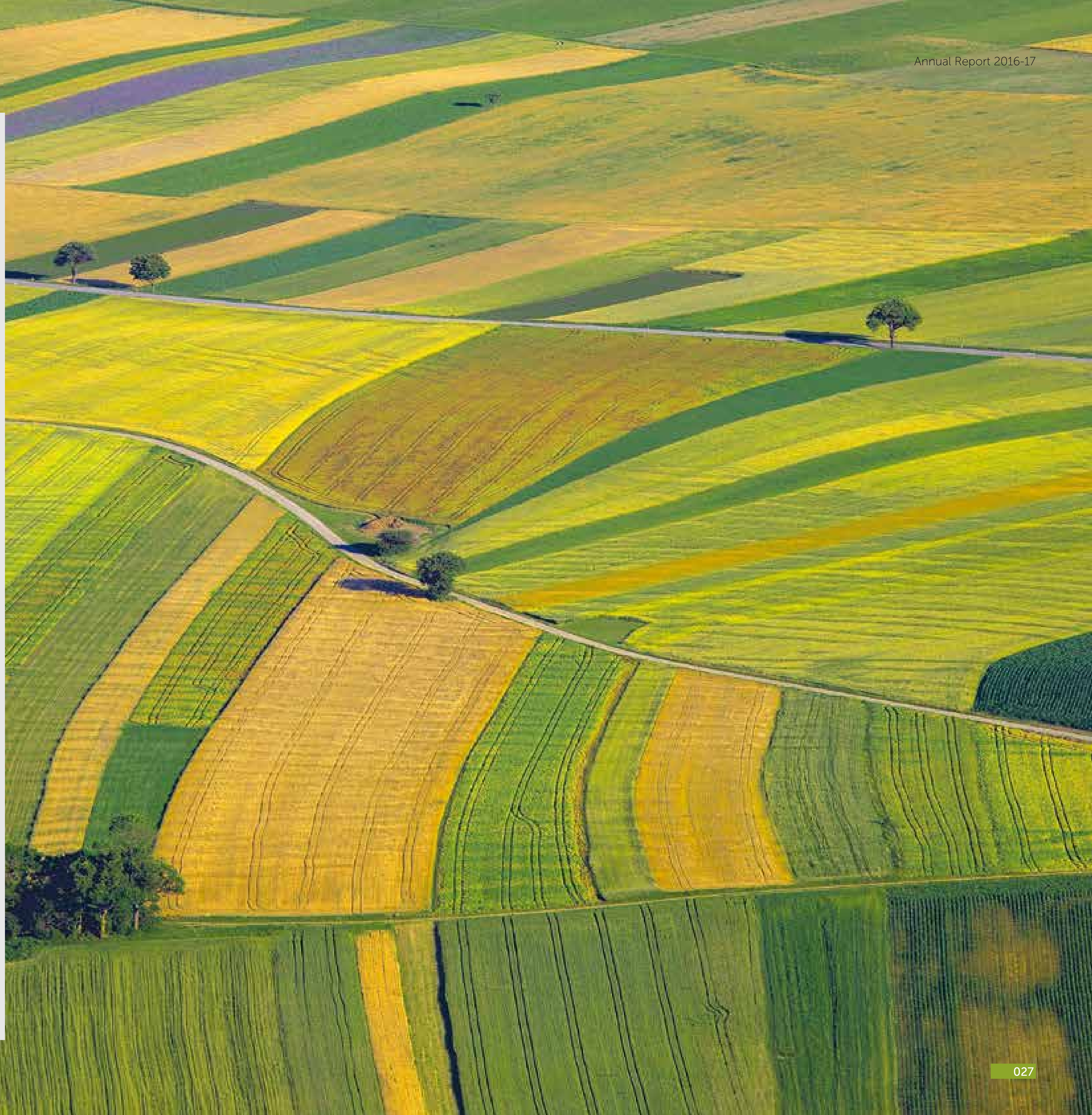
We produce homozygous lines after a single recombination round that saves breeders time while enhancing seed characteristics.

Over the years, UPL has established one biotech and 22 research stations to develop more disease-resistant and high-yielding seed varieties. The company's proprietary germplasm version has empowered it to emerge as the global leader in the area of hybrid seeds.

UPL is taking this business ahead through enhanced capacities and capabilities.

So even as the global seeds market is estimated to grow to USD 113.28 bn by 2022, UPL intends to deepen its presence in 25 key agro-economies and widen across more markets to emerge as one of the most dynamic in this space the world over.

(Source: http://www.marketsandmarkets.com/PressReleases/seed.asp)



The UPL counter-pest strategy

Lifeline, Interline and Fascinate
Address weed resistance in soybean, corn, cotton and canola, among others

Tricor
Acts as pre-emergent herbicide for soybean

Shagun
Empowers wheat-growers to address Phalarisminor and Lolliumsps threat

Iris
Leading ALS-inhibiting herbicide for soybean cultivators

Doing things better is about all-round protection

Even as humankind has not addressed the priority to feed every single person, ~13% of all crops are lost to pest attacks.

INNOVATION | OUT PERFORMANCE | CONTEMPORARY | EXTENDED USAGE

There are 479 unique herbicide resistance cases (across 91 crops in 69 countries). Most weeds have developed resistance against 23 of 26 known herbicide sites of action and 162 herbicides.

The US$15 billion fungicide market is being threatened by fungi that have become virtually immune to triazoles, strobilurins and succinate dehydrogenase inhibitors.

UPL's product basket (herbicides, insecticides and fungicides) addresses these challenges.

For instance, UPL has innovated products with new modes of action to address sucking pests.

UPL's Ulala has proved to be an excellent defense against the whitefly attack that threatened cotton farms in Punjab recently.

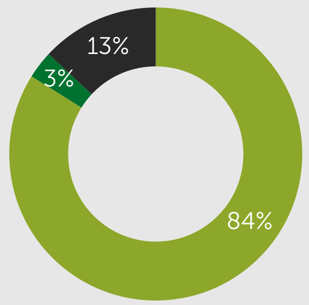
UPL's Unizeb Gold, which was used for late and early blight on fruits and vegetables segment, is now used to treat Asian rust, which affects soybean.

UPL's Interline has tackled the issue of glyphosate-resistant weeds head-on and provided a 100% solution to tackle the menace of weeds.

Numerous such instances explain why, despite the crop protection industry slowdown, UPL improved its global market share 100 bps in FY 2017.

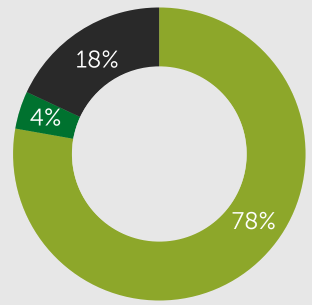
Shift in market share

CY2014



TOP 9 UPL OTHERS
Total market size: USD 63 billion

CY2016



TOP 9 UPL OTHERS
Total market size: USD 56 billion

Doing things better is about providing adjacent technologies

It would be simplistic to describe UPL as just another crop protection chemical manufacturer.

SEED TREATMENT | DROUGHT RESISTANT | BIOLOGICALS | CROP NUTRIENTS

The company is a technology-led agro solutions company.

The company invests in research-led technologies that protect crops and catalyse growth - both. Through the interplay of technology addressing diverse stress or comfortable times.

Seed treatment: Biological and chemical agents to control or contain soil and/or seed-borne insects cum disease facilitate responsible growth.

Drought resistance: UPL's starch-based granule Zeba absorbs more than 400x its weight in water. Zeba absorbs and releases water and nutrients to plants through the growing season. Since Zeba is made from starch, it is biodegradable just like plant residues and sustains growth during drought.

Biologicals: UPL developed technologies to eradicate disease-carrying pathogens, launching a complete portfolio of biological products.

Crop nutrition: UPL leverages superior technology to deliver nutrients in optimal quantity.

The result is a superior farmer recall ranging from The Americas to the Far East: 'If it is from UPL, then it must be unique.'

Zeba – a path-breaking product from UPL

Zeba has emerged as the latest breakthrough product to be introduced by UPL. It's a starch-based granule that absorbs more than 400x its weight in water. Applied during the planting stage, Zeba absorbs and then releases water and nutrients to plants throughout the growing season. Because Zeba is made from starch, it degrades in the soil just like plant residues and thus helps in ensuring growth even during droughts. The usage of Zeba has improved potato yields by 9%, tomato yields by 10% and onion yields by 16%.

Key crops and brands

Apple – Decco

Citrus – Citrashine

Potatoes – Oorja

Grains – Quickphos

Doing things better is about caring deeper and longer

The general perception is that UPL is just a pre-harvest crop protection company. We are more than this.

GLOBAL SOLUTIONS | MULTI SEGMENT | TECHNOLOGY | TRUST BUILDING

What is relatively under-appreciated is that UPL also provides solutions after the crop has been harvested.

UPL extended its focus in view of a singular farm reality: around 1.3 billion tonnes (worth ~US $1 trillion) of food crops are lost globally after harvest - each year.

UPL has addressed post-harvest solutions for grain, fruits and vegetables. The company's phosphine fumigation method has been acknowledged as most effective, saving thousands of tonnes of grain from destruction.

UPL's QuickPhos™, comprising its principal ingredient Aluminium Phosphide, is a potent fumigant. The active ingredient of MagnaPhos™(Magnesium Phosphide)is an ammonia-free formulation utilising a fast-gas release action. UPL's QuickPHlo-R™ is ideal for state-of-the-art application technologies patented in most countries. Although the post-harvest segment represents less than 1% of the crop protection chemical market, UPL's Decco is the only player with a global presence with a seven-and-a-half decade track record providing a complete range of products, services and equipment.

Enhancing the recall among farmers that UPL is truly a company that cares.

Fresh potatoes all-year round

Nearly 95% of Indian potatoes are harvested between February and March. They are then stored for nine months at -2ºC; since the starch in potato converts into sugar, following storage, it tastes sweeter. It is also prone to quick sprouting which, in turn, minimises its shelf life. Oorja (UPL product) has helped increase shelf life by 8-9 months ensuring year-round fresh potato availability.

Doing things better is about transforming a farmer transaction into a relationship

UPL is not a product-driven company; over the years, the company has evolved into a service-driven organisation.

RETAIL
ADVISORY
CALL CENTRE
TRAINING SCHOOLS

Farmer advisory services

Unimart: UPL's Unimart chain of farm advisory and solution centres in India and Africa. These stores provide expert advice, quality products and farmer guidance. Each store's personnel visit farmers to offer solutions that enhance incomes (per acre of crop). There were 11 Unimart stores across India and Africa as on 31 March 2017.

Adarsh Kisan Centre: UPL's advisory call centre for farmers in India. These call centres (in three locations) are manned by experts conversant in major Indian languages and English. They provide information pertaining to weather conditions, *mandi* prices and technical issues; they also send SMSes. There were 1.5 million farmers registered as on 31 March 2017.

Farm services

Adarsh Farm Services: UPL's service offering mechanised field spraying services, resulting in time and cost savings on the one hand and minimising pest damage on the other. Adarsh Farm Services were present in three Indian states as on 31 March 2017.

Farmer education

Farmer training school: UPL's training schools reconcile manual labour and mechanisation, optimising costs. Nearly 620 farmers were trained in FY2016-17.

Integrated solutions

Trust++: An integrated solutions platform for banana growers in Latin America. UPL's fungicides facilitate the monitoring of Sigatoka, provide access to weather reports, maintain online stock-keeping records, access to contemporary technologies and developments. As of 31 March 2017, more than 15,000 acres were covered by the Trust++ service.

UPL. Doing things better has **transformed the company**

From one country to 130+ countries today	From crop protection chemicals to comprehensive agro solutions
From generic to brand-driven portfolio	From 'me-too' to 'innovation-driven'products
From operational excellence to holistic responsibility	From manual interventions to a combination of manual-cum-technological interventions
From product-focused to solutions-driven	From 3 units in India to 33 manufacturing bases in 12 countries
From individual-driven to institutionalised processes	From ensuring profitability to securing global food supply

Robust business model

Environment-friendly

In line with its eco-friendly identity, UPL has minimised waste generation and achieved zero-discharge across all its manufacturing locations.

One-stop shop

UPL has evolved from a crop protection chemicals company with a narrow application relevance into a complete crop protection solutions provider: offering seeds, crop protection chemicals, biologicals, soil nutrients and post-harvest solutions, among others.

Growth-oriented

UPL assesses enhanced corporate value through the filter of profit after tax. The Company has reported progressively higher profits in successive five-year slabs: from ₹1,727 crore in the five years ending 2016-17 compared to ₹556 crore in the five years ending 2011-12 and ₹261 crore in the five years ending 2006-07. The Company's cash profit was ₹2,594 crore in 2016-17.

Sustainable

EBIDTA margin stood at 20%. ROCE was 23.2%, indicating attractive revenue accretion prospects.

High-value

UPL's valuation stood at ₹36,804 crore as on 31 March 2017. The Company reported a 40% growth compounded in market capitalisation in the three years ending 2016-17.

Rewarding

The Company's business model is directed towards enhancing returns for all stakeholders. The Company has been consistently declaring dividends to reward its shareholders.

Sectoral context

Population growth: Global population is growing 1.1% annually and expected to reach 8.4 billion by mid-2030 and 9.6 billion by mid-2050. With arable land areas shrinking and weather scenarios changing, the focus will be on maximising farm productivity. FAO estimates that to feed the growing population, global food production will need to double by 2050.

Changing diets: Growing prosperity, especially in India and China, has increased the demand for meat, eggs, and dairy products. This, in turn, has propelled farmers to grow more corn and soybean to feed more cattle, pigs, and chickens.

Crop losses: Insects are responsible for~13% of global crop losses (worth US$2000 billion). World Bank estimates that every 1% reduction in post-harvest losses can lead to US$40 million in output gains, with farmers emerging as key beneficiaries.

UPL's differentiators

Enduring

At UPL, we do right things in the right way - better than others. We focus consistently on returns which help enhance long-term sustainability.

Credible

At UPL, we obtain a number of registrations each year (necessary before product launch in a country). The registrations are backed by data derived through on-field studies resulting in a success rate of more than 90% in the last five years.

Focused

At UPL, we believe that strategic clarity represents the foundation of our business model. We focused on creating products and solutions for major food grains, fruits and vegetables. We focused on markets and developed products and solutions according to the needs of those geographies. We enhanced distribution to reach key markets and within these markets penetrated deeper. We focused on the manufacture of bulk chemicals in India (low-cost units) and formulations in units closer to key markets for timely and cost-effective delivery.

Integrated

At UPL, we have created an integrated business model which starts from R&D to key captive raw material manufacturing capability to formulations to sales and distribution. This gives us control over the entire value-chain and helps produce consistent product quality delivered on time across geographies.

Transparent

At UPL, we believe that we are engaged in a business where trust is critical. Governance is defined at UPL in terms of timely and transparent communication and integrity.

Engaged

UPL has created a unique farmer engagement model to drive its business. This comprises field staff working closely with farmers to address evolving requirements with solutions. The Company commissioned three advisory call centre to reach more than 1.5 mn farmers in India, providing advisory services. It has also commenced spraying services for farmers.

Pervasive

The Company enjoys a presence across 130+ countries through 86 subsidiaries, de-risking its dependence on any one or few geographies.

Brand-driven

The Company's respect has generated distinctive recalls: ethical (fairness and compliances), reliable (strategic consistency), effective (efficient and relevant products and solutions) and dependable (stakeholder welfare).

Cutting-edge

The Company invested in cutting-edge technologies across manufacturing units, enhancing operational efficiency and output.

Knowledge-driven

The Company invested in strong research coupled with demonstration farms. The Company focuses on off-patent molecules, creating solutions bettering innovator solutions. The Company filed more than 500 patents globally for products and processes.

Premium

The Company focused on branded products to drive premiumisation. Consequently, the share of branded products as a percentage of revenues increased from 79% in FY2012 to 86% in FY2017.

BUSINESS OBJECTIVE

UPL is driven by the singular objective of enhancing agricultural viability the world over

DRIVERS OF UPL'S COMPETITIVENESS

PRESENCE	EXPERTISE	FOCUS	MANUFACTURING	RESEARCH	FINANCIALS
Marketing presence in more than 130 countries; manufacturing presence in 12 countries	Presence across the crop protection chemical value-chain: research to product development to registration to manufacturing to branding to distribution	Extending from products to solutions and services; extending from pre-harvest to post-harvest products	Proactive investment in large dedicated product manufacturing capacities; enjoying scale economies and global competitiveness; zero-discharge plants	Focus on the development of cutting-edge products that deliver a higher price-value proposition over competing alternatives	Robust Balance Sheet; low gearing; high margins; outperformance of sectoral growth; focus on sustainable and profitable growth

DE-RISKING

GEOGRAPHY	MULTI-CROP	SEASONS	PRODUCT POSITIONING	GROWTH MODEL	VALUE-CHAIN
Presence in more than 130 countries derisks from the slowdown of a particular market	Created products for multiple crops, fruits and vegetables mitigating risk from demand slowdown in any particular crop	Agriculture is seasonal. UPL's range of products covering various crops across seasons derisks from seasonality	Focus on branded products enhanced profitability. Branded products accounted for 86% of the Company's revenue in FY 2017	Acquired lucrative assets to drive faster growth: 25+ acquisitions	Value chain from seeds to post-harvest solutions making it a one-stop shop

COMPETITIVE ADVANTAGE

UPL has emerged as the fastest-growing generic crop protection chemical company in the world

KEY BENEFICIARIES

CUSTOMERS	COMMUNITY	EMPLOYEES	SHAREHOLDERS	VENDORS
Offered complete crop care solutions from seeds to post-harvest solutions	Invested in community-strengthening initiatives in the fields of health and education	Employed a global talent pool of 5,714 employees from 36 countries; received GPTW certification	Appreciated shareholder value 40% over the last three years	Sourced raw materials from more than 1,951 vendors worldwide

Management discussion **and analysis**

Estimated growth		2017	2018
	Emerging markets and developing economies	4.5%	4.8%
	Developed economies	1.9%	2%

(Source: IMF)

Global economic overview

The pace of global economic activity was mixed in 2016 as a number of crosswinds affected re-acceleration. Within advanced economies, comprising the US, Europe and Japan, the lingering legacies of the recent crisis, coupled with protracted monetary policy support and return to fiscal neutrality, underpinned a generally-accelerating output with falling unemployment. In countries outside the advanced economies, the sources of slower growth ranged from commodity price declines to overhangs from past rapid credit growth to political turmoil.

Global growth is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised downwards by 0.1 percentage point for 2017 compared to the April 2016 projections. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US.

Having said this, long-term prospects of emerging market economies improved on the back of a visible lowering of interest rates in advanced economies and firming of commodity prices. Asia in general and India in particular has demonstrated robust growth while sub-Saharan Africa has experienced a sharp slowdown

(Sources: IMF and World Bank).

Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices could provide respite for resource-rich economies in 2017. However, the medium-term outlook continues to be bleak with growth declining in investments and labour supply. Businesses will need to prepare themselves adequately in order to address the challenges arising from geopolitical tensions, policy uncertainties, financial market volatility and rapid technological advancements.

Indian economy overview

India's GDP grew at 7.1% in FY17 versus a revised 8% (7.9% as per previous estimate) in FY16. India's GDP growth in the January-March quarter was lower than China's 6.9% for this period. Demonetisation had a pronounced broad-based impact on the economy in the fourth quarter. Despite a sequential slowdown, agriculture and mining sectors held up with consumption being robust. Manufacturing, construction and major services were hit by the currency squeeze, pulling down real gross domestic product (GDP) growth in Q4FY17 to 6.1% from 7%.

The lower-than-expected real GDP growth in Q4FY17 was also due to the firming up of commodity prices, which hardened WPI. The GVA growth in Q4FY17 was pegged at just 5.6%, as an unfavourable base also impacted the estimate (GVA grew a robust 8.7% in Q4FY16). The GVA expansion slipped sharply to 6.6% in FY17 from 7.9% in FY16.

Pertinently, although growth in real term slipped in FY17, nominal GDP expansion touched 11% in the year against 9.9% in FY16, owing to higher inflation, especially at the wholesale level. With good monsoon, the agricultural sector posted a huge jump in growth as it expanded by 4.9% during FY17, compared to a dismal 0.7% in the previous year.

Outlook: The growth estimate is contingent on the prediction of normal monsoon in this year, along with expectation of a boost in consumption demand, increased private sector and government spending. The nationwide roll-out of the goods and services tax in the second quarter of FY18 is also expected to result in an increment of 0.25% to 0.5% to GDP growth. CARE Ratings expects the economy to grow 7.6-7.8% in FY18.

Outlook

The near-term growth outlook for India seems bright even as the growth forecast for 2017-18 was moderated by 40 bps due to the temporary negative consumption shock induced by demonetisation-induced payment disruptions. Subsequently, India's gross value-added growth is likely to remain at 6.6% as economic activity will take more time to normalise. However, the implementation of the Goods and Services Tax is expected to boost interstate trade and economic growth.

	2013	2014	2015	2016	2017
GDP (USD trillion)	1.92	2.04	2.11	2.26	2.30
Real GDP growth (%)	6.6	7.2	7.6	7.6	7.2
Inflation (%)	10.9	6.4	5.9	5.0	4.9
Exchange rate against the dollar	58.6	61.0	64.1	67.2	64.6

(Source: Euromonitor and IMF) *(estimated)*

Indian agricultural sector

Overview

Agriculture plays a vital role in India's economy. More than 58% of rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the nation's GDP. The share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is expected to be 17% of the GVA during FY2016-17 at FY2011-12 prices. India's food grain production was pegged at 135.03 million tonnes in 2016-17. The country had the second-largest land area by size, dedicated to agriculture (157.35 million hectares). India, the second-largest producer of sugar, accounted for 14% of the global output and emerged as the sixth-largest exporter of sugar. GDP from agriculture in India reached an all-time high of ₹5,418.51 billion in the fourth quarter of 2016 from ₹3,179.76 billion in the third quarter of 2016.

(Source: Central Statistics Office, IMF, Trading Economics)

Outlook

The agriculture sector in India is expected to perform better in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs and time, improved port gate management and better fiscal incentives are likely to contribute to the sector's growth. The growing use of genetically-modified crops is likely improve yields for Indian farmers. India is expected to be self-sufficient in pulses in the coming years due to concerted efforts by scientists in the use of early-maturing varieties of pulses and increased minimum support prices.

Budgetary provisions, 2017

- Push to reforms in agriculture marketing via framing new model law on contract farming
- ₹9,000 crore allocated towards crop insurance, up from ₹5,500 crore in FY2016-17
- Agriculture credit disbursement target of ₹10 trillion, up from ₹9 trillion in FY2016-17
- Additional ₹20,000 crore set aside for NABARD for creating a long-term irrigation fund
- ₹5,000 crore allocated for setting up a dedicated micro-irrigation fund
- ₹8,000 crore allocated for setting up a dedicated dairy development fund under NABARD
- Assistance to rural entrepreneurs to set up soil testing labs in Krishi Vigyan Kendras
- ₹1,900 crore allocated to NABARD to bring cooperative banks under core banking platforms
- Overall support to agriculture sector raised by 24% to ₹1.87 trillion

(Source: Livemint)

Crop protection chemicals market

Global overview

The value of the global conventional crop protection chemicals market in 2016 was estimated to have declined 2.5%, in comparison to 2015, to USD 49,920 million. It is worthwhile noting that this market value is based on the sales of agrochemical products used on the ground for crop use (including forestry and plantation crops) in the prevailing agricultural season, which for the southern hemisphere countries is the period between July 2015 and June 2016. During 2016, the value growth of the agrochemical market in dollar terms was not greatly affected by currency translation.

However, volume growth was limited as a result of adverse weather conditions in many markets and poor farm profitability due to low crop prices. In addition, performance was affected by high distributor inventory in many markets, glyphosate overcapacity and low prices. When the impact of trade weighted inflation and currency factors are excluded, in real terms the market declined in 2016.

The global agrochemicals market

The market value for agrochemical product usage in the non-crop sector rose by 3.3% to $6,532 million. Based on these result, the total market for agrochemicals is estimated to have decreased by 1.9% to $56,452 million in 2016. The agrochemicals market is considered to be one of the most important agri-input segments due to the growing cultivation of high value crops to meet the rising diversified food demand. Agrochemicals are consequently seen as products that improve return on investment and also address farmer and consumer needs. The adoption of new technologies increases crop production through the optimal use of finite resources (land and water). The growth potential in emerging markets and untapped regions provide attractive opportunities for market players. The market is driven by growing farmer attention towards superior agrochemicals (balanced and nutritive).

Growing population, declining arable land and increasing pest concerns in the face of a growing population are driving the agrochemicals market. The agrochemicals market is also influenced by factors like the sharing of intellectual property rights and increasing R&D investments.

(Source: Agrifutura)

Market performance in 2016

	2016 Sales (USD million)	2015 Sales (USD million)	% change (y-o-y)
Crop protection chemicals	49,920	51,210	(2.5)
Non-crop chemicals	6,532	6,322	3.3
Total agrochemicals	56,452	57,532	(1.9)
GM seed	20,396	19,789	3.1

(Source: Phillips McDougall)

The Indian agrochemicals market

India is the fourth largest global producer of agrochemicals after the US, Japan and China. This segment generated a value of USD 4.4 billion in FY15 and is expected to grow at 7.5% per annum to reach USD 6.3 billion by FY20. Approximately 50% of the demand comes from domestic consumers and the rest from exports. During the same period, the domestic demand is expected to grow at 6.5% per annum and exports at 9% per annum. The Indian crop protection industry is dominated by insecticides, which account for about 65% of share of the industry. Segments like herbicides, fungicides and others (rodenticides and nematocides) account for 16%, 15% and 4% respectively. In addition to the use of crop protection chemicals, Indian agriculture focuses on specific solutions to enhance crop productivity. There is a growing need to adopt efficient agronomy practices (fertigation, seed treatment, biotechnology and plasticulture) to reduce wastage and attain output self-sufficiency. Integrated pest management is an effective and sustainable means of tackling pests and diseases in Indian agriculture. Tropical climatic conditions and a high production of paddy, cotton, sugarcane and other cereals drive the consumption of insecticides. Availability of cheap labor for manual weed-picking contributed to a low consumption of herbicides in India. This trend is expected to change due to increasing farm labour wages in India.

(Source: Tata Strategic Management Group)

Outlook

India supports nearly 17.84% of the world population with 2.4% land resources and 4.0% of water resources. Around 15-25% potential crop production is lost due to insect action, weeds and disease. Keeping pace with the growing population and their changing demand for quality food, the country will need to raise quantity and quality of agricultural production to ensure national food and nutrition security.

(Source: indiainbusiness.nic.in)

Growth drivers

A UN study on global population trends predicts that India will surpass China to become the most populous nation in the world by 2022. About 15-25% crop production is lost due to pests, weeds and diseases. India will not only need to raise agricultural production and productivity. Crop protection and crop enhancement solutions, based on best global practices and latest technologies, represent the answer. The consumption of crop protection products in India (0.6 kilograms per hectare) is low compared to the global average of 3 kilograms per hectare. The access to cheap labour and low processing costs offer opportunities for multi-national companies to commission manufacturing hubs in India. Growth in the sector is also being driven by a growing demand for contractual manufacture and research services.

Challenges

Despite strong growth drivers, India's agrochemicals industry faces challenges in terms of low awareness among farmers (only 25-30% of the farmers are aware of agrochemical products and their use). With a large number of users spread across the vast geography, managing inventory and distribution costs also remains a challenge. The rising offtake of spurious pesticides and spiked bio-pesticides poses a threat, as does supply chain ineffectiveness. Manufacturers face issues of seasonal product demand, unpredictable pest attacks and high monsoon dependence.

Opportunities

- **Contract manufacturing and exports of pesticides:** India is the thirteenth largest exporter of pesticides. The availability of technically trained resources, seasonal domestic demand, overcapacity, better price realisations and a strong presence in generic pesticide manufacturing are expected to bode well for India. India's consumption of pesticides is among the lowest in the world - 0.6 kilograms per hectare compared to 13 kilograms per hectare in, say, China, which indicates adequate growth room.
- **Off-patent products:** Agrochemicals worth USD 4.1 billion are expected to go off-patent by 2020, providing significant export opportunities for Indian companies with an expertise in generic product manufacture.
- **Herbicides and fungicides:** The availability of cheap labour for manual weed picking affected the offtake of herbicides. But emerging labour shortages, rising costs and new genetically-modified crops are expected to increase the use of herbicides by 15% per annum for the next five years. The 7.5% growth in the fungicides segment over the last five years is expected to continue.
- **Innovations in agrochemistry:** The emerging labour shortage is accelerating the introduction of slow-release or controlled-release formulations which obviate the need for multiple spraying. Farmers are also investing more in seed treatment agrochemicals that enhance immunity and guarantee uniform germination.

Threats

Malnutrition in all its forms remains a global concern. The excessive intake of energy-dense food along with reduced physical activity, has led to obesity and nutritional diseases (non-communicable). Every year, malnutrition contributes to the deaths of ~3 million children and threatens the future of hundreds of millions. The FAO estimated that a third of annual food production for human consumption is lost or wasted due to supply chain issues, leading to 795 million people becoming chronically undernourished and over two billion people becoming micronutrient-deficient worldwide. A reduction in food loss and waste could potentially help catalyse the offtake of nutrients and phytochemicals, alleviating micronutrient deficiencies among people. This could help enhance global food security and the sustainability of food systems.

Outlook

Going forward, the industry needs simplified registration norms for pesticides exports and increased scope of regulations to cover all types of pesticides (including bio-pesticides). Regulators need to increase their inspection staff to ensure regular checks to contain the growth of spurious products. India's agricultural GDP is projected to increase at 4.1%; farm credit target is pegged at ₹10 lac crore, which could have a positive impact on farm input sectors like crop protection (fertilisers, pesticides), seeds and irrigation. The increased coverage of Fasal Bima Yojna brightened prospects as the bulk of these inputs are bought on credit. *(Source: Business Standard)*

Food loss metrics (worldwide) *(Source: FAO)*

30%	20%	35%	45%	20%	20%
Cereals	Dairy	Fish and seafood	Fruits and vegetables	Meat	Oilseeds and pulses

World Bank estimates that every 1% reduction in post-harvest losses can lead to US$40 million gain in output, with farmers emerging as key beneficiaries.

Alarming reality *(Source: FAO)*

~286	~29	8%	>20
million tonnes of cereal products are thrown away by the consumers, in industrialised countries.	million tonnes of dairy products are lost or wasted every year in Europe alone	of fishes caught are thrown back into the sea because they are dead or wounded	percent of the 263 million tonnes of meat produced globally is lost or wasted

Food security

Global: World Bank projections suggest that in 2016, the number of people living in extreme poverty fell <10% of the global population for the first time in history. Global hunger rates are expected to have fallen in 2016, with less than 11% of the world suffering from undernourishment – a drop from 19 % in 1990. About 99 countries progressed towards declining stunting, which blights the lives of more than 150 million children around the world. The Scaling up Nutrition Movement united governments, civil society, private sector and international organisations towards making holistic nutrition a priority.

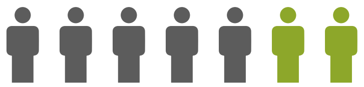
Food security is a condition that ensures that every individual has physical, social and economic access to sufficient safe and nutritious food. Small farmers are at the crux of it, feeding close to 80% of the total population in Asia and Sub-Saharan Africa and supporting the livelihoods of nearly 2 billion people worldwide. The changes in weather patterns are affecting the food security level in most of the South East Asian countries. Going ahead, food security could focus on three things: availability, accessibility and utilisation.

[Source: Global Nutrition Report 2016; Global Food Policy Report 2017]

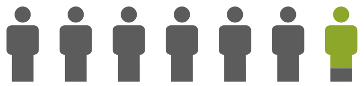
The scale of malnutrition in 2016

Although the number of people, affected by different kinds of malnutrition cannot simply be summed (because a person can suffer from more than one type), the scale of malnutrition is staggering

Out of a world population of 7 billion



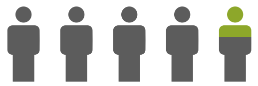
About **2 billion** people suffer from micronutrient malnutrition



Nearly **800 million** people suffer from calorie deficiency

Out of 5 billion adults worldwide

Nearly **2 billion** are overweight or obese



One in 12 has type 2 diabetes

Out of 667 million children under the age of 5 years worldwide

159 million under 5 years too short for their age (stunted)

50 million do not weigh enough for their height (wasted)

41 million are overweight

Out of 129 countries with data, 57 countries have serious levels of both malnutrition and adult overweight (including obesity)

Source: Micronutrient malnutrition: WHO 2009, Overweight and obesity: WHO 2016i); child stunting, wasting and overweight: UNICEF, WHO and World Bank (2015); Calorie deficiency: FAO (2015b); diabetes: WHO (2016c); Multiple burdens: The cutoffs for placing countries in each indicator categories are as follows: under-age-5-stunting≥20%, women of reproductive age anemia≥20%, and adult overweight and obesity (BMI≥25) ≥ 35%. Full results appear in Appendix Table A1.1

India

India was ranked 75th as per the Global Food Security Index 2016, clocking a growth of 0.7% during the past five years. In 2016, the Indian Government allocated approximately US$5.3 billion to nutrition-specific programmes such as the Integrated Child Development Services Scheme and the National Health Mission. It allocated $31.6 billion in total to several programmes aimed at improving the food and livelihood security in India. Currently, programmes such as PDS (food subsidy) and MGNREGA (employment security) account for about 70% of India's expenditure on nutrition.

(Source: www.livemint.com)

Country	Overall score	Affordability	Availability	Quality and safety	Rank
India	49.4	42	57.1	46.7	75th

(Source: Global Nutrition Report, 2016)

Excellence **drivers**

R&D and product innovation

Our strategic mandate is R&D-driven and focused on product innovation. This has helped launch new products with responsiveness to market needs. We are dedicated to improve agricultural viability across the world. In just the last three years, we launched 240 products and filed 195 patents, reinforcing our position as an industry leader. Our Innovation Rate (measuring the revenue contribution of products launched during the past five years) is a high 15 %.

Global manufacturing and supply chain capabilities

UPL enhanced its competitiveness across cyclical downturns through cost optimisation, waste reduction and energy conservation. We also reinforced our competitiveness by achieving targets within stipulated tenures, forging collaborative engagements between the R&D and production teams to achieve process and product improvements and engaging academic institutes to enhance operational efficiencies.

Quality control

At UPL, our quality control extended to collaborative engagements between our R&D and production teams leading to process and product improvements. We provided efficient and effective solutions by leveraging technology to enhance manufacturing efficiencies and product efficacy.

Deep marketing reach

We widened our reach by manufacturing closer to large consuming markets and, analysing grassroot realities to strengthen demand forecasting. UPL's professionals engage periodically with farmers to showcase products, attributes and efficacy. We commissioned 11 Unimart stores across India to market agricultural inputs, provide knowhow and catalyse productivity. The result: Our revenues (consolidated) increased at a CAGR of 17% over the five years ending 2016-17.

Best HR practices

UPL's HR strategy helped reinforce our market leadership and cross-functional coordination across 40+ countries. We employ more than 5,714 professionals from 36 countries. We invest in formal and informal training as well as on-the-job learning. We transferred key executives across geographies to enrich our international leadership pool. We reinforced engagements with employees across levels by providing an enriched workplace, challenging job profile and ongoing dialogue. The result: we enjoyed one of the highest employee retention rates in the industry.

Intellectual proficiency

At UPL, a rich pool of scientists focus on process innovation leading to global patents. This helped enhance manufacturing efficiency on the one hand and strengthened product efficacy on the other. This empowered the company to extend beyond new product development and improvement in existing products to build a world-class intellectual property bank. These initiatives helped strengthen the company's credentials as an innovator in its own right. The result: over the past five years, we filed 253 patents globally.

Prudent financial management

UPL continued to keep a tight rein on its net working capital cycle by continuous monitoring and control over inventory, receivables and payables. Foreign currency exposures were managed through forward covers and natural hedges. Credit risk was mitigated by ensuring credit insurance covers over receivables to the maximum extent possible.

Operational **review**

Overview
UPL Limited has invested extensively in manufacturing capabilities and capacities. Subsequently, the Company positioned itself competitively with production abilities commensurate with evolving global needs. UPL's plants are among the largest and state-of-the-art of their kind in the world. UPL's plants focus on optimised operations, resulting in global cost leadership in the products of its presence.

Plants
While UPL's formulation plants are located around the world, its synthesis plants are located in India for the following reasons:

- Formulation plants warrant lower capex while synthesis plants are capex-intensive
- Setting up plants in India is 30-40% cheaper than equivalent facilities in Western countries
- Indian plants enjoy attractively affordable cost of labour

Technology
UPL is among the largest one-stop crop protection solution providers. The Company possesses in-house manufacturing expertise, reducing its dependence on third-party partners with corresponding advantages of customised flexibility, moderated costs and purpose-specific use. The Company follows environmental standards in line with stringent global norms.

Compliance
All crop protection chemical players are required to comply with different regulations and UPL is no different. At UPL, environment and safety compliances are accorded the highest importance; deviations, however temporary, are escalated, immediately addressed along with initiatives to prevent their recurrence.

Quality
At UPL, an internal team is assigned the responsibility of overseeing quality control, which undertakes an approach more rigorous than the regulators, accompanied by periodic audits and benchmarking with best-in-class practices.

Highlights, 2016-17
- Embarked on process automation and technology upgrades
- Reduction in energy consumption through conservation
- Consolidated and optimised vendor base to get the best possible rates

Strategy
The Company outsourced low value-added products with a relatively low proportion in the company's revenue basket, the vacated capacity being allocated to value-added products. UPL is the only crop protection chemicals manufacturer in India to build a plant dedicated to IFDA. When a brand is endorsed by a premier governing body, other products by the same company enjoy enhanced market acceptability.

The Company highlighted its environmental focus by being zero-discharge across all of its plants.

Savings
The various cost management initiatives of the Company helped save ₹ 70 crore in FY 2017.

Outlook
The Company aims to focus on superior supply chain management, smarter procurement and comprehensive administration cum control at its facilities.

Sustainability performance in India

KPI	Performance
CO_2	22% reduction
Energy consumption	9% reduction
Water consumption	19% reduction
Wastewater generation	27% reduction
Solid waste generation	6% reduction

Segment wise revenue As on March 31, 2017 *(₹ In crore)*

	Agro activity	Non agro activity	Others
External	16,196	465	18
Inter segment	-183	183	-
Total	16,013	648	18

The business of the Company is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:

- Agro activity: This is the main area of the Company's operation and includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products.
- Non-agro activity: Non agro activities includes manufacture and marketing of industrial chemical and other non-agricultural related products.

Agro activity revenues increased by ₹2,416 crore in FY 2017 over the previous year.

Non-agro activity revenues decreased by ₹88 crore in FY 2017 over the previous year.

Safety, health **and environment**

Overview
UPL prioritises employee safety, health and environment to enhance its reputation as a responsible corporate.

Environment management
The company invested in systems to eliminate emissions and effluents. Its dedicated Green Cell addresses environment issues across manufacturing units. The Company invested in process intensification to reduce COD at source. It developed bacteria for chemical culture and waste reduction. Each plant comprises a state-of-the-art effluent treatment plant, resulting in zero discharge. It installed superior scrubbers to minimise the emission of harmful chemicals, fumes and dust particles. The Company's environment compliance is at levels higher than what is recommended by Gujarat Pollution Control Board.

Safety
As a crop protection chemical manufacturing company, UPL handles a number of hazardous chemicals and processes. The Company invested in processes and practices to enhance operational safety. The Company believes in proactive measures to ensure workmen safety. Any activity that appears even remotely unsafe to anyone can be immediately stopped. Each department appointed one plant safety representative (PSR) responsible for managing unit safety. Each operating shift commenced with a 10-minute discussion on safety aimed at enhancing process integrity. Each project went through HAZOP studies before commencement. All plant-setting changes were first cleared by the HAZOP team before being implemented.

At UPL, an Emergency Response Team (ERT) across manufacturing units attended to incidents not only in factories but also neighboring areas. There were nearly 20-25 people in each factory in the ERT.

The Company designed safety training programs for contract labourers, making attendance and compliance compulsory. The Company displayed safety visual display boards across the plants along with the temperature points in each working unit.

The Company followed a strict incidents reporting system; even minor incidents were logged in the MIS of the safety department. Each incident was analysed for its root-cause with required precautions taken to prevent recurrence. The Company invested significantly in upgrading of safety standards across factories.

Health
UPL took adequate measures to ensure better employee health standards. The employees underwent health checks each year. Employees exposed to hazardous gases underwent compulsory health checks. The Company commissioned health centres in all units running 24x7, manned by doctors and nurses. All employees were provided precautionary first-aid training.

Finance **review**

Overview

The financial statements of the Company were prepared in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2017 are the first the Group has prepared in accordance with Ind AS. The consolidated financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Contingent consideration.

Key performance indicators

Parameters	2016-17	2015-16	Growth (%)
Revenues (₹ crore)	17,124	14,660	16.80
EBIDTA (₹ crore)	3,429	2,711	26.49
PBT (₹ crore)	1,922	1,117	72.18
PAT (₹ crore)	1,733	952	82.16
Earnings per share (₹)	34.06	18.54	83.88

Analysis of profit and loss account

Revenues: Revenues from operations of the Company improved by 16.28% from ₹14,344 crore in 2015-16 to ₹16,680 crore in 2016-17 on the back of improved realisations, strategic product launches and growth in key markets. Other income increased from ₹316 crore in 2015-16 to ₹444 crore in 2016-17.

Overheads: Total operating expenses of the Company increased 15.28% from ₹6,780 crore in 2015-16 to ₹7,816 crore in 2016-17, largely owing to an increase in the Company's operational scale. Cost of materials and components, comprising 45.6 % of the total income (46.3 % in 2015-16) increased from ₹6,780 crore in 2015-16 to ₹7,816 crore in 2016-17. Power and fuel costs declined 5.77% from ₹359 crore in 2015-16 to ₹339 crore in 2016-17 as a result of the captive power plant remaining fully operational during the year. Growing scale required new people to join the organisation and existing employees were given necessary increments during the year under review. Owing to these factors, the employee costs of the Company increased 13.49% – from ₹1,434 crore in 2015-16 to ₹1,627 crore in 2016-17. As a proportion of the total expenses, employee costs stood at 12% in 2016-17, the same as in 2015-16. Other expenses of the Company increased 15.1% from ₹3,080 crore in 2015-16 to ₹3,545 crore in 2016-17.

Sources of funds

Capital employed: Capital employed by the Company increased 5.29% from ₹11,300 crore as on 31st March 2016 to ₹11,898 crore as on 31st March 2017.

Net worth: The net worth of the Company stood at ₹7,397 crore as on 31st March 2017 compared to ₹5,889 crore as on 31st March 2016. The growth was mainly on account of growth in profit for the year by 197% in comparison to previous year. The equity share capital of the Company comprised 50,70,17,118 equity shares with a face value of ₹2 each during the year under review (it was 42,86,04,274 equity shares with a face value of ₹2 each in the previous year).

Borrowed funds

Long-term debts: Long-term debt of the Company increased from ₹2,266 crore as on 31st March 2016 to ₹5,350 crore as on 31st March 2017 owing to an issue, through an overseas subsidiary, of USD 500 mn 5-year senior unsecured notes, rated Investment Grade by Moody's / S&P / Fitch. The Company's net debt-equity ratio stood at 0.47 during 2016-17 compared to 0.69 in 2015-16.

Finance costs: Finance costs increased 4.4% – from ₹704 crore in 2015-16 to ₹735 crore in 2016-17 owing to an increase in the Company's borrowed funds. The Company's interest cover stood at a comfortable 6.82x in 2016-17 compared to 6.09x in 2015-16.

Applications of funds

Net block (tangible assets) of the Company increased 8.5% from ₹2,288 crores as on 31st March 2016 to ₹2,483 crores as on 31st March 2017 owing to an expansion in capacities of certain key molecules. Depreciation of tangible assets for the year stood at ₹306 crores compared to ₹255 crores in the previous year owing to an increase in the Company's asset base. Non-current investments of the Company increased 12.5% from ₹336 crores as on 31st March 2016 to ₹378 crores as on 31st March 2017.

Working capital management

- Current assets of the Company increased 20% from ₹16,987 crore as on 31st March 2016 to ₹20,380 crore as on 31st March 2017
- Current ratio of the Company stood at 2.28 in 2016-17 compared to 2.16 in 2015-16
- Inventories (including raw materials, finished goods, and work-in-progress, among others) increased 9.75% from ₹3,787 crore as on 31st March 2016 to ₹4,156 crore as on 31st March 2017
- Inventory turnover reduced to 92 days of turnover equivalent in 2016-17 owing to the Company's continued focus on efficient inventory management
- Trade receivables increased 10.9% from ₹5,100 crore as on 31st March 2016 to ₹5,656 crore as on 31st March 2017 owing to increased offtake
- The Company's trade receivables reduced to 122 days of turnover equivalent in 2016-17 on account of stringent credit management practices
- Short-term loans and advances of the Company decreased 41 % – from ₹357 crores as on 31st March 2016 to ₹209 crores as on 31st March 2017 owing to an decrease in loans and advances to related parties, sundry deposits, sundry loans and other unsecured loans and advances
- Other current assets of the Company declined 1% from ₹750 crores as on 31st March 2016 to ₹742 crores as on 31st March 2017 owing to a decline in other advances
- Current liabilities of the Company decreased 14 % – from ₹8,168 crores as on 31st March 2016 to ₹7,028 crores as on 31st March 2017, largely owing to decrease in short term borrowings
- Short-term borrowings of the Company decreased 72 %, trade payables increased 23%, other current liabilities decreased 17% and short-term provisions increased 12 % in 2016-17 compared to 2015-16

Cash and bank balances

Cash and bank balances increased from ₹1,177 crore as on 31st March 2016 to ₹2,879 crore as on 31st March 2017.

Segment-wise revenue generation (as on March 31, 2017)

₹ in crore	Agro activities	Non-agro activities	Others
External	16,196	465	18
Internal	-183	183	-
Total	16,013	648	18

The revenue earned by the Company is primarily divided under two heads – agro and non-agro activities. Agro activities are the Company's key revenue earners and comprise the manufacture and marketing of conventional agrochemical products, seeds and other agricultural products. Non-agro activities revolve around the manufacture and marketing of industrial chemicals and other non-agricultural products. Revenues derived from agro activities increased by ₹2,416 crore over the previous year. Revenues derived from non-agro activities decreased ₹88 crore over the previous year.

Managing risks **at UPL**

The objectives of risk management at UPL are to understand associated risks, manage uncertainties impacting performance, protecting corporate value and interests of associated stakeholders while embarking on initiatives that balance risks and rewards.

Competition risk

Implication: Increased competition might affect the Company's revenues

Mitigation: The Company's product portfolio enhances its ability to address the different needs of customers in the competitive crop protection market. Access to cutting-edge technology increases UPL's productivity and reduces operational costs.

Result: At a time when most players reported flattish or lack of growth, UPL increased its revenues 17%.

Industry risk

Implication: Industry risks might slow growth and lead to inventory pile-up

Mitigation: The Company has a presence in 130+ countries thanks to a wide product portfolio. Access to multiple crop segments enables the Company to de-risk itself from any regional and crop-specific slowdown. With food demand rising across the world, reducing crop loss is necessary.

Result: At a time when the overall crop protection industry de-grew by 2.5%, UPL registered a revenue growth of 17%.

Liquidity risk

Implication: Liquidity risk could impact the debt repayment capabilities of the Company

Mitigation: UPL's business enjoys adequate liquidity. Cash profit improved from ₹1,792 crore in FY 2016 to ₹2,594 crore in FY 2017. The Company's net working capital days stood at 90 days of turnover equivalent in FY 2017 (102 days in FY 2016)

Result: Interest cover stood at a high of 6.82x in FY2016-17

R&D risk

Implication: Quality inconsistencies might lead to a decline in the demand for UPL's products

Mitigation: UPL's R&D-driven product innovation has helped it launch new products in sync with market needs.

Result: In the last three years, UPL launched 240 new products and filed 195 patents, reinforcing its position as an industry leader.

Marketing risk

Implication: Inability to market the products effectively could have an impact on the growth of UPL.

Mitigation: UPL widened its reach by setting up manufacturing bases near large markets and analysed grassroot realities to strengthen demand forecasting. UPL strengthened its branding and marketing prowess to enhance user confidence. It commissioned 11 Unimart stores across India to market agricultural inputs, provide knowhow and catalyse productivity.

Result: UPL's products are being better recognised across the world.

HR risk

Implication: A poor HR policy could impact on the productivity of the Company.

Mitigation: UPL's HR strategy has fostered cross-functional coordination across 40+ countries. Today, it employs more than 5,714 professionals from 36 countries in formal and informal training.

Result: UPL was certified as a 'Great Place to Work' in Brazil and India.

Statutory and Financial Sections

Corporate information

Board of Directors

Mr. R. D. Shroff - *Chairman & Managing Director*

Mrs. S. R. Shroff - *Vice Chairman*

Mr. J. R. Shroff - *Global CEO of the Group*

Mr. V. R. Shroff - *Executive Director*

Mr. A. C. Ashar - *Director – Finance*

Mr. K. Banerjee - *Whole - Time Director*

Mr. Pradeep Goyal

Dr. Reena Ramachandran

Mr. Pradip Madhavji

Mr. Vinod Sethi

Mr. Hardeep Singh

Mr. Vasant P. Gandhi

Company Secretary

Mr. M. B. Trivedi

Auditors

SRBC & Co. LLP

Chartered Accountants

Administrative Office

UPL House, 610 B/2, Bandra Village,
Off Western Express Highway, Bandra (East)
Mumbai - 400 051
Phone: 7152 8000, Fax: 7152 8886

Registered Office

3-11, G.I.D.C., Vapi,
Dist. : Valsad, Gujarat-396 195.
Tel.: 0260-2400717, Fax: 0260-2401823

Bankers

Dena Bank

Bank of Baroda

State Bank of India

Canara Bank

IDBI Bank Ltd.

The Karur Vysya Bank Ltd.

Axis Bank Ltd.

Andhra Bank

State Bank of Hyderabad

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

Secretarial Department

Uniphos House, C.D. Marg, Khar (West)
Mumbai - 400 052
Phone: 2646 8000, Fax: 2604 1010

Debenture Trustees

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17. R. Kamani Marg Ballard Estate
Mumbai - 400 001

UPL LIMITED

(CIN: L24219GJ1985PLC025132)

Notice

NOTICE is hereby given that 33rd ANNUAL GENERAL MEETING of the Members of UPL LIMITED will be held on Saturday, 8th July, 2017 at 11.00 a. m. at Hotel Green View Hall, National Highway No. 8, G.I.D.C., Vapi - 396 195, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

   a) The audited financial statements of the Company for the financial year ended on 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.

   b) The audited consolidated financial statements of the Company for the financial year ended on 31st March, 2017 and the Report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr. Jaidev Rajnikant Shroff (DIN: 00191050), Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mrs. Sandra Rajnikant Shroff (DIN: 00189012), Non-Executive Vice Chairman, who retires by rotation and being eligible, offers herself for re-appointment.

5. To appoint Auditors and fix their remuneration

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs B S R & Co. LLP, Chartered Accountants, Mumbai having ICAI Firm Registration No.101248W/W-100022, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s. S R B C & CO LLP, Chartered Accountants, retiring Auditors) for a term of five years commencing from the Company's financial year 2017-18, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company (subject to ratification of their appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration as may be agreed upon by the Board of Directors and the Auditors, plus service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. RA & Co., (Firm Registration No. 000242), Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid remuneration amounting to ₹7,00,000/- (Rupees Seven Lakhs Only) plus service tax, as applicable, and out of pocket expenses if any."

7. Private placement of Non-Convertible Debentures

   To consider and if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible

Debentures on private placement basis, in one or more tranches, such that the total amount does not exceed ₹3,000 crores (Three Thousand Crores only) during a period of one year from the date of passing of this Resolution and that the said borrowing is within the overall borrowing limits of the Company.

"RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. Approval of UPL Limited - Employees Stock Option Plan 2017 (ESOP 2017)

To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded respectively to the 'UPL Limited - Employees Stock Option Plan 2017' (hereinafter referred to as the "ESOP 2017") and to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time, to the permanent employees including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, as per appraisal process for determining eligibility of employees under the Plan not more than 25,00,000 (Twenty Five Lacs) Options, each Option giving the right but not the obligation to the holder to subscribe for cash to one fully paid-up Equity Share in the Company, of face value of ₹2/- each, directly by the Company, as determined by pricing formula and exercise price under ESOP 2017 in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2017 and in due compliance with the applicable laws and regulations in force."

"FURTHER RESOLVED THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of options by Employee from time to time in accordance with the ESOP 2017 and other applicable laws in force and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"FURTHER RESOLVED THAT the number of options that may be granted to any employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the ESOP 2017 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

"FURTHER RESOLVED THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid 25,00,000 (Twenty Five Lacs) of Equity Shares shall be deemed to be increased in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment."

"FURTHER RESOLVED THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the options Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"FURTHER RESOLVED THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2017 and do all other things incidental and ancillary thereof."

"FURTHER RESOLVED THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2017."

"FURTHER RESOLVED THAT any of the Directors of the Company or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESOP 2017 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI Listing Regulations and other applicable guidelines, rules and regulations."

"FURTHER RESOLVED THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2017 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

9. Grant of options to the employees of the Subsidiary Company(ies) of the Company under Employees Stock Option Plan 2017 (ESOP 2017)

To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") issued by the Securities and Exchange Board of India ("SEBI") and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time to the permanent employees including the Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) whether whole time or otherwise, whether working in India or out of India of any existing and future Subsidiary Company(ies) of the Company whether in or outside India, as per appraisal process for determining eligibility of employees under the UPL Limited – Employees Stock Option Plan 2017 (hereinafter referred to as the "ESOP 2017"), on the same terms and conditions as mentioned in resolution 8 above, directly by the Company as determined by the pricing formula and exercise price under ESOP 2017 and in one or more tranches, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations in force."

"FURTHER RESOLVED THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the ESOP 2017 and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"FURTHER RESOLVED THAT the number of options that may be granted to any employee including any Director of the Subsidiary Company(ies) (not an independent director), in any financial year and in aggregate under the ESOP 2017 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

"FURTHER RESOLVED THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid 25,00,000 (Twenty Five Lacs) of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment."

"FURTHER RESOLVED THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"FURTHER RESOLVED THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2017 and do all other things incidental and ancillary thereof."

"FURTHER RESOLVED THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2017."

"FURTHER RESOLVED THAT any of the Directors of the Company, or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESOP 2017 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of SEBI Listing Regulations and other applicable guidelines, rules and regulations."

"FURTHER RESOLVED THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2017 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH 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.

   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 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 a proxy for any other person or shareholder.

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 between 11.00 a.m. and 1.00 p.m. up to the date of 33rd Annual General Meeting.

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 authorizing their representative to attend and vote on their behalf at the Meeting.

4. Members/Proxies 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 closed from Saturday, 24th June, 2017 to Saturday, 8th July, 2017 (both days inclusive).

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 Agent – Link Intime India Ltd., Unit: UPL Limited, C 101, 247 Park, L B S. Marg, Vikhroli (West), Mumbai 400 083, 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. Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 13th July, 2017 to the Members whose names stand in the Company's Register of Members on 8th July, 2017 and to the Beneficiary Holders as per the Beneficiary List provided for the purpose by the National Securities Depository Limited and Central Depository Services (India) Limited.

8. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 1994-95 has been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Members who have not encashed the Dividend Warrants pertaining to the said period may make their claims to the Registrar of Companies, Gujarat, Ahmedabad by submitting an application in prescribed form.

10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956/ Section 124(5) of the Companies Act, 2013 , as amended-

    (a) Dividend for the year 1996-97 and from 2003-04 to 2008-09 which remained unclaimed for a period of seven years from the date of transfer of same to the unpaid dividend account of the Company have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

    (b) Dividend / Interim Dividend for the years 2009-10 to 2015-16 which remain unclaimed for a period of seven years from the date of transfer of same to the unpaid dividend account of the Company will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 125(1) of the Companies Act, 2013.

    Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th July, 2016, on the website of the Company i.e. www.uplonline.com and also on the website of the Ministry of Corporate Affairs.

11. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

12. Voting Options

(1) Voting through Electronic Means:

Pursuant to 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institutes of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the General Meeting 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 venue of the General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing remote e-voting services through e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company on remote e-Voting system.

The Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of remote e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link https://www.evoting.nsdl.com or link https://www.uplonline.com

The remote e-voting period commences on July 5, 2017 (9:00 am) and ends on July 7, 2017 (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 1st July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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. July 1, 2017.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 8th July, 2017.

The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "UPL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Enter user ID and password as initial password/ PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "UPL Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to upl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting.

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to (xii) above, to cast vote.

(2) Voting at AGM:
The Chairman shall, at the 33rd Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.

Please note the following:
A member may participate in the 33rd Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the General Meeting.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. July 1, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the General Meeting through ballot paper.

The Board of Directors have appointed Mr. Jawahar Thacker, Chartered Accountant (Membership No. FCA 030646), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The results of voting will be declared and the same along with the Scrutinizers Report will be published on the website of the Company (www.uplonline.com) and the website of NSDL (www.nsdl.com) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the Annual General Meeting.

Other information:

- Login to remote e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for remote e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. July 1, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Company's Registrar & Transfer Agent.

  However, If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800-222-990.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the Downloads sections of https://www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800-222-990.

13. The information of Directors being appointed/ re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Jaidev Rajnikant Shroff
Director Identification Number	00191050
Date of joining the Board	1st October, 1992
Profile of the Director	Mr. Jaidev Rajnikant Shroff is a science graduate. He is Global CEO of the Group and he has worked with the Group for more than 23 years. He has vast experience in various areas of the Group's operations.
No. of shares held in the Company	5076750 Equity and 15230250 Preference Shares
Directorships and Committee memberships in other companies*	1. Uniphos Enterprises Ltd. 2. Nivi Trading Ltd. 3. Ventura Guaranty Ltd. 4. Tatva Global Environment (Deonar) Ltd. 5. Pradeep Metals Ltd.
Name of the Director	Sandra Rajnikant Shroff
Director Identification Number	00189012
Date of joining the Board	1st October, 1992
Profile of the Director	Mrs. Sandra Rajnikant Shroff has been associated with Uniphos Enterprises Ltd. (erstwhile United Phosphorus Ltd.) since its inception. She has held various important positions in commercial, educational and social fields.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	1. Uniphos Enterprises Ltd. 2. Uniphos International Ltd. 3. Enviro Technology Ltd. 4. Nivi Trading Ltd. 5. Shroff United Chemicals Ltd. 6. Bharuch Enviro Infrastructure Ltd. 7. Ventura Guaranty Ltd.

**Directorships and Committee memberships in UPL Limited and its Committees are not included in the aforesaid disclosure. Also, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Stakeholders Relationship Committees of only public Companies have been included in the aforesaid table.*

Mumbai: 24th May, 2017

By Order of the Board of Directors
For UPL LIMITED

Registered Office:
3-11, G.I.D.C., Vapi,
Dist. Valsad, Gujarat,
Pin - 396 195.
CIN: L24219GJ1985PLC025132

M. B. TRIVEDI
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The Explanatory Statement for Item Nos. 5 to 9 of the accompanying Notice set out hereinabove is as under:

Item No. 5:

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s S R B C & CO LLP, the present Auditors of the Company complete their term as Auditors.

In view of the above, M/s B S R & Co. LLP, Chartered Accountants, having Registration No. 101248W/W-100022, have been appointed as Auditors of the Company for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No.5 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.5 of the Notice.

Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/S. RA & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No.7:

As per Sections 42 and 71 of the Act, read with the Rules framed thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

NCDs, issued on private placement basis, are a significant source of borrowings for the Company. The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches for an amount not exceeding ₹3,000 crores (Rupees Three Thousand Crores Only) during the period of one year from the date of passing of the Resolution at Item No.7, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board commends the Special Resolution at Item No.7 of the accompanying Notice for approval by the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Item Nos. 8 and 9:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company (ies) for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company(ies) on the growth path. The Company intends to implement the UPL Limited – Employee Stock Option Plan 2017 (ESOP 2017), with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, (SEBI (SBEB) Regulations), the Company seeks members approval in respect of ESOP 2017 and grant of options to the eligible employees/ Directors of the Company and that of its Subsidiary Company(ies) as decided by the Nomination and Remuneration Committee from time to time in due compliance of the SEBI (SBEB) Regulations.

The main features of the ESOP 2017 are as under:

1. Brief Description of the Scheme(s):

   This proposed Scheme called the UPL Limited – Employee Stock Option Plan 2017 (ESOP 2017) is intended to reward the Employees (defined hereinafter at point 3 below) of the Company and its Subsidiary Company(ies) in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Scheme to retain talent in the organization as it views options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

   The Company in terms of the said Regulations contemplates to enable the implementation of ESOP 2017 by dealing in/acquiring Equity Shares directly from the Company ("Primary Shares").

2. Total number of options to be granted:

   Such number of options would be available for grant to the Employees under ESOP 2017, in one or more tranches exercisable into not exceeding more than 25,00,000 (Twenty Five Lacs) Equity Shares in the Company of face value of ₹2/- each fully paid-up.

   Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP 2017, within overall ceiling.

   The SEBI (SBEB) Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI (SBEB) Regulations,.

3. Identification of classes of employees entitled to participate in ESOP 2017:

   Following classes of employees are entitled to participate in ESOP 2017:

   a) Permanent employees of the Company working in India or out of India;
   b) Directors of the Company; and
   c) Permanent employees and Directors of the Subsidiary Company(ies).

   (Collectively referred as "Employees")

   Following persons are not eligible to participate in ESOP 2017:

   a) an employee who is a Promoter or belongs to the Promoter Group;
   b) a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
   c) an Independent Director within the meaning of the Companies Act, 2013.

4. Requirements of vesting and period of vesting:

   The options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company as the case may be. The Nomination and Remuneration Committee may, at its discretion, lay down certain criteria including but not limited to performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year.

   The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

   Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting. Vesting/lock-in period and the vesting may occur in tranches or otherwise.

5. Maximum period within which the options shall be vested:

   Options granted under ESOP 2017 would vest subject to maximum period of 5 (five) years from the date of grant of such options.

6. Pricing Formula and Exercise Price:

   The Exercise Price shall be the average of closing market price of the equity shares of the Company of preceding 20 trading sessions on the stock exchange having maximum volume of trading prior to the date on which the Board/ Nomination and Remuneration Committee grants the options.

7. Exercise period and the process of Exercise:

   The options granted may be exercised by the Grantee at any time within the period determined by the Nomination and Remuneration Committee from time to time subject to a maximum period of three years from the end of calendar year in which Vesting happens for the respective options.

   The Vested options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Board/ Nomination and Remuneration Committee from time to time, along with full payment for the shares with respect to which the options are exercised and the amount of applicable tax, if any. The options shall lapse if not exercised within the specified exercise period.

8. Appraisal process for determining the eligibility of employees under ESOP 2017:

   The appraisal process for determining the eligibility of the employees will be decided by the Board / Nomination and Remuneration Committee. The eligibility criteria is linked to the business and financial performance as approvecd by the Board/Nomination and Remuneration Committee.

9. Maximum number of options to be issued per employee and in aggregate:

   The number of options that may be granted to any specific employee of the Company or of its Subsidiary Company under ESOP 2017, in any financial year and in aggregate under the ESOP 2017 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

10. Maximum Quantum of benefits to be provided per employee under the ESOP 2017:

    The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

11. Route of Scheme implementation:

    The Scheme shall be implemented and administered directly by the Company.

12. Source of Shares:

    The Scheme contemplates new Issue of Shares by the Company ("Primary Shares").

13. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.:

    Company is not providing any loan for ESOP 2017 purpose, as Company is directly implementing the plan.

14. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the scheme:

    This is not relevant under the present scheme.

15. Accounting and Disclosure Policies:

    The Copany shall follow the Indian Accounting Standard (IND AS 102) share based payment and / or any relevant Accounting Standards as may be prescribed under the Companies Act, 2013 and /or under any other applicable law and / or any rule or regulation as may be prescribed from time to time, including the disclosure requirements prescribed therein.

16. Method of Valuation:

    To calculate the employee compensation cost, the Company shall use the Fair Value method for valuation of the options granted.

    Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

    A draft copy of the ESOP 2017 is available for inspection at the Company's Registered Office on all working days (excluding Saturday, Sunday and Holidays) till the date of the 33rd Annual General Meeting.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

By Order of the Board of Directors
For UPL LIMITED

Mumbai: 24th May, 2017

Registered Office:
3-11, G.I.D.C., Vapi,
Dist. Valsad, Gujarat,
Pin - 396 195.
CIN: L24219GJ1985PLC025132

M. B. TRIVEDI
Company Secretary

Directors Report

To,
The members of
UPL Limited

Your Directors have pleasure in presenting their report and audited accounts for the year ended on 31st March, 2017.

Financial Results

(₹ In crores)

	Consolidated		Standalone	
	Current Year	Previous Year	Current Year	Previous Year
Total Revenue	17124	14660	7602	6758
Earnings before interest, tax, depreciation, amortisation, exceptionals, prior period adjustments and minority interest	3429	2711	1268	1319
Depreciation/amortisation	672	676	655	619
Finance Cost	735	704	149	192
Exceptional items	81	129	46	-
Prior period adjustments	-	-	-	-
Loss from Associates	19	85	-	-
Profit before tax	1922	1117	418	508
Provision for taxation	-	-	-	-
Current tax	298	342	89	107
MAT credit entitlements	-	-	-	-
Deferred tax	(109)	(177)	84	16
Tax effect of earlier year	-	-	-	-
Profit after tax	1733	952	245	385
Minority Interest	6	12	-	-
Net profit for the year	1727	940	245	385

OPERATIONAL PERFORMANCE

The Company has delivered another year of good results.

Some of the financial highlights of the Company's global performance are as under:

a) Revenue from operations increased by 16% to ₹16,680 crores.

b) EBIDTA improved by 23% to ₹3223 crores

c) Profit before taxes have gone up by 52% to ₹2,022 crores.

d) Profit after taxes have gone up by 57% to ₹1,833 crores.

Region wise performance highlights are as under.

In India, the market for agrochemicals grew by about 9%. While cotton acreage reduced, mainly in the North, there was significant increase in pulses and oilseed planted area. In some parts of the country like Karnataka, Tamil Nadu, Andhra Pradesh and Maharashtra erratic rainfalls adversely affected the sales. Due to good rains elsewhere, agrochemical usage in both Kharif and Rabi seasons increased. The Company increased its strategic focus on vegetable and fruit crops, apart from traditional food crops. Due to all of this, some of its brands recorded highest ever sales. During the year, the Company introduced new bio-based and nutritional products. Company's policy to engage with customers was implemented very successfully. The Company sprayed 2 lakh acres of farm land in various parts of the country. It has also enrolled 14 lakh farmers under its Adarsh Kisan Centre programme and this number is likely to increase significantly in coming years. All these initiatives made the Company achieve above industry average growth in India. During the year, demonetization of high value currency notes affected the collections for a brief period but now, the market has rebounded.

In Latin America, the market saw de-growth of 6%. However, the Company's sales were significantly higher in all the key countries in this region. During the year, the Company launched six herbicides, one fungicide and one insecticide. The year also witnessed significant currency volatility. In Brazil disease pressure in soyabean was low, resulting in reduced consumption of fungicides.

North America market remained steady, with very marginal growth. The western parts which had witnessed three successive years of drought had excellent rainfalls and due to good rains across the region, it had a good harvest. The company launched two herbicides and one fungicide in this market. The aquatic business grew significantly with new launches. However, the income of farmers in this region did not go much higher and hence the spending on agri-inputs remained low. However the Company recorded good growth in the region.

European Market also remained steady, with very marginal growth. However as quotas for sugar beet ended, the area for its plantation went up, which helped the Company to increase its sales in this market. In Northern Europe, there was high disease pressure on potatoes. In southern Europe, dry weather prevailed which affected sale and consumption of fungicides on rice and vegetable crops. Overall the Company's performance in Europe was much better.

In rest of the world also, the market recorded de-growth marginally. However, the Company, due to its strategic marketing moves, improved its sales. After several years of drought, Australia had very good rains. In some of the key markets, recovery in rice crops resulted in increase in sales of the Company's products. The Company also expanded its non-selective herbicides share to key markets, including China. In Nigeria, the Company has established partnership to grow its business. In Africa the Company has created a regional base in Kenya to service its customer needs regionally.

Prices of some of the inputs had increased, but the Company had taken effective cost reduction measures to counter any adverse effects arising out of such price increases.

FUTURE OUTLOOK

For the year 2017, the monsoon in India is predicted to be normal. This shall improve farm and economic growth, and increase agricultural production in the country.

The Indian economic growth is on higher trajectory. The reforms undertaken by the Central Government, in this regard, are most laudable and should result into overall improved performance in all the sectors.

In this year's Union Budget, the government has announced a number of proposals which will result into improvement in credit flow to farmers, increase in irrigation acreage crop insurance and giving boost for farm incomes. The government initiatives for irrigation will result in higher crop yields and water security. With these measures the income of farmers will increase, leaving them with higher disposable income and this in turn will benefit all agri-input companies.

The Company is also exploring new markets for its products. It is gaining a foothold in African market. Latin American market also looks very promising for the Company's products.

Overall the Company expects the coming year to be very promising.

DIVIDEND

Your Directors have recommended dividend of 350% i.e. ₹7 per Equity Share of ₹2 each for the financial year ended 31st March, 2017, 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 8th July, 2017 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.

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") requires 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 which can be accessed at www.uplonline.com

FINANCE

(a) Fixed Deposits

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31st March, 2017.

(b) Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees or Investments are given in the notes to the Financial Statements.

(c) Changes in Paid-up Share Capital

During the year the Company has issued and allotted the following shares:

(i) 78313422 equity shares of ₹2 each to the shareholders of erstwhile Advanta Limited pursuant to Scheme of Amalgamation;

(ii) 108628440 Convertible Preference Shares of ₹10 each to the shareholders of erstwhile Advanta Ltd. pursuant to Scheme of Amalgamation;

(iii) 43429 equity shares of ₹2 each on conversion of Convertible Preference Shares and

(iv) 55993 equity shares of ₹2 each to Employees under Employee Stock Option Plan of the Company.

AMALGAMATION

The Honorable High Court of Gujarat vide its Order dated 23rd June 2016, sanctioned the Company's scheme of Amalgamation with Advanta Limited. In pursuance of the scheme, all the business, assets and liabilities of Advanta Limited were transferred to the Company. New equity and preference shares were issued to the erstwhile shareholders of Advanta Limited.

CREDIT RATING

The Company enjoys a good reputation for its sound financial management and ability to meet in financial commitments. CARE, a reputed Rating Agency, has re-affirmed the credit rating of CARE AA+ for the long term and CARE AI+ for the short term Bank facilities. For Non-Convertible Debentures, CARE and Brickwork Ratings have re-affirmed the credit rating of CARE AA+ and BWR AA+ respectively.

UPL Corporation Limited, wholly-owned subsidiary was rated by S&P, Moody's and Fitch for its USD 500 mn bond issuance under 144A/Reg. S as BBB-, Baa3 and BBB- respectively with stable outlook.

ESOP

Erstwhile Advanta Limited, which has now merged with the Company, had come out with two stock option plans in 2006 and 2013. Upon amalgamation, the shares were allotted to the option holders during the year. The disclosures in respect of these two plans are as per "Annexure 1"

The Company is proposing ESOP 2017 plan and enabling resolutions are proposed as item nos. 8 and 9 at the forthcoming Annual General Meeting.

SAFETY AND ENVIRONMENT

The Company has taken significant steps to ensure improvement in the operating safety conditions and standards in its manufacturing units as well as project sites. In addition, the manufacturing sites have taken on the challenge to decrease the utility consumptions – overall, as well as, on a unit production basis.

As a result of these initiatives, external bodies both governmental as well as non-government organisations, associated with enhancing the industrial safety and environment standards, have recognised the efforts of our manufacturing units.

During the year 2016-17, UPL manufacturing units won multiple awards in the areas of Safety, Environment, Energy Conservation and good manufacturing practises.

Major Award Details:

Award Category	No. of Awards	Awarded by
Business	3	National Business Success Award Institute, Exame Magazine, Icontec
Energy Conserva-tion	3	FICCI, BEE Ministry of Power
Environ-ment	4	Vietnam Association of Environmental Economics, International Reserach Institute for Manufacturing (IRIM)
Manufac-turing	10	IMEA, International Reserch Institute for Manufacturing, Frost & Sullivan, QCFI [Quality Circle Forum of India] agency
People	1	Epoca Magazine
Safety	8	Institute of Directors, Department of industrial safety and fire protection police-vietnam, OSHAI, international fundation ORP, Occupational Risk insurance COLMENA, NSCI, EKDKN

The Company had introduced measurement criteria in the areas of Safety and Environment Management at each of its factories in the previous year, namely, measurement of Lost Time Accidents (LTI), Total Recordable Frequency Rate (TRFR), Major Process Safety Incidents (MPSI) etc.

The organisation has been able to improve upon these metrics over a period of time. In addition, the larger group of indirect employees including contract workmen employed for ancillary work as well as capital projects have been brought under the umbrella of safety oversight and continuous training initiatives.

In addition, the following initiatives have been spearheaded at most manufacturing and construction sites:

a. Safety Induction and orientation of new employees :
Upon joining, all new employees at our manufacturing sites are taken through a level 0 and Level 1 program which essentially talks about the layout of the factory, processes within the site, safety procedures, usage of personnel protective equipment (PPE) etc. This process ensures a basic level of awareness for all new employees and makes them understand the potential hazards that might exist within the factory.

b. Employee Education process:
Before the employee is allowed to work in a process area within the manufacturing site, he/ she is taken through a Level 2 training which includes details of processes, details of materials being handled, material safety data sheets (MSDSs), design and operation of key equipment etc. This training lasts for at least four man days per employee before he is allowed to work. We have started a program by which the employee's performance is evaluated on a periodic basis to ensure that the levels of training and compliance are continuously enhanced. Over a period of time this will be extended to all categories of contract employees.

c. Hazard and operability study (HAZOP):
For each new project and/or process modification, it is now mandatory to conduct a HAZOP study which in turn throws up potential hazards due to changes and process, process parameters, equipment design and equipment changes.

d. Emergency Response Team (ERT) program:
Specific Emergency Teams which are trained by accredited agencies like St John Ambulance are available at all sites to handle emergencies and medical procedures. Likewise, trained firefighting teams which are able to understand and handle specific material related fire emergencies at specific plant sites, are available round the clock at all manufacturing units.

e. Safety Self Recognition Program (SSRP):
This program was set up with the objective of empowering own as well as contract employees to recognize their achievements towards predefined safety goals in their respective plants and operational areas. This works with the concept of motivating own as well as contract employees to carry out their jobs in a safe manner and ensure the highest safety standards for the collective team.

f. Near Miss Reporting:
One of the essential ingredients of reducing major safety incidents is to continuously monitor and oversee smaller and less significant incidents. It helps the teams address potential risks through detection of a combination of unsafe acts and conditions.

A total of ₹14 crores has been invested specifically to enhance the operating safety standards at the factories in addition to the above mentioned initiatives.

Major improvements have been initiated to enhance the environmental footprint of our units both in India as well as for the international sites. The overall utility consumptions for the major Indian manufacturing sites has shown an encouraging trend:

The following major steps have been initiated at our factories:

a. Reduction of effluent discharge at Jhagadia by way of segregation and better recycling of different effluent streams. This is expected to result in better effluent management especially during the monsoon seasons.

b. Operation of formulation and few active ingredients manufacturing units in a "Zero Liquid Discharge" (ZLD) mode.

c. Dedicated technology groups work to enhance the environmental compliance and management standards thereby resulting in reduction of the utility and effluent footprint.

d. Implemented metering, monitoring and targeting (MMT) to ensure the efficient performance of system.

Environment and Sustainability

The Company believes that Sustainability is the best opportunity for business to drive smarter innovation and profitable growth. Sustainability ensure a fair society, living within environmental limits and creating a sustainable profitable business. It is constantly working to reduce environmental footprint and find innovative product solutions that benefit the environment. Its environmental standards apply worldwide.

The Company's commitment to environmental protection extends beyond the scope of legal requirements. It is committed to the chemical industry's Responsible Care™ initiative and have set out the basic principles of this commitment in our Global Environmental Footprint Reduction Plan. Certified HSEQ management systems control its operational implementation.

This year company has formulated "UPL Sustainable Development Plan" to reduce environmental footprint of company. UPL Sustainable Development Plan is fully aligned with UN Sustainable Development Goals.

Reducing Environmental Impact

Our target is to reduce 30% environmental footprint in our manufacturing plants by 2020 compared to last year across all the four parameters a. water consumption, b. carbon emission c. waste disposal and d. waste water discharge.

Water Consumption Performance	Carbon Emissions Performance	Waste Disposal Performance	Wastewater Discharge Performance
In 2016-17, water consumption per tonne of production in UPL manufacturing plants reduced by 19% compared to 2015-16.	In 2016-17, CO2 emissions per tonne of production in UPL manufacturing plants reduced by 22% compared to 2015-16.	In 2016-17, waste disposal per tonne of production in UPL manufacturing plants reduced by 6% compared to 2015-16.	In 2016-17, wastewater discharge per tonne of production in UPL manufacturing plants reduced by 27% compared to 2015-16.

Major improvements have been initiated to reduce the environmental footprint of our units both in India as well as for the international sites. The overall sustainability performance for the major Indian manufacturing sites has shown an encouraging trend:

The Company has taken following initiatives to make the operating plants sustainable:

Specific Water Reduction Initiatives

Sustainable industrial water management plays a vital role in achieving future water security in a world where water stress will increase. The optimum utilization of all natural resources is an integral part of UPL's commitment to sustainable development. Aiming to decrease abstracted water demand in our operating plants, following initiatives has been taken this year:

- Reduced 19% specific water consumption by operational excellency.
- Achieved Zero Liquid Discharge (ZLD) in our Unit 04 at Halol by implementing world class effluent reuse & recycling system.
- Completed piloting of Scaleban technology to reuse treated wastewater into cooling towers. This will reduce cooling water demand and decrease treated wastewater discharge in our operating plants.
- Developed controlled discharge facilities at Unit 05 for effective surface runoff management.

Specific Carbon Emissions Reduction Initiatives

Greenhouse gases trap heat and make the planet warmer. Human activities are responsible for almost all of the increase in greenhouse gases in the atmosphere. Climate change due to greenhouse gas emissions will have a growing impact on our business. Aiming to decrease carbon emissions in our operating plants, following initiatives has been taken this year:

- Reduced 13 % specific energy consumption by operational excellency.
- Reduced 22 % CO2 emissions by changing energy mix and by reducing specific energy consumption.

Specific Waste Reduction Initiatives

We have taken special care to reduce, recycle and eliminate hazardous as well as non-hazardous solid waste. Aiming to decrease waste disposal from our operating plants, following initiatives have been taken this year:

- Reduced 6 % specific waste disposal from our operating plants by operational excellency.
- Reduced waste from packaging process by improvement in packing material
- Implemented waste segregation practices for efficient waste management
- Implemented the practices of 4R (reduce, recycle, reuse, reprocess) concept in Hazardous waste management
- Recovered value added products from waste.

Specific Wastewater Reduction Initiatives

Aiming to decrease wastewater discharge from our operating plants, following initiatives have been taken this year:

- Reduced 27% specific wastewater discharge by operational excellency.
- Achieved Zero Liquid Discharge (ZLD) in our Unit 04 at Halol by implementing world class effluent reuse & recycling system.
- Reduction of effluent discharge in our Unit 05 at Jhagadia by way of segregation and better recycling of different effluent streams. This is expected to result in better effluent management specially during the monsoon seasons.
- Adopted new technologies which use continuous manufacturing processes as against the current batch mode of manufacturing reactions. This not only reduces the footprint and consequent capex spends of the plant but also results in significant reduction in the quantity of effluent generated.
- Completed piloting of volute technology for efficient dewatering of sludge. This will help us in efficient management of sludge generated from our wastewater treatment plants.

RESEARCH AND DEVELOPMENT

Company has been always striving to be world class organization while caring for its customers, employees and environment. Company is also setting up new standards of performance, quality assurance and innovation.

In accomplishing the company's mission of manufacturing and supplying crop protection and specialty chemicals and providing solutions to optimize farm productivity through innovative and cost-effective products, the Research and Development Centres of the Company have been playing a very vital role.

The Research and Development Centres located in various geographical locations with state-of-the art facilities have been further strengthened with additional skilled manpower and equipment/instruments.

The Research and Development Centres are engaged in development of technical active products as well as pre-mix formulations which are introduced in the market after due safety and bio evaluations.

Highly skilled scientists work on the new active ingredients for future launches and also work on the products which have been commercialized to manufacture them in a better cost-effective way and to achieve better quality.

New projects for Speciality Chemicals and Industrial Chemicals are taken up in the Research and Development Centres to take them to manufacturing scale in a highly cost-effective manner.

There are conscious efforts to develop the pre-mix formulations which are safe, less hazardous and less toxic, environmentally friendly, and at the same time affordable to the farmers.

Since company is delivering innovative products and follows innovative processes, the products and the processes are safe guarded against copying by way of creating and protecting the intellectual property.

Patent protections are obtained in the countries where the products are launched. Appropriate measures are taken to create and safe guard the intellectual property.

Registration of the active ingredients and the final products is an important activity. R&D also generates the data like chemical composition, physico-chemical properties, toxicity, bio-efficacy, residue and packaging required for submission to the authorities in various countries.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes in contributing to harmonious and sustainable development of society and that a company's performance must be measured not only by its bottom line but also with respect to the social contributions made by the company while achieving its financial goals! During the year, the CSR expenditure incurred by the Company was INR 23,79 Crore (9.7% of Profit after tax). Our CSR activities focus not just around our factory and offices, but also in other backward locations based on the needs of the communities. Before undertaking any program, a sound assessment of the scope, need, projected benefits are carried out. Based on need assessment our commitment to CSR have translated into 6 key focus areas. They are:

- Agriculture Development
- Employability & Entrepreneurship
- Education & Empowerment
- Environment & Nature Conservation
- Health & Sanitation
- National & Local Area needs

Every year brings with it, its own set of challenges and along comes opportunities to meet those challenges and create something more meaningful together with the community. The focus in current year has been to create sustainable, replicable and transformative solutions, where impacts are measurable, so as to bring in more accountability and transparency in our system. Earlier, we had conducted a need assessment study and arrived at a list of needs prioritized by the community. With the Impact Assessment study, the Company intends to meet the needs of the community. The results have been very encouraging.

The Company continues to work with renewed vigour and commitment on all the programs undertaken. The Agriculture Development interventions are today impacting the lives of around 4500 farmers in Dang, Ankleshwar and Vapi. There are around 1200 women who have become a part of the micro finance movement and are leading a better life today. 5000 students are today members of Eco Clubs and working on preserving our flora and fauna. Around 45,000 trees have been planted and taken care under social forestry project.

During the year, we initiated a couple of new programmes to either strengthen the old ones or add completely new dimensions of growth to them. This year we started Unnati Project with 6 CBOs from Mumbai with an objective to provide hand holding and mentoring support to 6 organizations located in Mumbai. Project aim was to improve the functional efficiency and effectiveness of said 6 CBOs and hence enabled a large slum community, access to quality education, better sanitation, employability & entrepreneur skill and livelihood support. Social Forestry Project, Mangrove plantation. Goatery project, Global Parli, Vandri Cluster development, Artificial insemination (AI) Centre etc are other new initiatives undertaken during the year.

Toilet construction (Sanitation) remained a focus area this year, more emphasis was laid on spearheading social and cultural changes related to sanitation. Volunteer participation during the year saw more than 3800 hours of voluntary service across locations.

All CSR projects undertaken in 6 key focus areas are according to company's CSR policy and are in line with Schedule VII of the Companies Act 2013. The Annual Report on CSR activities is annexed to this report as "Annexure 2"

VIGIL MECHANISM / WHISTLEBLOWER POLICY

The Company has in place whistleblower policy to deal with any fraud, irregularity, or mismanagement in the Company. The Company has posted this policy on its website and the link is http:/www.uplonline.com/pdf/policies/UPL_whistleblowerpolicy.pdf. The Chairman of the Audit Committee oversees this policy. As per the policy, any employee or director can directly communicate with the Chairman of the Audit Committee to report any actual/suspected fraud or non-compliance.

During the year, the Company made all efforts to create awareness among the employees about the Policy. The policy ensures complete protection and no victimization or discrimination to the whistleblower. Total confidentiality of the proceedings of the Policy is maintained.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has implemented a policy as required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. This policy covers all women-permanent, temporary or contractual workers. The policy is very strictly enforced by the Company. The Policy is communicated to all the employees by placing it on the website of the Company and all the employees have confirmed their abidance.

Workshops were arranged, conducted by an esteemed agency, to educate the employees across the Company to uphold dignity of their colleagues at the workplace and prevent sexual harassment.

An internal committee, consisting of mainly women staff and one woman from an NGO, is formed to attend and redress complaints relating to sexual harassment. At each unit of the Company, sub-committees are formed to receive any such complaints and address and redress the same, in consultation with the main committee.

Strict implementation of the policy is to ensure women staff to work with dignity in a safe environment free from sexual harassment at the workplace and provide equality in working conditions. During the year, the Company has not received any complaint of sexual harassment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an in-house internal audit team, headed by a qualified professional, which carries out audits of various functions of the Company. The report prepared by them is placed before the Audit Committee at every quarterly meeting. The internal audit function reports to the Audit Committee. Internal Audit plan for the year is worked out and the same is approved by Audit Committee. The plan is worked out to ensure adequacy of internal control system, compliance of various regulations and adherence of correct accounting procedures at all locations of the Company. The Company engages services of external professional agencies to ensure all legal compliances. In case any weaknesses are observed by the internal audit team in any of the processes or compliances, necessary corrective action is immediately taken by the process owner to ensure strengthening of the controls.

The Internal audit team form the basis of certification by the Managing Director and Chief Financial Officer for financial reporting.

Internal Controls over Financial Reporting:

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, all these controls were tested and no reportable material weaknesses in any operating areas were observed. The company strives to ensure robust internal financial controls.

The Company has laid down various policies and procedures for efficient conduct of its business, safeguard the assets of the Company, prevention and detection of any frauds and errors, maintenance of accounts and complete accounting records and timely availability of reliable information for the management.

INDIAN ACCOUNTING STANDARD (IND AS)

Pursuant to the Notification issued by the Ministry of Corporate Affairs dated February 16, 2015, relating to the Companies (Indian Accounting Standard) Rules 2015, the Company, its subsidiaries, associates and Joint Venture Companies have adopted "IND AS" with effect from 1st April, 2015 with comparatives for the previous year ending 31st March 2016. This transition has happened very smoothly. The impact of the change on adoption of IND AS is given in the notes to the financial statements.

RISK MANAGEMENT FRAMEWORK

The Company has a robust Risk Management Framework to identify and evaluate various business risks faced by the Company. Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee is appointed, consisting of three Executive/Promoter Directors of the Company. Regular Committee meetings are held every quarter. Inputs are taken from senior executives and thereafter various risks are identified and mitigating plans are developed to resolve such risks.

Some of the key business risks and their mitigation plans are as under:

Industry Risks: The demand for Company's products depend on various factors, such as rainfall, pest attacks, weather conditions, drought or insufficient rains, etc. In case of drought or less pest attacks, the product off take will be adversely affected, resulting in inventory pileup. To mitigate this risk, the Company strengthened its supply chain, and product mix. A number of subsidiaries, mainly marketing arms for the parent company, are set up across the globe. The product portfolio of the Company is enlarged year after year, to ensure regular supply of products for diverse applications at all times across the world.

R&D Risk: The effective life of agrochemicals gets reduced over a period of time as the insects become immune and develop resistance to them. Constant innovation is necessary and introduction of newer agrochemicals on continuous basis is essential for effectively eliminating pest attacks. To mitigate this risk, the Company has set up a very big R&D team, consisting of chemists, chemical engineers and other experts to work constantly on innovation of new products and processes. The Company protects some of its products by getting them patented.

Currency Fluctuation Risk: The Company's business is expanding in many geographies beyond India. The Company's agrochemicals are marketed in almost all the countries of the world. The Company's import bill is also quite significant. It is exposed to almost all the foreign currencies of the World. Any volatile fluctuations in the exchange rates of the foreign currencies can result into huge losses for the Company. To mitigate this risk, the Company takes adequate insurance cover for open exposures. Company's huge exports act as natural hedge against imports. The Company carries out its business into major currencies such as USD, Euro, Yen and Pound sterling. These currencies are comparatively more stable. Hence the Company, is adequately protected against these risks.

Demonetization Impact: The Company caters to the rural market, mainly farmers of the country. To encourage cashless payment methods and to aim at greater transparency, the Prime Minister had declared in November 2016, demonetization of high currency notes of ₹1000 and ₹500. This impacted the collections for a short time as the liquidity was squeezed temporarily. But thereafter, the re-monetization by issue of new currency notes resulted in slackening of demonetization effect. The Company is encouraging cashless payment methods and the customers are also getting used to the new methods and the Company expects that in the coming years, its performance will improve further.

SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

Shroffs United Chemicals Limited:

This is engaged in trading activities in a very limited way.

SWAL Corporation Limited:

SWAL Corporation limited is engaged in distribution and marketing of agro chemical formulations and organic fertilizers in India. The Sales Turnover for the year is ₹607 Cr and the Profit before tax is ₹8 Cr.

Optima Farm Solutions Ltd:

Optima farm solutions ltd is engaged in the manufacture of agrochemicals in Jammu. The Company has made sales of ₹115 Cr in the current year.

UPL Europe Ltd. (Formerly known as United Phosphorus Limited, U.K.):

UPL Europe is engaged in the production and distribution of Agrochemicals in UK & Europe. The company has a formulation production site at Sandbach, UK and a sales office at Warrington, UK. The Turnover for the year ended 31st March 2017 is ₹778 Cr and the Profit before tax is ₹89 Cr.

UPL Deutschland GmbH (Formerly Known as United Phosphorus GMBH - Germany):

UPL Deutschland GmbH is engaged in the distribution of formulated products in Germany & Austria. The Turnover for the year is ₹201 Cr and the Profit before tax is ₹7 Cr.

UPL Polska Sp z o o (Formerly Known as United Phosphorus Polska Sp.z o.o - Poland):
UPL Polska is engaged in the sales and marketing of formulated products in Poland. The business in this Company has been on a very low scale.

UPL Benelux B.V. (Formerly Known as Agri Chem B.V.):
UPL Benelux BV is engaged in the distribution of formulated products in Benelux and Switzerland. The Turnover for the year is ₹221 Cr and the Profit before tax is ₹19 Cr.

Cerexagri B.V. – Netherlands:
Cerexagri BV is a manufacturing entity specializing in EBDC based fungicides. It has a technical and formulation facility based in Rotterdam. The Sales Turnover for the year ended 31st March 2017 is ₹556 Cr and the Profit before tax is ₹19 Cr.

Blue star BV:
Blue Star BV is the Holding company for Neo Fog SA.

United Phosphorus Holdings Cooperatief U.A.:
United Phosphorus Holdings Cooperatief U.A. is the holding company for United Phosphorus Holdings B V Netherlands.

United Phosphorus Holdings B.V, Netherlands:
United Phosphorus Holdings BV is the holding company for entities in Europe & Rest of the world.

United Phosphorus Switzerland Limited:
United Phosphorus Switzerland is providing management services and holding investments and registrations for the Company's products.

Decco Worldwide Post-Harvest Holdings Cooperatief U.A.:
Decca Worldwide Post-harvest Holdings Coöperatief UA is the holding company for Decco Worldwide Post-Harvest Holdings BV.

United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.):
United Phosphorus Holdings Brazil B.V. is the holding company of Brazil entity.

UPL Italia S.R.L.(Formerly Known as Cerexagri Italia S.R.L.):
UPL Italia S.R.L is engaged in the distribution of formulated products in Italy. The Turnover is ₹283 Crand the Profit before tax for the year ended 31st March 2017 is ₹13 Cr.

UPL IBERIA, SOCIEDAD ANONIMA (formerly known as Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain):
UPL Iberia is engaged in the distribution of formulated products in Spain & Portugal. The Turnover is ₹163 Cr and the Profit before tax is ₹14 Cr.

Decco Worldwide Post-Harvest Holdings B.V.:
This is the holding company for other Decco entities, and holds registrations for these entities.

Transterra Invest, S. L. U. Spain:
Transterra Invest, S L is the holding company for group entities in Spain and Latin America.

Cerexagri S.A.S.:
Cerexagri SAS is a supply chain company for the group with 3 key production facilities in France involved in the production of Copper & Sulphur based fungicides. It has a formulation facility at Bassens to formulate herbicides and insecticides. The Sales Turnover for the year ended 31st March 2017 is ₹372 Cr and the Profit before tax is ₹21 Cr.

Neo-Fog S.A.:
Neo-Fog S.A is engaged in the distribution of Anti-sprouting herbicides in the French domestic market. The Turnover for the year ended 31st March 2017 is ₹25 Cr and the Profit before tax is ₹4 Cr.

UPL France (formerly Known as AS pen SAS):
UPL France SAS is engaged in the distribution of formulated products in France. Products are sourced from UPL's manufacturing facilities in Europe and India, as well as locally formulated in toll manufacturing facilities. The Turnover is ₹351 Cr and the Profit before tax is ₹45 Cr.

UPL Corporation Limited, Mauritius (formerly known as Biowin Corporation Ltd.):
UPL Corporation does trading business and also holds investments for the group. The Turnover is ₹2411Cr and the Profit before tax is ₹328 Cr. The Company made its maiden USD 500 mn bond issue.

Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica):
Decco Iberica is involved in fabrication & commercialization of chemical products, waxes & fungicides, as well as the machinery used for their application. The Turnover is ₹103 Cr and the Profit before tax is ₹15 Cr.

Limited Liability Company UPL (formerly known as JSC United Phosphorus Limited):
Limited Liability Company UPL is engaged in the distribution of technical and formulated products in Russia and other CIS countries. The Turnover for the year ended 31st March 2017 is ₹31 Cr and the Profit before tax is ₹5 Cr.

United Phosphorus Inc., U.S.A. (Consolidated along with Group entities UPI Finance LLC, Cerexagri Inc (PA), USA, Cerexagri Delaware Inc, USA, Canegrass LLC, USA, RiceCo LLC, USA,

United Phosphorus Inc is engaged in the distribution of AI's as well as formulated products in the United States and Canada. UPI also provides technologies for pest management, aquatics, Turf & Ornamental as well as fumigants for grain storage. The Turnover is ₹2,452 Cr and the Profit before tax is ₹82 Cr.

Canegrass is Company for the distribution of Asulam (Sugarcane Herbicide) in the USA.

RiceCo LLC is dedicated to meet specific technology needs of rice farmers in the USA. Its turnover during the year is ₹392 Cr and Profit before tax is ₹12 Cr.

Decco US Post Harvest Inc, USA:
Decco US Post Harvest Inc is engaged in the production and selling of post harvest products and fumigants for use in the treatment of fresh agricultural produce. It has manufacturing facilities in Monrovia, CA and Yakima WA. Turnover for the year is ₹231 Cr and Profit Before Tax is ₹-2 Cr.

RiceCo International, Inc. Bahamas:
RiceCo International is a rice focused company operating mainly in Asia and Latin America. The Turnover for the year is ₹439 Cr and the Profit before tax is ₹24 Cr.

UPL Limited, MAURITIUS (Formerly known as Uniphos Limited, Mauritius):
UPL Mauritius does Trading business. The Turnover for the year is ₹2798 Cr and the Profit before tax is ₹514 Cr.

UPL LIMITED, Gibraltar (Formerly Known as Uniphos Limited, Gibraltar):
UPL Limited Gibraltar does Trading operations. The Turnover for the year is ₹3248 Cr and the Profit before tax is ₹595 Cr.

United Phosphorus Cayman Limited:
United Phosphorus Cayman Ltd, is a Company having branch in Colombia. The Turnover for the year is ₹223 Cr and the Profit before tax is ₹- 6 C.

UPL Agro SA DE CV (Formerly Known as United Phosphorus de Mexico, S.A. de C.V:
UPL Agro SA DE CV is engaged in sales and marketing of branded formulations in Mexico. This entity received the ESR award on parameters of business ethics, environment and community engagement. The Turnover for the year is ₹404 Cr and the Profit before tax for the year is ₹– 23 Cr.

Decco Jifkins Mexico Sapi:
Decco Jifkins Mexico, SAPI De CV is primarily engaged in purchase, sale, distribution and import of goods and service in post harvest for fruits and vegetables in Mexico. The Turnover for the year is ₹9 Cr. and the Profit before tax for the year is ₹-2 Cr.

Uniphos Industria e Comercio de Produtos Quimicos Ltda:
This is a holding company.

UPL Do Brasil - Industria e Comércio de Insumos Agropecuários S.A.:
United Phosphorus do Brazil Ltda has a strong distribution network in Brazil for its AI's as well as formulated sales. It is located in Campinas and also has a manufacturing facility in Ituverava. The Sales Turnover for the year is ₹3,450 Cr and the Profit before tax for the year is ₹124 Cr.

UPL Costa Rica S.A.(Formerly known as Cerexagri Costa Rica, S.A.):
UPL Costa Rica SA is engaged in marketing and distribution of Agro chemicals in Costa Rica. It also provides value added services such as contract spraying. The Turnover for the year is ₹261 Cr and the Profit before tax for the year is ₹-1 Cr.

UPL Bolivia S.R.L (Formerly Known as UP Bolivia S.A.):
UPL Bolivia is engaged in the sales and marketing of agro chemicals in Bolivia. The Turnover for the year is ₹27 Cr and the Profit before tax for the year is ₹– 3 Cr.

Icona Sanluis S A – Argentina:
Icona Sanluis SA is a manufacturing and marketing company for selling formulated products in Argentina. It has a manufacturing plant in San Luis, Argentina. The Turnover for the year is ₹17 Cr and the Profit before tax for the year is ₹-4 Cr.

DVA Technology Argentina S.A. :
DVA Technology Argentina holds registrations in Argentina.

UPL Argentina S A (formerly known as Icona S A - Argentina):
The company is a manufacturing and marketing company for selling formulated products in Argentina. It has a manufacturing facility in Abott, Argentina. The Turnover for the year is ₹376 Cr and the Profit before tax for the year is ₹-28 Cr.

Decco Chile SpA:
Decco Chile SpA provides post harvest solutions to maintain the quality of fresh fruits and vegetables. The Turnover for the year is ₹29 Cr and the Profit before tax for the year is ₹4 Cr.

UPL Colombia SAS (Formerly Known as Evofarms Colombia SA):
UPL Colombia is engaged in sales and marketing of agro chemicals for the Andean markets - Venezuela, Ecuador, Peru and Colombia. The Turnover for the year is ₹135 Cr and the Profit before tax for the year is ₹1 Cr.

UP Aviation Limited, Cayman Island:
UP Aviation Ltd owns the aircraft for Business purposes.

UPL Management DMCC:
UPL Management DMCC provides management services. The Turnover for the year is ₹117Cr and the Profit before tax for the year is ₹15 Cr.

UPL Australia Limited (Formerly known as United Phosphorus Limited, Australia):
UPL Australia is engaged in sales and marketing of branded agro chemicals in Australia. It holds the registrations as well as inventory for prompt supply of material to service local demand. The Turnover for the year is ₹214 Cr and the Profit before tax for the year is ₹16 Cr.

UPL New Zealand Limited (Formerly known as United Phosphorus Limited, New Zealand):
UPL New Zealand is engaged in distribution of Agro Chemicals in New Zealand. It holds the registrations as well as inventory for prompt supply of material to service local demand. The Turnover for the year is ₹16 Cr and the Profit before tax for the year is ₹2 C.

UPL Shanghai Ltd (Formerly known as United Phosphorus (Shanghai) Company Limited):
UPL Shanghai is engaged in distribution of Company's products in China. It has procured office in Shanghai and is engaged in purchase of actives and intermediates required by manufacturing facilities globally.

UPL Limited Korea (Formerly known as United Phosphorus (Korea) Limited):
UPL Korea was formed to grow UPL's agro chemical and fumigation business in Korea. The Turnover for the year is ₹2 Cr and the Profit before tax for the year is ₹1 Cr.

PT.UPL Indonesia (Formerly Known as PT. United Phosphorus Indonesia):
UPL Indonesia is doing business in Indonesia. It mainly caters to the requirements of strategic partners like Nufarm, FMC and other top local companies as well as semi-government organization. The Turnover for the year is ₹43 Cr and the Profit before tax for the year is ₹3 Cr.

PT Catur Agrodaya Mandiri, Indonesia:
The major business is branding and distribution of formulated products through a network of distributors in Indonesia. The company holds 50 plus registrations and has successfully commercialized most of these. The Turnover for the year is ₹55 Cr and the Profit before tax for the year is ₹3 Cr.

UPL Limited, Hong Kong (Formerly Known as United Phosphorus Limited, Hong Kong):
UPL Hong Kong is engaged in the sales and marketing of agro chemicals in Hong Kong. It also acts as a supply source of raw material purchases of the manufacturing facilities. The Turnover 31st March 2017 is ₹574 Cr and the Profit before tax is ₹44 Cr.

UPL Philippines Inc. (Formerly Known as United Phosphorus Corp. Philippines):
UPL Philippines is engaged in the distribution of agro chemicals in Philippines. It holds registrations and inventory for servicing domestic demand. It also provides value added services to plantation business in Philippines. The Turnover is ₹54 Cr and the Profit before tax is 0.47 Cr.

UPL Vietnam Co. Ltd. (Formerly Known as United Phosphorus Vietnam Co., Limited):
UPL Vietnam is engaged in the manufacturing and marketing of branded agro chemical formulations in Vietnam. It also exports its production to Australia, South East Asia and few African countries as well, other than catering to local demand. The Turnover is ₹142 Cr and the Profit before tax is ₹27 Cr.

UPL Limited, Japan (Formerly Known as United Phosphorus Limited, Japan):
This entity is for registering and selling UPL products in Japan. The local presence in Japan has boosted access to Japanese technology and expertise, and built relations with other Japanese companies. UPL Japan sells both AI's as well as branded products which are formulated and repacked locally. It has a JV with Hodogaya Chemical Co Ltd with headquarters in Tokyo. The Turnover is ₹165 Cr and the Profit before tax is ₹-57 Cr.

Anning Decco Fine Chemical Co. Limited, China:
Anning Decco is a joint venture in China. The company is engaged in the production and distribution of Shellac. The Turnover for the year is ₹23 Cr and the Profit before tax is ₹4 C.

UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi (Formerly Known as Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey):
The Company has a strong distribution network as well as brand presence in Turkey (mainly western region). The Turnover is ₹112 Cr and the Profit before tax is ₹-11 Cr.

UPL Agromed Tohumculuk Sa,Turkey:
UPL Agromed has a strong marketing presence in the eastern part of Turkey. It also has a manufacturing and repacking facility in Turkey. The Turnover is ₹75 Cr and the Profit before tax is ₹-5 Cr.

Safepack Products Limited, Israel:
Safepack is engaged in the production and distribution of Post-Harvest Products in Israel and export to neighboring countries. The Turnover is ₹41 Cr and the Profit before tax is ₹2 Cr.

Citrashine (Pty) Ltd, South Africa (Formerly known as Friedshelf 1114 (Pty) Ltd,South Africa):
Citrashine is engaged in the manufacturing and distribution of chemicals and waxes for the post harvest treatment of fruits and vegetables and operates primarily in South Africa. The Turnover is ₹22 Cr and the Profit before tax is ₹-1Cr.

Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA):
Decco Portugal Unipessoal LDA is a new entity which will start operations shortly.

Decco Italia SRL, Italy:
Decco Italia SRL is engaged in the production and selling of post-harvest products and fumigants for use in the treatment of fresh agricultural produce. The Turnover is ₹32 Cr and the Profit before tax is ₹3 Cr.

UPL Paraguay S.A. (Formerly Known as United Phosphorus Paraguay S.A.):
UPL Paraguay is engaged in the sales and marketing of agro chemicals in Paraguay. The Turnover is ₹14 Cr and the Profit before tax is ₹-3 Cr.

UPL Africa SARL:
UPL Africa is established for sales in African region. It holds registration for sales in CILSS countries in Africa.

Details of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:

a) New subsidiaries:
   1. Essentiv LCC
   2. Advanta Seeds Ukraine LLC

b) New associate:
   1. Weather Risk Management Services Private Limited

c) Cessation of subsidiaries:
   1. United Phosphorus do Brasil Ltda
   2. United Phosphorus Limited, Gibraltar
   3. Advanta (BVI) Ltd.

Details of companies which have become its subsidiaries during the year pursuant to amalgamation of erstwhile Advanta Ltd.:

1) Advanta Seeds International – Mauritius; is engaged in distribution and marketing of seeds in the various countries . The Sales Turnover for the year is ₹180 Cr and the Profit before tax is ₹30 Cr.
2) Advanta Seeds DMCC (formerly known as Advanta Seeds JLT) is engaged in distribution and marketing of seeds in the UAE. The Sales Turnover for the year is ₹211 Cr and the Profit before tax is ₹87 Cr.
3) PT Advanta Seeds Indonesia is engaged in distribution and marketing of field Corn and Sweet Corn seeds in Indonesia. The Sales Turnover for the year is ₹34 Cr and the Profit before tax is ₹11 Cr.
4) Advanta Holdings B.V. – Netherlands; is engaged in distribution and marketing of seeds in Europe. The Sales Turnover for the year is ₹126 Cr and the Profit before tax is ₹-23 Cr.
5) Advanta Semillas SAIC is engaged in distribution and marketing of Sorghum corn sunflower seeds in Argentina. The Sales Turnover for the year is ₹223 Cr and the Profit before tax is ₹-4 Cr
6) Advanta Netherlands Holding B.V. is engaged in distribution and marketing of and research and technical solutions to farmers & breeders into seeds in the Netherlands and Europe. The Sales Turnover for the year is ₹5 Cr and the Profit before tax is ₹3 Cr,
7) Pacific Seeds Holdings (Thailand) Limited is holding Company. The Profit before tax is ₹108 Cr, largely contributed by other income.
8) Pacific Seeds (Thai) Limited is engaged in distribution and marketing of seeds in Thailand. The Sales Turnover for the year is ₹316 Cr and the Profit before tax is ₹97 Cr
9) Advanta Comercio De Sementas Ltda. is engaged in distribution and marketing of Sorghum Soyabean Canola Corn seeds in Brazil. The Sales Turnover for the year is ₹152 Cr and the Profit before tax is ₹-6 Cr.
10) Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd) is engaged in distribution and marketing of Sorghum, Corn and Canola seeds in Australia. The Sales Turnover for the year is ₹202 Cr and the Profit before tax is ₹-23 Cr.

11) Advanta US Inc. is engaged in distribution and marketing of Hybrids of Corn, forage sorghum,Grain sorghum seeds in the US and Mexico. The Sales Turnover for the year is ₹106 Cr and the Profit before tax is ₹-126 Cr

12) Advanta Seeds Ukraine LLC has just started operation in Ukraine. The Profit before tax is ₹-10 Cr.

MATERIAL SUBSIDIARY

The Company does not have any material subsidiary as per the parameters laid down by the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during the 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 approved by the Audit Committee. Prior omnibus approval is obtained from the Audit Committee in respect of the transactions which are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed on a quarterly basis by the audit committee.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The same can be accessed on www.uplonline.com/investors/policies/related party transactions.

INSURANCE

All the properties and operations of the Company have been adequately insured.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Appeal before the Supreme Court:

The Competition Commission of India (CCI) has levied a penalty of ₹25,244 lakhs on the Company vide its order in April, 2012 for alleged violations of Cartel under the provisions of section 3(3)(b) and 3(3)(d) of the Competition Act, 2002. The order of CCI was challenged before the Competition Appellate Tribunal (COMPAT), which by its order dated 29th October 2013 has reduced the penalty to ₹694 lakhs. The Company and CCI have challenged the order of the COMPAT before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated 8th May, 2017 has upheld the decision of COMPAT and confirmed penalty of ₹694 lakhs. It has dismissed the appeal filed by CCI.

AUDITORS

a) Statutory Auditors

As per the provisions of Section 139 of the Companies Act 2013, the term of the office of M/s S R B C & CO LLP, as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s S R B C & CO LLP as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 101248W/W-100022) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Members' attention is drawn to a Resolution proposing the appointment of B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company which is included at item No. 5 of the Notice convening the Annual General Meeting.

b) Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost account records maintained by the Company are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs RA & Co., Cost Accountants to audit the cost accounts of the Company for the financial year 2017-18 on a remuneration of ₹7.00 lakhs. The Cost Auditors have submitted a certificate of their eligibility for such appointment. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs RA & Co., Cost Auditors is included at Item No. 6 of the Notice convening the Annual General Meeting.

For the year 2016-17, the due date for filing the Cost Audit Report is 27th September, 2017 and the same will be filed in due course. The Cost Audit Report for the year 2015-16 was filed on 27th August, 2016.

c) Secretarial Audit

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 Messrs N.L. Bhatia & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure 3".

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under section 143 (12) of the Companies Act, 2013.

DEPOSITORY SYSTEM

98.70% of the total paid-up equity shares of the Company are dematerialised as on 31st March, 2017.

DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013, and Articles of Association of the Company, Mr. Jaidev Rajnikant Shroff (DIN: 00191050) and Mrs. Sandra Rajnikant Shroff (DIN: 00189012), Directors of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The information of Directors seeking appointment/ re-appointment as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the notice covering the Annual General Meeting of the Company.

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 Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 (10) and 25(4)(a) of the Listing Regulations, the evaluation process for performance of the Board, various committees and directors was carried out. Each director was provided a questionnaire to be filled up, providing feedback on the overall functioning of the Board and the committees. The questionnaire covered various parameters such as composition, execution of specific duties, quality and timeliness of flow of information, discussions and deliberations of different items of agenda, independence of judgments, etc. The directors were also asked to provide their suggestions for areas of improvement to ensure higher degree of engagement with the management.

Evaluation of individual director was also carried out and parameters such as contribution, attendance, expertise, decision making and other related factors were considered in this exercise.

The Independent Directors held a meeting on 24th January, 2017 to review the performance of evaluation of the Non-independent/Non-promoter Directors and the entire Board including the Chairman. The Independent Directors expressed complete satisfaction of the professionally managed overall functioning of the Board, various committees as well as all the directors of the Company. They appreciated the knowledge and expertise of the Chairman and his exemplary leadership qualities which demonstrate positive attributes in following the highest standards of corporate values and culture of the Company.

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, senior management and their remuneration. The Board recognizes that the various Committees of the Board have very important role to play to ensure highest standards of corporate governance. The Chairman of the Board and other Executive Directors form broad policies and ensure their implementation in the best interests of the Company.

The Criteria for selection of directors and senior management are mainly qualifications, experience, integrity, independence of the directors, etc.

The remuneration to Non-executive Directors consists of sitting fees for attending Board/Committee meetings, commission and other reimbursements. As per the approval given by the members, the said commission shall not exceed 1% of the net profits of the Company. All the Non-executive, Non-Promoter Directors are paid commission on uniform basis. The Independent directors are not entitled to any stock options under the Stock Option Scheme of the Company.

The remuneration to the Managing Director and other Executive Directors consist of monthly salary, allowances, perquisites, commission and other retirement benefits. The remuneration payable to them is subject to the approval of the members of the Company. The overall managerial remuneration payable to them shall not exceed 10% of the net profits of the Company.

In respect of senior management, the remuneration is based on the performance, company's performance, targets achieved, industry benchmark and compensation trends in the industry. Their remuneration consists of monthly salary, bonus, perquisites, KPI and other retirement benefits.

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. These 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.

At the time of appointment of independent director, a formal letter of appointment is given to him, which explains his role, responsibility and rights in the Company.

Subsequently they are appraised of the Company's policies on CSR, nomination and remuneration, plant safety, HR, succession policy for directors and senior management. They are updated with global business scenario, marketing strategies, legislative changes etc. Factory visits are arranged to appraise them of various operational and safety aspects of the plants to get complete understanding of the activities of the Company. Eminent personalities are invited to educate the independent directors about the latest happenings relevant to the duties, rights and responsibilities of the independent directors.

Details of Familiarization programme of Independent Directors with the Company are available on the website of the Company www.uplonline.com.

PERSONNEL

As on 31st March, 2017, The Company has 3489 employees in India, and 5714 employees globally which includes 676 employees of Advanta who moved to the Company.

The Company has always believed that its people are its biggest asset. The year 2016-17 saw several key initiatives to nurture on our core values.

1. SUPPLY CHAIN ACADEMY

   Supply Chain Academy (SCA) was launched on 3rd November, 2016. The objective of SCA is to enhance employees' capabilities, be it technical Know-How, professional skills or leadership behaviors. The academy has active involvement of senior leaders to guide design of programs and projects focused on practical learnings that can be implemented in the workplace.

   During the year, 27 programs have been delivered under SCA, benefiting 614 employees.

2. GLOBAL SALES EXCELLENCE AWARDS

   The Company attributes its tremendous growth over the past year to its employees who drive the sales of the Company's product offerings. To recognize their talent and motivate them to continue the good work, we recognized high performers during our inaugural Global Sales Excellence Function held in Mumbai on 16th November, 2016. In this prestigious event, high-performing sales (wo)men from 13 countries were felicitated by the Global CEO and the Leadership team. This was a fantastic platform to celebrate success and also help our best performers share knowledge and experiences with each other.

3. THE COMPANY CERTIFIED AS A GREAT PLACE TO WORK

   The Company aspires to become a Great Place to Work® where employees trust who they work for, take pride in what they do and enjoy the company of the people they work with. We strongly believe that an engaged workforce is critical in achieving our business goals and building a sustainable organization. With this objective, UPL India and UPL Brazil partnered with a global research and consulting firm, Great Place to Work® Institute, to conduct an employee survey – UPL Ki Zubaan, analyse the results and recommend action areas to build a more engaged workforce. As a part of the diagnostics, the GPTW team also assessed our people practices so that we can work on strengthening it further.

   We are very pleased to inform you that we won the GPTW certification in both the countries in our maiden attempt.

PARTICULARS OF EMPLOYEES

The information required under 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 are given in the Annexures 4 and 5 hereunder and forms part of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under sections 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure 6 to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations 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, 2017, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.

b) That such accounting policies as mentioned in Note 2.1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date.

c) That proper and sufficient care has been taken for the 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.

CORPORATE GOVERNANCE

Your Company and its Board has been complying with Corporate Governance practices as set out in a separate report, in pursuance of requirement of para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Management Discussions and Analysis Report forms part of this Report. Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached to this Report.

Dealing with securities which have remained unclaimed

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI Regulations, the Company is in the process of sending reminders to those Members whose share certificates have remained unclaimed, to contact the Company immediately in the matter. Due to change in the Registrar and Transfer Agent of the Company, the process could not be completed. The Company, now after following the prescribed procedure will dematerialize unclaimed shares which are retained with the Company. These shares would be held by the Company on behalf of the holders of such shares in an "Unclaimed Suspense Account" to be opened with a depository. At the end of seven years, hereof, these shares shall be transferred by the Company to the IEPF. Dividends remaining unclaimed in respect of such shares shall also be held in a separate suspense account and would likewise be transferred to IEPF at the end of seven years.

Members may note that the lawful claimant in respect of these shares / dividend will be able to claim such shares dividend from the Company till such time they remain in the unclaimed suspense account as aforesaid.

BUSINESS RESPONSIBILITY REPORTING

A separate section of Business Responsibility forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial statements are prepared for the year 2016-2017 in compliance with the provisions of the Companies Act, applicable Accounting Standards and as prescribed under the SEBI regulations. The consolidated statements are prepared on the basis of audited financial statements of the Company, its subsidiaries, associates and joint ventures. These consolidated financial statements alongwith the Auditors Report thereon form part of the Company's Annual Report. They are also put up on the website of the Company www.uplonline.com.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 7".

REGISTRAR AND SHARE TRANSFER AGENT

During the year, SEBI suspected fraud and malpractices in the conduct and operations of Sharepro Services (India) Pvt. Ltd., who were the Company's Registrar and Share Transfer Agent (RTA) for a long time. After investigating the affairs of the said RTA, SEBI vide its order dated 22nd March. 2016 restrained Sharepro from conducting R&T activities and directed all the client Companies to carry out audit of the records and system relating to share transfer, payment of dividend, etc., carried out by Sharepro for the last ten years.

Accordingly, the Company appointed M/s N. L. Bhatia and Associates, practicing Company Secretaries, to carry out such audit. They have certified that no irregularities or violations with respect to transfer of securities or payment of dividend were noticed in records of last ten years. Subsequently, as per the advisory issued by SEBI, the Company appointed M/s Link Intime India Private Limited as the new R&T Agent with effect from 1st June, 2016.

LISTING OF THE COMPANY'S EQUITY SHARES

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

ACKNOWLEDGEMENT

Your Directors are thankful to all the stakeholders and various government agencies and ministries for their continued support.

CAUTIONARY STATEMENT

Statements in the Director's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

On behalf of the Board of Directors

Mumbai
24th May, 2017

Rajnikant Devidas Shroff
Chairman & Managing Director
(DIN: 00180810)

Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

Annexure 1 to Directors Report

Disclosure of Employees Stock Option Plans 2006 and 2013 of erstwhile Advanta Limited, since merged with the Company

		EMPLOYEES STOCK OPTION PLANS		
		i) Advanta India Limited Employees Stock Option and Shares Plan - 2006		(ii) Advanta Employee Stock Option Plan - 2013
A		1 The Advanta India Limited Employees Stock Option and Shares Plan - 2006 ('ESOPs') approved by the shareholders on 20th September, 2006 is in force. In accordance with the said Plan, the Company reserved 840,000 Equity Shares of ₹2/- each (originally 168,000 shares of ₹10/- each) to be issued to its employees and to the employees of its subsidiaries on one to one basis at an exercise price of ₹57/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of such options is conditional upon the employee's tenor and upon the Company meeting annual performance benchmarks based on parameters set by the Nomination and Remuneration Committee.		The Advanta Employee Stock Option Plan – 2013 was approved by the shareholders on 3rd December, 2013 by way of postal ballot and is in force. In accordance with the said Plan, the Company reserved 1,300,000 options to be issued to such eligible employees of the Company and also to that of its subsidiaries as may be decided by the Nomination and Remuneration Committee from time to time, which if exercised would give rise to equal number of shares of ₹2 each.
B		Details related to Employee Stock Options Scheme (ESOS)		
i.		A description of each ESOS that existed at any time during the year, including the general terms and condtions of each ESOS, Including	ESOP, 2006	ESOP, 2013
	a.	Date of shareshoders approval	20th September 2006	3rd December 2013 (postal ballot)
	b.	Total number of options approved under ESOS	168000 (post-split 840,000)	1300000
	c.	Date of Grant/Options Granted	On 27-09-2006/ Granted-134405	On 30-01-2014/ Granted-711752
			On 01-01-2007/ Granted-10920	On 27-05-2014/ Granted-40630
			On 08-01-2007/ Granted-7258	
			On 30-04-2008/ Granted-19140	
			On 02-11-2009/ Granted-4028	
			On 28.04.2011/ Granted-3028	
			On 27.02.2012/ Granted-64005	

d.	vesting requirements : The unvested options shall vest with the participant in accordance with the following schedule, subject to the participants continued employment with the group subject to termination clause of the company.	on completion of 1 year and 6 months from the grant date : 25% of options granted on completion of 2 year and 6 months from the grant date : 25% of options granted on completion of 3 year and 6 months from the grant date : 25% of options granted on completion of 4 year and 6 months from the grant date : 25% of options granted	On completion of 18 months from the grant date : 25% of vesting, as % of options granted On completion of 24 months from the grant date : 25% of vesting, as % of options granted On completion of 36 months from the grant date : 25% of vesting, as % of options granted On completion of 48 months from the grant date : 25% of vesting, as % of options granted
e.	Exercise price or pricing formulae (per option before split 1:5) and after split	₹285 / ₹57 (post split)	₹103.80 (Grant 1) ₹262.75 (Grant 2) ₹319.70 (Grant 3)
f.	Maximum term of options granted	60 months	60 months
g.	Source of shares (primary, secondary or combination)	Primary	Primary
	Variation in terms of options	No	No
ii.	Method used to account for ESOS - Intrinsic or fair value	Intrinsic	Intrinsic
		2006	2013
iii.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed.	Nil	89.63 lacs
iv.	Disclosures on Advanta India Limited Employees Stock Option and Shares Plan – 2006 and Advanta Employee Stock Option Plan – 2013		
	Particulars	ESOP – 2006	ESOP - 2013
	Pricing Formula	Black Scholes Formula	Black Scholes Formula
A)	Vested during the year	29790	19503
B	Exercised during the year	84075	36192
C	Forfeited during the year	0	0
D	Lapsed during the year	46230	319686
E	Outstanding unvested at the end of the year	0	20910
F	Exerisable vested options at the end of the year	57750	39005
G	Total number of options in force E+F	57750	59915
H	Total number of shares arising as a result of exercise of options	87243	36192
I	Variation in terms of options	NIL	NIL
J	Money realised by exercise of options	4792275	3756729
v.	a) Options whose exercise price equals market price of the stock	NA	NA
	b) Options whose exercise price exceeds market price of the stock	NA	NA
	c) Options whose exercise price less than market price of the stock		
	a) Weighted average exercise prices	57	103.8
	b) weighted average fair values of options	₹180.36	NA
vi.	Employee wise details of options granted during the year to:		
	(a) Senior managerial personnel-	Nil	Nil
	(b) Any other employee who received a grant in any one year, of options amounting to 5% or more of options granted during the year	Nil	Nil
	(c) Identified employees who were granted options, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	Nil	Nil
	Loan repaid by the trust during the year from exercise price received	NA	NA
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information		
a.	The weighted average values of		
	1) share price,	68.75	112.81
	2) exercise price,	57	103.8
	3) expected volatility,	64.49%	49.17%
	3) expected option life,	vesting period + 18 months	vesting period + 6 months
	3) expected dividends,	0.30% p a	0%
	4) the risk free interest rate and any other inputs to the model	8.04%	8.71%
b.	The method used and the assumptions made to incorporate the effects of expected early exercise	NA	NA
c.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The shares of the company(Advanta Limited) were listed in 2007 and the volatility of the shares was arrived based on the share price movement during the previous 5 years (2007 to 2012) has been considered. This works out an annual volatility of 64.49%	The shares of the company(Advanta Limited) were listed in 2007 and the volatility of the shares was arrived based on the share price movement during the previous 5 years (from Jan 2009 to Dec 2013). This is working out to be 49.17%. Further volatility of share prices during this period using arithmetic mean for 10 day cycle, 20 day cycle and complete data. This historical volatility for these cycles worked out as 42%, 44%, and 49.17%. On the conservative side 49.17% was chosen
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.	NA	NA

Annexure 2 to Directors Report

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 the CSR policy and projects or programs.

   CSR Policy is stated herein below.

Weblink:
http://www.uplonline.com/csrpolicy.pdf

2. The Composition of the CSR Committee.

   Mrs. Sandra R. Shroff (Chairman)

   Mr. Pradeep Goyal (Independent Director)

   Mr. Vikram R. Shroff (Director)

3. Average net profit of the company for last three financial years

   Average Net Profit: ₹244.60 crores

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

   The Company is required to spend ₹4.89 crores towards CSR

5. Details of CSR spent during the financial year.

   (a) Total amount spent for the financial year;

   ₹23.79 crores

   (b) Amount unspent, if any;

   Nil

(c) Manner in which the amount spent during the financial year is detailed below.

1	2	3		4		5	6		7	8
Sr No.	CSR project/activity identified	Sector in which the project is covered		Projects/ Programmes		Amount outlay (budget) project/ programme wise	Amount spent on the programme/project		Cumulative spend upto the reporting period	Amount spent Direct or through implementing agency*
		Schedule	Discription	1.Local areas/others	2.Specify the state/ district		1.Direct expenditure on projects	2.Over heads		
1	**Smt. Sandraben Shroff Gnyan Dham School (SSSGDS),** a Co-educational school established in year 1972, affiliated to CBSE syllabus for community in industrial town of Vapi.	Category (ii)	Promoting Education	AT & P - Vapi 396195	District - Valsad, Gujarat	4,00,00,000	3,55,00,000		3,55,00,000	Smt. Sandraben Shroff Gnyan Dham School
2	**Eklavya Model Residential Schools (EMRS)** under PPP to provide quality education to meritorious tribal children.	Category (ii)	Promoting Education	At & P – Ahwa	District – Dangs, Gujarat					Smt. Sandraben Shroff Gnyan Dham School
3	**Shroff S. R. Rotary Institute of Chemical Technology (SRICT)** an institution specializing in chemical technology to provide the specific needs of the Chemical Industry in Gujarat	Category (ii)	Promoting Education	"At & P – Vataria 393135 Tal. Valia	District – Bharuch, Gujarat	4,00,00,000	2,82,00,000		2,82,00,000	Ankleshwar Rotary Education Society
4	**Sandra Shroff Rofel College of Nursing** stands with the desire to nurture up the minds of their students that can be a reason for a smile on the millions they had and will come in contact with in their academics, clinical and community area.	Category (ii)	Promoting Education	AT & P - Vapi 396195	District - Valsad, Gujarat	4,00,00,000	2,00,00,000		2,00,00,000	Rofel
5	**Pimpri Chinchwad Education Trust (PCET)** was established by Late Shri. Shankarrao B. Patil in the year 1990 with a vision to provide value added educational platform to society in multiple dimensions right from Nursery to Doctoral programs in all professional streams enabling all our students to achieve Freedom through Education.	Category (ii)	Promoting Education	Pimpri Chinchwad Education Trust's Sector -26, Pradhikaran, Nigdi, Near Akurdi Railway Station,	Pune - 411 044, Maharastra	50,00,000	50,00,000		5000000	Pimpri Chinchwad Education Trust (PCET)
6	S. R. Shroff Aajivika Trust (SRSAT) - SRSAT is a CSR initiative of UPL Limited to create sustainable livelihood. The Strategy envisaged for operationalizing the sustainable livelihood will have three pillars. 1. Skill development thru UPL Niyojaniy Kendra 2. Entrepreneurship thru UPL Udyamita Programme 3. Agriculture development thru UPL KhedutPragati Programme	Category (ii)	Employment-enhancing vocational skills and livelihood enhancement projects;	AT & P - Vapi AT & P - Ankelshwar & Jhagadia Villages in Dang	District - Valsad District - Bharuch, Gujarat District – Dangs, Gujarat	4,00,00,000	3,75,00,000		3,75,00,000	S. R. Shroff Aajivika Trust (SRSAT)
7	**Shree Sardar Vallabhai Patel Rotary General Hospital,** Ankleshwar which has 100 beds. Hospital is committed towards providing healthcare for the socially marginalized and deprived sections of the society from Ankleshwar area. The modern facilities of hospital is catering to about 2 lakh populations with catchment area extending complete Bharuch District. It is also providing mordern medical facilities to the community at large, besides employees and dependents of people working in Ankleshwar, Panuli and Jhagadia industrial belt.	Category (i)	Promoting healthcare, including preventive health care;	AT & P - Ankelshwar & Jhagadia	District - Bharuch, Gujarat	7,00,00,000	2,25,00,000		2,25,00,000	Shree Sardar Vallabhbhai Patel Rotary General Hospital
8	**Jawahar Medical Foundation, Dhule** was registered in year 1984 to cater to the needs of the people of the Dhule region. The first major achievement wasin 1989, when a charitable general hospital was set up to look after the health needs of the rural population of Dhule district. Initially, the hospital had only 150 beds, and was run on no-loss-no-profit basis. In 1989, the foundation started an urban health center inside the Dhule city at lane no 4 and another rural health center at Village Mundalwad in Dhadgaon Taluka (an Adivasi area). Thereafter, activities of the foundation picked up fast.	Category (i)	Promoting healthcare, including preventive health care;	ACPM Medical College At Post : Morane, Sakri Road Dhule - Maharashtra (India)	District Dhule - Maharashtra	2,00,00,000	2,00,00,000		2,00,00,000	JAWAHAR MEDICAL FOUNDATION,DHULE

1	2	3		4		5	6		7	8
Sr No.	CSR project/activity identified	Sector in which the project is covered		Projects/ Programmes		Amount outlay (budget) project/ programme wise	Amount spent on the programme/project		Cumulative spend upto the reporting period	Amount spent Direct or through implementing agency*
		Schedule	Discription	1.Local areas/others	2.Specify the state/ district		1.Direct expenditure on projects	2.Over heads		
9	**Dr Aabaji Thatte Sewa Aur Anusandhan Sanstha,** a Charitable Trust, registered under Bombay Public Trust Act 1860, established in 1996 with the sole aim of alleviating the sufferings of people with various medical illnesses, has been serving the society for more than a decade. Recognizing the emergence of Cancer as a major health problem on an epidemic scale in our country, the managing committee decided to establish state-of-art facilities for diagnosis, prevention and treatment of cancers. Nagpur being the medical hub of central India was selected to host such facilities. As an initial step, a unique facility, Center for Preventive Oncology and Palliative Cancer Care is dedicated in service of cancer patients on 19th August 2012, in response to the immediate need in the two areas of cancer prevention and rapidly increasing need of multi disciplinary palliative care for patients with advanced cancers. The mandate for dedicated Palliative Care units offering intermediate level nursing and special After Care Therapy clinics for those in remission reflect the ethos of the trust's vision.	Category (i)	Promoting healthcare, including preventive health care;	Shop No.1, W High Court Rd, Near Batukbhai Jewellers, Dharampeth, Nagpur, Maharashtra 440010	District - Nagpur, Maharashtra	1,00,00,000	80,00,000		8000000	DR ABAJI THATTE SEVA AUR ANUSANDHAN SANSTA
10	**Global Parli**, is a pilot project of Nation Building through Revival and Empowerment of the Villages of India. 15 villages have been selected in drought-prone Parli tehsil in Marathawada for 360 degree development. This would be a "model" development to create progressive, economically viable and prosperous rural India. This will serve as an transformative process that can be replicated across the country for a prosperous India. The Primary goal is to Increase the Per Capita Income of each family by 250% in 3 years	Category (x)	Rural Development	Parli, Beed District	District - Beed, Maharashtra	1,00,00,000	38,48,325		3848325	Direct by Company
11	**UPL School Sanitation Project** to facilitate healthy and hygienic behavior in students by construction of good quality and environment friendly toilets in school. The project objective is to provide access to toilet facility and empower students to use the services hygienically & sustainably, Increased access to & hygienic use of sanitation facility and Educate community by making school toilet block as hub for good sanitation practice in community.	Category (i)	SANITATION, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation.	AT & P - Vapi AT & P - Ankelshwar & Jhagadia	District - Valsad District - Bharuch, Gujarat	1,25,00,000	1,05,26,397		1,05,26,397	Direct by Company
12	**LOCAL AREA NEED** - Development Support to community around factory location. Support like School bag and book provisioning, Infrastructure support, Medical Support etc. Also providing development Support for local area to organisation like MUKTIDHAM CHARITABLE TRUST Jhagadia Industrial Association DLKHUSH WELFARE SOC. Ankleshwar Industrial Development Society (MOBILE EDUCATION) CARMELITE SISTERS OF CHARITY Swadhyay Mandal Pardi	Category (x)	Rural Development	Vapi, Ankleshwar, Jhagadia	District Valsad and Bharuch, Gujarat	4,00,00,000	3,05,75,278		3,05,75,278	Direct by Company And with local NGO's working in area as mentioned in column 2
13	**NATIONAL NEED** - Development Support for National cause to organisation like MANAV SEVA MANDAL, FORUM FOR ART BEYOND BORDER Shree Vivekanand Research & Training Inst. AKSHAR TRUST TATA MEMORIAL CENTRE ROTARY CLUB OF NEW BOMBAY UNITED WAY OF MUMBAI-SC MUM MARATHON 2017-REF HR ST.THOMAS ACADEMY EDU. FUND EDUCATIONAL & DEVLPMT. INITIATIVES SUKRITI SOCIAL FOUNDATION CITIZENS ASSOC.FOR CHILD RIGHTS ROTARY CLUB OF NERUL SEASIDE CHARITABLE TRUST Dr.Amrik Singh Cheema Foundation Trust Bhabha Hospital KAMARAJ CHILDREN EDUCATION TRUST SNEHA Delhi Amateur Association EDI ABHI FOUNDATION HELPAGE INDIA CHILD CARE & OLD AGE FOUNDATION SMILE FOUNDATION DON BOSCO DEVELOPMENT SOC	Category (xi)	Rural Development & Slum Development			1,62,50,000	1,62,50,000		1,62,50,000	Through NGO's mentioned in column 2
	Total								23,79,00,000	

CSR Policy

We, UPL Limited and our subsidiaries (together constituting the UPL Group), take initiative to contribute to harmonious and sustainable development of the society through all our business activities that we carry out in various countries across the globe. We recognize that business enterprises are economic organs of society that draw on various societal resources for its functioning and growth, It is our core belief therefore that a company's performance must be measured not only by its bottom line but also with respect to the social contributions made by the company while achieving its financial goals.

A. CSR Vision

To be a catalyst for a more equitable and inclusive society by supporting long term sustainable transformation and social integration.

B. CSR Mission

We will achieve our vision by

- Implementing need based projects through participatory approach.
- Focusing on building capacity to make community Self-Reliance
- Developing partnership.
- Transferring knowledge

C. CSR Values

The values that will govern to achiev our vision are

- Care,
- Excellence and
- Sustainability

D. CSR focus areas

Our CSR initiative is called as UPL Pragati which means PROGRESS and is in line with our stated Vision. Our CSR activities will focus not just around our Factory and offices, but also in other geographies based on the needs of the communities. The Six CSR focus areas for community to progress are:

1. Education and Empowerment

   Education is a basic human right pivotal to personal and societal development and so is an integral part of our CSR work. Under education we will work and support promotion of education, including primary education, higher education and employment oriented course especially among women, elderly, and the differently abled.

2. Employability and Entrepreneurship

   A major factor contributing to rural youth underemployment is skills mismatch with huge skills deficit in limited job growth and expansion. We will work on enhancing vocation skills especially among youths, women, and the differently abled. We will also work on livelihood enhancement projects through Self Help Group and Entrepreneurship development Programme with women and economically backward groups

3. Agriculture Development

   Agriculture in India is both, a source of livelihood and food security for a vast majority of vulnerable sections of society. A higher priority to agriculture will be given under livelihood enhancement rural development projects so as to achieve the goals of reducing poverty and malnutrition as well as of inclusive growth. We will adopt a framework of UPL KhedutPragati Programme for our Agriculture development intervention and will work on farmers Capacity building, Lab to land and Technology intervention.

   Under Nature conservation we will work on UPL Vasudha Project by nurturing and strengthening Eco and Environment club in schools, Tree Plantation, Species conservation, Soil & Water Conservation etc. Our Environment and Nature conservation activities will lead to environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

5. Health and Sanitation

   We will work on providing better healthcare facilities by partially funding and running hospital, health projects, public health programmes, Health awareness programmes, health check-up programme, Blood donation programme, provision of medicine & treatment facilities, program for preventing diseases and building immunity etc

   We will also work on aspects of water, sanitation and hygiene because of which the health and financial burden on poor people is high. We will work on awareness programme, construction of toilet in schools and construction of toilet for general needy community.

6. National / Local area need

   We will work on specific local area needs around our Factory locations.

   We will respond to national need, which also include relief or rebuild which can arise from natural calamities

E. CSR Implementation

In accordance with sub-section (1) of section 135 of the Companies Act 2013, UPL has set up a CSR committee to advise on the company's CSR policy, and monitor the CSR activities of UPL Limited. All projects are identified as per needs of community.

F. CSR Resource contribution

Minimum 2% of the average of net profit made by the Company during immediately preceding three financial years as per Companies Act 2013

Annexure 3

N.L. BHATIA & ASSOCIATES

Company Secretaries

307, Skyline Wealth Space, 5th Floor, C2 Wing, Skyline Oasis Complex, Premier Road,
Near Vidyavihar Station, Ghatkopar (West), Mumbai 400086

Tel.: 91-022-2510 0718, 91-022-2510 0698 **E-mail :** navnitlb@hotmail.com

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

For the Financial Year ended March 31, 2017

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

To,
The Members,
UPL Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by UPL Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31,2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(1) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;

(5) 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, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Not Applicable.
   d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
   f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

6) Other Laws applicable to the Company;

   a) Narcotic Drugs and Psychotropic Substances Act, 1985
   b) The Insecticides Act,1968
   c) Factories Act, 1948 and Rules made thereunder
   d) Explosives Act, 1889 - Gas Cylinder Rules, 1981
   e) Petroleum Act, 1934, Rules, 1976
   f) Industrial Employment (Standing Orders)Act, 1946 & Rules 1957
   g) Payment of Bonus Act 1965, & Rules, 1965
   h) Maternity Benefit Act 1961 & Rules
   i) Employees Compensation Act, 1923 & Rules.
   j) Minimum Wages Act, 1948, M.W(C) Rules, 1950
   k) Child Labour (P&R) Act 1986 & Rules.
   l) Air(Prevention and Control of Pollution) Act 1981
   m) Water(Prevention and Control of Pollution) Act 1974

n) The Noise (Regulation and Control) Rules 2000
o) Ozone Depleting Substances (Regulation & Control)Rules 2000
p) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules 1996
q) Payment of Wages Act 1936
r) Employees State Insurance Act 1948 and Rules and Regulations
s) Employees PF & Miscellaneous Provisions Act 1952 &Employees Pension Scheme 1952
t) Employees PF & Miscellaneous Provisions Act 1952 &Employees Provident Fund Scheme 1952
u) Contract Labour (Regulation & Abolition) Act 1970
v) Legal Metrology Act, 2009
w) Industrial Disputes Act, 1947 and Rules made thereunder
x) Indian Contract Act, 1872
y) Environment Protection Act, 1986 and other environmental laws
z) Payment of Gratuity Act, 1972
aa) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
bb) The States Shops and Establishments Act.
cc) Apprentice Act 1961 and Rules made thereunder
dd) The Employees Deposit Linked Insurance Scheme 1976.
ee) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 and Rules made thereunder
ff) The Equal Remuneration Act 1976 and Rules made thereunder
gg) The Food Safety and Standard Act, 2006 & The Food Safety and Standard Rules, 2011
hh) The prevention of Food Adulteration Act, 1954 and the Rules made thereunder
ii) The Bio-Medical Waste Management & The Handling rules, 1998
jj) The Bureau of Indian Standards Act, 1986 and the Rules and Regulations made thereunder
kk) The Chemical weapon convention Act 2000, and the Rules made thereunder
ll) The Explosive Act 1884 and the Static and Mobile Pressure Vessels (Unfired) Rules 1981
mm) The Indian Standard code of Practice for selection, Installation and Maintenance of Portable First Aid Fire Extinguishers
nn) The Electricity Act 2003 and the Indian Electricity Rules 1956
oo) The Indian Boilers Act, 1923 & The Indian Boilers Regulations 1950

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. All the decisions have been taken unanimously and no dissent recorded.

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.

For N. L. Bhatia & Associates
Company Secretaries
UIN: P1996MH055800

Place: Mumbai
Date: April 20, 2017

N. L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

N.L. BHATIA & ASSOCIATES
Company Secretaries
307, Skyline Wealth Space, 5th Floor, C2 Wing, Skyline Oasis Complex, Premier Road, Near Vidyavihar Station, Ghatkopar (West), Mumbai 400086
Tel.: 91-022-2510 0718, 91-022-2510 0698 **E-mail :** navnitlb@hotmail.com

To,
The Members,
UPL Limited

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

(1) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) 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

(3) We have not verified the correctness and appropriate of financial records and Books of Accounts of the Company.

(4) Wherever required we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For N. L. Bhatia & Associates
Company Secretaries
UIN: P1996MH055800

Place: Mumbai
Date: April 20, 2017

N. L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Annexure 4

DISCLOSURE REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINMENT AND REMUNERATION OF MANEGERIAL PERSONNEL) RULES, 2014.

FORMING PART OF THE DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH, 2017.

Sr. No.	Requirement	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	R. D. Shroff	272x
		Arun Ashar	50x
		K M Banerjee	12x
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretory or Manager, if any, in the financial year	R D Shroff	27%
		Arun Ashar	-1%
		K M Banerjee	9%
		M B Trivedi	9%
		Anand Kantilal Vora	6%
3	The percentage increase in the median remuneration of employees in the financial year		12%
4	The number of permanent employees on the rolls of company		3439
5	Average percentile increase already made in the 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	Average percentile increased in salaries other than Key Managerial personnel in the last f.year	7%
		Percentil increse in the Managerial remuneration	8%
6	The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year		N/A
7	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

Annexure 5

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINMENT AND REMUNERATION OF MANEGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017.

Sr. No.	Name	Designation	Remuneration	Qualification	Date of Joining	Age	Last Employement
1	Farokh N Hilloo	Global Sales Director	16126252	B.A, Diploma in Import Export Management	08/07/1991	55	Indian Commercial Company Ltd.
2	R D Shroff	Chairman & Managing Director	151348592	B.Sc.,	29/05/1969	84	Nil
3	Arun Ashar	Director - Finance	29875411	B.Com., ACA	01/07/1994	69	Excel Industries Ltd.
4	K R Srivastava	CEO - Specialty Chemicals	29934752	B.Chem., PGDBMA (IIM), DSM	20/07/1999	60	Pharmaceutical Products of India Ltd.
5	Ashutosh Kumar Awasthi	Chief Executive Officer	15759574	B.Tech., MBA	11/06/2008	48	Piramal Glass Ltd.
6	Vidya Sagar Kaushik	Chief Operating Officer -Global Business	28804675	B.Sc., PGDM	01/04/2011	65	Bayer Ag.
7	Anand Kantilal Vora	Chief Financial Officer	17072941	B. Com, CA	05/08/2013	53	Bunge India
8	Ajit Premnath	Global Marketing Director	26108019	M.Sc., MBA (Marketing)	01/08/2015	59	UPL Europ Ltd.
9	Naveen Chahal	Director - New Businessses & CEO of UPDT	21459301	BE/PGDM	03/08/2015	54	Mosaic India Pvt.Ltd
10	Debabrata Gupta	Chief Operating Officer - Supply Chain & Manufacturing	17964282	B Tech (Hons)	12/05/2016	54	USV Limited
11	Bhupen V Dubey *	Regional Director - India	12790221	M.Sc.- Agri - Entomology	01/04/2003	55	Bayer Crop Science Ltd.
12	Rohit Kumar	Vice President - Legal	12007444	LLB	01/07/2010	39	Freehills
13	Raj Kumar Tiwari	Director - Manufacturing - Technical Plants (India)	12192533	B.Tech., PGPX	06/09/2011	47	CEAT Tyres
14	Nitin Achyut Kolhatkar	Vice President - Finance	14223790	M.Com, ICWA	11/10/2011	53	Arshiya Ind. Ltd.
15	Ajay Juneja *	Business Head Vegetables - India & International	10942201	B Com, PGDBM	21/11/2011	46	Seed Works India Pvt. Ltd.
16	Krishna Prakash Maheshwari *	CEO - Tatva Global Environment Ltd.	11067781	B.E., MBA	24/02/2012	46	Reliance Infrastructure Ltd.
17	Swapnil Onkar Ganvir	Executive Pilot	11537582	B. Com	15/06/2012	39	Air India Express
18	Vienay Chhibber *	Business Head-AME (Africa & Middle East)	10070568	MSc	17/06/2013	60	Zobele India Pvt. Ltd.
19	Kishore Gurbux Chandiramani	Director - Global Institutional Business	14364945	B.Sc., MMM	01/04/2014	54	Gharda Chemicals Limited
20	Janakiraman Rajaraman	Director - Global Procurement	15612808	BE, MBA	01/07/2014	50	Heinz India
21	Jayaram Philkana	Chief Human Resource Officer	15363418	B.Com, PGD - Personnel Management & IR	01/09/2014	47	CARGILL - Singapore
22	A Balaji	Chief Information Officer	13235269	B.Com, A.C.A	25/03/2015	49	Piramal Enterprise Ltd

Note:

1) Gross remuneration shown above is subject to tax and comprises salary, allowances, commission, incentives, monetary value of perquisites, company's contribution to provident fund and superannuation fund.

In addtion to the above, employees are also entitled to gratuity, medical benefits etc. in accordance with Company's rules.

2) None of the above employee, along with the spouse and dependant children hold more than 2% of the equity shares of the Company.

3) Mr. R. D. Shroff is a relative of the Directors of the Company namely, Mrs. S. R. Shroff, Mr. J. R. Shroff and Mr. V. R. Shroff

4) All emploees are permanent employees of the Company

5) * Employed for the part of the year.

Annexure 6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy:

i. The following Energy conservation measures were taken during the year 2016-17:

1. Innovative Mechanical Vapor Recompression system (MVR) for concentration RO Reject, Zero liquid discharge (ZLD). Some of our active ingredients manufacturing facilities achieved zero liquid discharge (ZLD) status. This is in addition to all the formulation facilities which have been operating as zero liquid discharge units as statutorily mandated.
2. The central energy conservation cell, which has been in operation, has consistently used Pinch Technology to achieve major energy savings over the last 12 months. As a result, we were able to use waste heat, thereby leading to natural gas and water savings.
3. Usage of Innovative in-line condenser cleaning system to sustain and improve Heat transfer coefficient.
4. New 'Heat Pipe' technology for low grade heat recovery for Process air preheating.
5. Energy Conservation through reducing Refrigeration power by 12% by reducing condensing temperatures.
6. Installation of dry vacuum pumps in place of once thru lubricated vacuum pumps, leading to benefits such as energy savings and more efficient solvent recovery. Consequently, this also lead to elimination of waste oil incineration.
7. Usage of ambient cooling in place of energy inefficient chilled fluids.
8. Energy conservation by utilizing Natural Gravity Head instead of pumps.
9. Power saving by installing energy efficient screw air compressor in place of reciprocating air compressor, along with waste heat recovery from lube oil. This measure has eliminated "Cooling tower" operation and saving precious water and associated power.

ii. Steps taken by the company to utilise alternate source & reduce energy consumption:

1. Our largest unit produces its own captive power to meet the energy demands partly. This is being augmented by doubling power generation capacity.
2. Maximization of waste heat recoveries from flue gases.
3. Selection of appropriate fuels based on pricing as well as availability. This is reviewed and instituted by the respective sites on a real time basis.
4. Usage of vapour recompression systems for chilling duties.
5. Consolidation of utilities into large centralized systems to achieve better economies and efficiencies.
6. Air dehumidification using refrigeration heat pump for drying application.

iii. Capital Investment on energy conservation equipments:

1. A total of ₹11.86 Crores was invested into installation of energy efficient equipment. All future projects are being evaluated and approved based on the lowest energy and carbon foot print.
2. Energy monitoring has been done on an overall basis and we have been able to save specific energy requirement by 9% over previous year.
3. UPL units have been recipients of multiple awards as a recognition of our energy conservation measures.

B. Technology Absorption-

i. Following initiatives were taken by the Company towards the technology absorption, adaptation and innovation:

1. A plant for the production of an herbicide active ingredient was commissioned. The product of desired quality and cost effectiveness is now produced on regular basis.
2. An auxiliary chemical used in a leading herbicide product started to be manufactured indigenously to ensure supply of the chemical with desired quality and cost effectiveness.
3. Many new pesticide formulations were commercialized for launch both in the domestic and international markets.
4. Processes for several active ingredients were developed successfully at R&D.
5. A large number of formulations were successfully developed in the R&D.
6. Further, some of the marketed formulation products were worked upon resulting in the cost reduction.
7. The quality of many actives and formulation products were improved and the process implemented in the plant.
8. Continued collaboration with outside agencies like universities, research institutes and scientists has resulted into innovations and new technology implementation or upgradation of the existing technologies.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

1. An herbicide auxiliary chemical for the marketed herbicide was produced indigenously which will result in reduction in the cost of the formulated product.
2. An herbicide production plant was commissioned. This will result in self dependency and quality product.
3. New products introduced globally, resulting in business expansion.
4. Accomplishment of process development for several active ingredients will be helpful in the future implementation in the plants at commercial scale.
5. Several pre-mix formulations have been developed for future product launches.
6. For the existing technical products, improvement in quality and/or increase in yield have been worked out.
7. The marketed formulations have been worked upon for improved quality and cost effectiveness.
8. Cost reduction in existing products have been achieved.
9. There have been increasing number of regulatory approvals in many countries for many products which will help in faster product launches.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

1) CS_2

a) Details of technology imported : The technology consists of 3 parts :

i) Furnace : For converting methane and sulfur to CS_2

ii) Sulfur recovery unit (SRU) : to recover sulfur from H_2S

iii) Tail gas treating unit (TGTU) : to treat residual SO_2 in the system

b) the year of import : 2013

c) whether the technology has been fully absorbed : Fully absorbed

2) UPDT – water absorbent

a) Details of technology imported : UPDT is manufactured with the help of starch and acrylonitrile (ACN). Starch is activated by ceric ammonium nitrite and then reacted with ACN. It is then saponified by KOH to get the final product to be converted into granules.

b) the year of import : 2015

c) whether the technology was fully absorbed : Fully absorbed

iv Expenditure incurred on R & D:

i.	Capital	₹2117.44 Lacs
	Recurring	₹14043.14 Lacs
	Total	₹16160.58 Lacs
ii.	Total R & D expenditure	2.27% (as a percentage of turnover)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

		2016-17
a.	Total Foreign Exchange earned	₹397,212 Lacs
b.	Total Foreign Exchange outgo	₹229,688 Lacs

Annexure 7

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2017

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

I. Registration and other details

CIN	L24219GJ1985PLC025132
Registration Date	2nd January, 1985
Name of the Company	UPL Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	3-11, G.I.D.C., Vapi, Dist. Valsad, Gujarat – 396195. Tel.: 0260-2400717
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg Vikhroli West Mumbai 400 083. Tel.: +91 22 49186270 Fax: +91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. 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
Agro Chemicals	20121	90.85%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name of subsidiaries	Address	CIN / GLN	% of shares held	Applicable Section
1	Shroffs United Chemicals Limited	11, GIDC Estate, Vapi - 396195, Dist: Valsad	U24299GJ1979PLC003583	100%	2(87)
2	SWAL Corporation Limited	Ready Money Terrace, 167, Dr A. B. road, Worli, Mumbai - 400 052	U24110MH1979PLC136661	100%	2(87)
3	United Phosphorus (India) LLP	C/o. United Phosphorus Limited, Uniphos House, 11th Road, Khar (W), Mumbai-400052	AAA-4124	100%	2(87)
4	United Phosphorus Global LLP	C/o. United Phosphorus Limited, Uniphos House, 11th Road, Khar (W), Mumbai-400052	AAA-4123	100%	2(87)
5	Optima Farm Solutions Limited	26-28 Indra Palace, H Block, Connaught Circus, New Delhi - 110 001	U1403DL2010PLC206625	100%	2(87)
6	Agrinet Solutions Limited	Ready money Terrace, 167, Dr A. B. Road, Worli, Mumbai - 400018	U999MH2000PLC1346747	49.78%	2(87)
7	UPL Europe Limited (formerly known as United Phosphorus Limited)	THE CENTRE, BIRCHWOOD PARK, BIRCHWOOD , WARRINGTON , WA3 6YN		100%	2(87)
8	UPL Deutschland GmbH (formerly known as United Phosphorus GMBH)	Kolnstrasse 107,50321 Bruhl, Germany		100%	2(87)
9	UPL Polska Sp z.o.o. (formerly known as United Phosphorus Polska Sp.z o.o)	ul. Przełaj 8/27,03-092 Warszawa, Poland		100%	2(87)
10	UPL Benelux B.V.(formerly known as AgriChem B.V.)	Koopvaardijweg 9,4906 CV Oosterhout, Postbus 295,4900 AG Oosterhout, Netherlands		100%	2(87)
11	Cerexagri B.V.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
12	Blue Star B.V.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
13	United Phosphorus Holdings Cooperatief U.A.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
14	United Phosphorus Holdings B.V.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
15	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
16	Decco Worldwide Post-Harvest Holdings B.V.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
17	United Phosphorus Holding, Brazil B.V.	Tankhoofd 10,3196 KE Vondelingenplaat, The Netherlands		100%	2(87)
18	UPL Italia S.R.L. (formerly known as Cerexagri Italia S.R.L.)	Via Terni, 275 - 47522 Cesena (FC) - Italy		100%	2(87)
19	UPL Iberia, S.A. (formerly known as Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain)	Avda. Josep Tarradellas, 20-30, floor 3, door 7-8,		100%	2(87)
20	Decco Iberica Postcosecha, S.A.U.	Poligono Fuente del Jarro, C/ Villa de Madrid num. 54,46988 Paterna (Valencia), Spain		100%	2(87)
21	Transterra Invest, S. L. U.	Avda. Josep Tarradellas, 20-30, floor 3, door 7-8,		100%	2(87)
22	Cerexagri S.A.S.	10,avenue de l'enterpise Parc,St Cristophe 95863 Cergy Pontoise, France		100%	2(87)
23	Neo-Fog S.A.	3 rue Ampère ,ZA,59236 FRELINGHIEN France		100%	2(87)
24	UPL France (formerly known as Aspen SAS)	132/190 Boulevard de Verdun, 92400 COURBEVOIE, France		100%	2(87)

Sr. No.	Name of subsidiaries	Address	CIN / GLN	% of shares held	Applicable Section
25	United Phosphorus Switzerland Limited	C/o Testatoris AG, Topferstrasse 5,6004 Luzern, Switzerland		100%	2(87)
26	Agrodan, ApS	GAMMEL POSTVEJ 11, NORDBY, 6720 FANO, DENMARK		100%	2(87)
27	Decco Italia SRL	Bivio Aspro Zona Industriale Piano Tavola		100%	2(87)
28	Limited Liability Company "UPL" (formerly known as JSC United Phosphorus Limited)	16/18, building 1, office 25,Balshaya Sukharevskaya Square,Moscow , 107045,Russian Federation		100%	2(87)
29	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	Beloura Office Park, Ed. 7 – 1º Escritorio 1.4,2710 693 Sintra – Lisboa,Portugal		100%	2(87)
30	United Phosphorus Inc.	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
31	UPI Finance LLC	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
32	Cerexagri, Inc. (PA)	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
33	UPL Delaware, Inc.(formerly known as Cerexagri Delaware, Inc.)	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
34	Canegrass LLC	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		70%	2(87)
35	Decco US Post-Harvest Inc	1713 South California Avenue,Monrovia, CA 91016		100%	2(87)
36	RiceCo LLC	5100,Poplar Avenue,Suite 2428, Memphis, TN 38137		100%	2(87)
37	Riceco International, Inc.	5100,Poplar Avenue,Suite 2428, Memphis, TN 38137		100%	2(87)
38	UPL Corporation Limited (Formerly known as Bio-win Corporation Limited, Mauritius)	5TH Floor Newport Building,Louis Pasteur Street,Port Louis,Mauritius		100%	2(87)
39	UPL Limited, (formerly known as Uniphos Limited)	5TH Floor Newport Building,Louis Pasteur Street,Port Louis,Mauritius		100%	2(87)
40	UPL Management DMCC	Mazaya Business Avenue -Tower AA1, 11th Floor,First Al Khail St, Dubai, U.A.E. P.O. Box: 33421		100%	2(87)
41	UPL Limited, (formerly known as Uniphos Limited)	Suite 10, Watergardens 5,Waterport Road, Gibraltar		100%	2(87)
42	UPL Agro S.A. de C.V.(formerly known as United Phosphorus de Mexico, S.A. de C.V.)	Gabriel Mancera 1815, int 402 Col Del Valle Delg. Benito Juarez C.P. 03100 Ciudad de Mexico		100%	2(87)
43	Decco Jifkins Mexico Sapi	Franz Schubert #5126,Colonia Residencial La Estancia,Zapopan, Jalisco, Mexico		100%	2(87)
44	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	Rua Fernando de Albuquerque nº31 cj 72 - São Paulo - SP - CEP 01309-030		100%	2(87)
45	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	Av Maeda sem nº Distrito Industrial - Ituverava - SP - CEP 14.500-000		100%	2(87)
46	UPL Costa Rica S.A (formerly known as Cerexagri Costa Rica, S.A.)	San Rafael de Alajuela, Potrerillos Street, Industrial Zone Flexipark		100%	2(87)
47	UPL Bolivia S.R.L (formerly known as United Phosphorus Bolivia S.R.L)	Av. Cristo Redentor Nro 3731 Mzno: 03 Zona Norte. Santa Cruz de la Sierra, Bolivia.		100%	2(87)
48	UPL Paraguay S.A.	Avenida Los Mingueros C/Juana de Lara; Ciudad de Minga Guazú; Departamento de Alto Paraná; República del Paraguay.		100%	2(87)
49	Icona Sanluis S A	Maipú 1199 – (5700) - Ciudad de San Luis – Provincia de San Luis, Argentina		100%	2(87)
50	DVA Technology Argentina S.A.	Cervino Av 4634 B S T M Piso 2 (1425) - Capital Federal		100%	2(87)
51	UPL Argentina S A (Formerly known as Icona S A)	Viamonte 1342, 5to Piso E. CABA, Buenos Aires, Argentina		100%	2(87)
52	Decco Chile SpA	Parque del Este 2451, Villa del Este, Rancagua, Chile		100%	2(87)
53	UPL Colombia SAS	CR 1 NO. 4 - 02 IN 1 AL 21		100%	2(87)
54	United Phosphorus Cayman Limited	C/o Genesis Trust & Corporate Services Ltd,2nd Floor, Elgin Court, Elgin Avenue,PO Box 448, Grand Cayman,Cayman Islands		100%	2(87)
55	UP Aviation Limited	C/o Genesis Trust & Corporate Services Ltd,2nd Floor, Elgin Court, Elgin Avenue,PO Box 448, Grand Cayman,Cayman Islands		100%	2(87)
56	UPL Australia Limited (formerly known as United Phosphorus Limited)	Suite 416, Level 4, 14 Lexington Drive,Bella Vista NSW 2153.		100%	2(87)
57	UPL New Zealand Limited (formerly known as United Phosphorus Limited)	C/o Crowe Horwath (NZ) Limited,Level 29, 188 Quay Street , Auckland Central,Auckland 1010,New Zealand		100%	2(87)
58	UPL Shanghai Limited (formerly known as United Phosphorus (Shanghai) Company Limited)	Rm 1712, Longemont YES tower, No 399, Kaixuan Rd,Shanghai 200051 China,P:021-62131830		100%	2(87)
59	UPL Limited (Korea) (formerly known as United Phosphorus (Korea) Limited)	301, Seolleung B/D, 555, Seolleung-ro, Gangnam-gu, Seoul, 135-916, Korea		100%	2(87)

Sr. No.	Name of subsidiaries	Address	CIN / GLN	% of shares held	Applicable Section
60	PT.UPL Indonesia (formerly known as PT. United Phosphorus Indonesia)	PALMA ONE BUILDING, 6TH FLOOR, SUITE 609, JL. HR RASUNA SAID, KAV.X-2 NO.4,JAKARTA 12950, INDONESIA		100%	2(87)
61	PT Catur Agrodaya Mandiri	PALMA ONE BUILDING, 6TH FLOOR, SUITE 609, JL. HR RASUNA SAID, KAV.X-2 NO.4,JAKARTA 12950, INDONESIA		100%	2(87)
62	UPL Limited,Hong Kong (formerly known as United Phosphorus Limited,Hong kong)	18A, 18/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong		100%	2(87)
63	UPL Philippines Inc.(formerly known as United Phosphorus Corp.)	Unit 1506, 15th Floor Jollibee Plaza Condominium,F. Ortigas Jr. Road, Ortigas Center,1605 Pasig City, Metro Manila		100%	2(87)
64	UPL Vietnam Co. Limited (formerly known as United Phosphorus Vietnam Co., Limited)	Amata Road, Long Binh IP (Amata), Long Binh ward, Bien Hoa city, Dong Nai province, Vietnam		100%	2(87)
65	UPL Limited, Japan (formerly known as United Phosphorus Limited, Japan)	30F, Ark Mori Building, 1-12-32, Akasaka, Minato-ku, Tokyo 107-6030, Japan		100%	2(87)
66	Anning Decco Fine Chemical Co. Limited	Changpo, Anning, Kunming City, Yunnn Province		55%	2(87)
67	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi (formerly known as Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey)	Adalet Mahallesi Manas Bulvarı Folkart Towers No:47/B,A KULE K:31 D:3107-3110,		100%	2(87)
68	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Cumhuriyet(incirlik) Mh. Incirlik Blv No.316/Z-01,Yuregir/Adana Turkey,35530 BAYRAKLI/IZMIR-TURKEY		51%	2(87)
69	Safepack Products Limited	7 Asteria Meir St.,IZ Hadera,Isarel		100%	2(87)
70	Citrashine (Pty) Ltd	75 2nd street, Booysens Reserve,Johannesburg 2091 – South Africa		100%	2(87)
71	UPL Africa SARL	29,Avenue Pasteur,Dakar,Senegal		100%	2(87)
72	Prolong Limited	MEIR ASTORIA 7 HADERA		50%	2(87)
73	Perrey Participações S.A	Rua Libero Badaró nº 293 - 21ºandar, cj 21D, sala 46 = São Paulo - SP - CEP 01009-000		100%	2(87)
74	Advanta Netherlands Holding B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
75	Advanta Semillas SAIC	25 de Mayo 749. Piso 1, Dpto 3. CABA, Buenos Aires, Argentina		100%	2(87)
76	Advanta Holdings B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
77	Advanta Seeds International	5TH Floor Newport Building,Louis Pasteur Street,Port Louis,Mauritius		100%	2(87)

Sr. No.	Name of subsidiaries	Address	CIN / GLN	% of shares held	Applicable Section
78	Pacific Seeds Holdings (Thailand) Limited	1 Moo 13, Phaholyothin Road, Tumbol Praphuttabat, Amphur Praphuttabat, Saraburi.		100%	2(87)
79	Pacific Seeds (Thai) Limited	1 Moo 13, Phaholyothin Road, Tumbol Praphuttabat, Amphur Praphuttabat, Saraburi.		100%	2(87)
80	Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd)	268 Anzac Avenue, Toowoomba QLD 4350, Australia		100%	2(87)
81	Advanta US Inc.	201 E. John Carpenter Fwy. Suite 660, Irving, Tx 75062		100%	2(87)
82	Advanta Comercio De Sementes LTDA.	Av Maeda sem nº Distrito Industrial - Ituverava - SP - CEP 14.500-000		100%	2(87)
83	PT Advanta Seeds Indonesia	Gedung Palma One Lt. 6 Suite 609 Jalan HR. Rasuna Said Kav X-2 No. 4, Kelurahan Kuningan Timur, Kecamatan Setiabudi, Jakarta Selatan.		100%	2(87)
84	Advanta Seeds DMCC (formerly known as Advanta Seeds JLT)	Mazaya Business Avenue – Tower AA1,First Al Khail St, Dubai – U.A.E. P.O Box 33421.		100%	2(87)
85	Essentiv LCC	160, Green Tree Dr., Ste.101, Dover, DE 19904		50%	2(87)
86	Advanta Seeds Ukraine LLC	1/27 MARRI PRYIMACHENKO BOULEVARD OFFICE 304/2 KYIV 01042 UKRAINE		100%	2(87)
	ASSOCIATES COMPANY				
1	Weather Risk Management Private Ltd	97, NEHRU PARK, JODHPUR, RAJASTHAN-342001	U67200RJ2004PTC019775	27.36%	2(6)
2	Kerala Enviro Infrastructure Limited	Common TSDF Projects, Inside FACT CD Campus, Ambalamedu, Kochi - 682303	U24129KL2005PLC017973	27.52%	2(6)
3	Polycoat Technologies 2010 Limited	7 Astoria Meir St, IZ Hadera, Izrael		20%	2(6)
4	3SB Produtos Agricolas S.A.	Rua Lajes, 961, Bairro Primavera IV, Primavera do Leste – MT, CEP 78850-000		40%	2(6)
5	Sinagro Produtos Agropecuarios S.A.	Rua Rio de Janeiro, 2583, Primavera do Leste – MT, CEP 78850-000		40%	2(6)
6	Chemisynth (Vapi) Limited	Plot No 27, GIDC, Vapi - 396195, Dist. Valsad	U24110GJ1986PLC008634	30%	2(6)
7	Hodagaya UPL Co. Limited	2-4-1, Yaesu, Chuo-ku, Tokyo 104-0028, Japan		40%	2(6)
8	Longreach Plant Breeders Management Pty Limited	268 Anzac Ave, P O Box 337, Toowoomba QLD 4350		70%	2(6)
9	United Phosphorus (Bangladesh) Limited	Paragon House, 5 Mohkhali C/A, Dhaka		50%	2(6)

IV. Shareholding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2016)				No. of Shares held at the end of the year (As on 31-03-2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/H.U.F	3369521	0	3369521	0.79	3394956	0	3394956	0.73	-0.06
(b)	Central/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	124062420	0	124062420	28.94	127932775	0	127932775	27.54	-1.40
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	127431941	0	127431941	29.73	131327731	0	131327731	28.27	-1.46
(2)	Foreign									
(a)	Non Resident Individuals/ Foreign Nationals	0	0	0	0.00	9310000	0	9310000	2.00	2.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub_Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	127431941	0	127431941	29.73	140637731	0	140637731	30.27	0.54
(B)	Public Shareholding3									
(1)	Institutions									
(a)	Mutual Fund/UTI	42274867	0	42274867	9.86	50463256	0	50463256	10.86	1.00
(b)	Financial Institutions/Banks	434493	0	434493	0.10	3107344	0	3107344	0.67	0.57
(c)	Central/State Government(s)	0	0	0	0.00	987951	0	987951	0.21	0.21
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	2469954	0	2469954	0.58	0	0	0	0.00	-0.58
(f)	Foreign Institutional Investors	199342937	18500	199361437	46.51	213202105	18500	213220605	45.89	-0.62
(g)	Foreign Venture Cap. Inv	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Bank	0	0	0	0.00	18000	23000	41000	0.01	0.01
	Sub-Total (B)(1)	244522251	18500	244540751	57.06	267778656	41500	267820156	57.64	0.58
(2)	Non Institutions									
(a)	Bodies Corporate	20119957	79560	20199517	4.71	15995310	0	15995310	3.44	-1.27
(b)	Individuals									
	i) Holding nominal share capital upto ₹2 lakh	22438574	4616525	27055099	6.31	22299140	4414230	26713370	5.75	-0.56
	ii) Holding nominal share capital in excess of ₹2 lakh.	3612721	212000	3824721	0.89	4287933	0	4287933	0.92	0.03
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other(specify)									
	Overseas Corporate Bodies	275	6740	7015	0.00	0	6740	6740	0.00	0.00
	Non Resident Individuals	3011204	2202995	5214199	1.22	3002892	2114570	5117462	1.11	-0.11
	Foreign Banks	50911	23000	73911	0.02	0	0	0	0.00	-0.02
	Trust	0	0	0	0.00	2055095	0	2055095	0.44	0.44
	Foreign Nationals	0	0	0	0.00	280335	0	280335	0.06	0.06
	Hindu Undivided Family	0	0	0	0.00	496446	0	496446	0.11	0.11
	Foreign Companies	0	0	0	0.00	68193	0	68193	0.01	0.01
	Clearing Member	0	0	0	0.00	1177285	0	1177285	0.25	0.25
	Sub-Total (B)(2)	49233642	7140820	56374462	13.15	49662629	6535540	56198169	12.09	-1.06
	Total Public shareholding (B)=(B)(1)+(B)(2)	293755893	7159320	300915213	70.21	317441285	6577040	324018325	69.73	-0.48
	TOTAL (A)+(B)	421187834	7159320	428347154	99.94	458079016	6577040	464656056	100.00	0.06
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
3	Non Promoter –Non Public	249120	8000	257120	0.06	42353062	8000	42361062	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	421436954	7167320	428604274	100.00	500432078	6585040	507017118	100.00	

ii) Shareholding of Promoters

	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	NERKA CHEMICALS PVT LTD	98633100	23.01	1.50	101256245	21.80	0.00	-1.21
2	UNIPHOS ENTERPRISES LIMITED	25337060	5.91	0.00	25537060	5.50	0.00	-0.41
3	R SHROFF CONSULTANTS PVT LTD	92260	0.02	0.00	92260	0.02	0.00	0.00
4	ARCHANA OVERSEAS PVT LTD	0	0	0	843500	0.13	0.00	0.18
5	DEMURIC HOLDINGS PVT LTD	0	0	0	97925	0.02	0.00	0.02
6	ESTHETIC FINVEST PVT LTD	0	0	0	105785	0.02	0.00	0.02
7	JAIDEV RAJNIKANT SHROFF	0	0	0	5076750	1.09	0.00	1.09
8	VIKRAM RAJNIKANT SHROFF	0	0	0	4233250	0.91	0.00	0.91
9	RAJJU D SHROFF	10000	0.00	0.00	10000	0.00	0.00	0.00
10	SHILPA P SAGAR	2882841	0.67	0.00	2887841	0.62	0.00	-0.05
11	JYOTSNA J BHATT	448750	0.10	0.00	448750	0.10	0.00	0.00
12	VARUN JAIDEV SHROFF	14000	0.00	0.00	26500	0.01	0.00	0.01
13	TANIA JAIDEV SHROFF	6000	0.00	0.00	15385	0.00	0.00	0.00
14	PRADIP N SAGAR	5930	0.00	0.00	4480	0.00	0.00	0.00
15	MEKHALA VIKRAM SHROFF	2000	0.00	0.00	2000	0.00	0.00	0.00
	Total	127431941	29.73	1.50	140637731	30.27	0.00	0.54

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	% of total shares of the Company				No. of shares	% of total shares of the Company
1	NERKA CHEMICALS PVT LTD	98633100	23.01	01.04.2016				
				02.08.2016	2623145	Allotment Due to amalgamation of Advanta with the Company.		
		101256245	21.80	31.03.2017			101256245	21.80
2	UNIPHOS ENTERPRISES LIMITED	25337060	5.91	01.04.2016				
				02.08.2016	200000	Allotment Due to amalgamation of Advanta with the Company.		
		25537060	5.5	31.03.2017			25537060	5.5
3	R SHROFF CONSULTANTS PVT LTD	92260	0.02	01.04.2016	0	NIL movement during the year	92260	0.02
		92260	0.02	31.03.2017				
4	ARCHANA OVESEAS PVT LTD	0	0.00	01.04.2016				
				02.08.2016	843500	Allotment Due to amalgamation of Advanta with the Company.		
		843500	0.18	31.03.2017			843500	0.18
5	ESTHETIC FINVEST PVT LTD	0	0.00	01.04.2016				
				02.08.2016	105785	Allotment Due to amalgamation of Advanta with the Company.		
		105785	0.02	31.03.2017			105785	0.02
6	DEMURIC HOLDINGS PVT LTD	0	0.00	01.04.2016				
				02.08.2016	97925	Allotment Due to amalgamation of Advanta with the Company.		
		97925	0.02	31.03.2017			97925	0.02
7	TANIA JAIDEV SHROFF	6000	0.00	01.04.2016				
				02.08.2016	9385	Allotment Due to amalgamation of Advanta with the Company.		
		15385	0.00	31.03.2017			15385	0.00
8	SHILPA P SAGAR	2882841	0.67	01.04.2016				
				02.08.2016	5000	Allotment Due to amalgamation of Advanta with the Company.		
		2887841	0.62	31.03.2017			2887841	0.62
9	PRADIP N SAGAR	5930	0.00	01.04.2016				
				02.08.2016	50	Allotment Due to amalgamation of Advanta with the Company.	5980	0.00
				23.03.2017	1500	Sale		
		4480	0.00	31.03.2017			4480	0.00
10	JYOTSNA J BHATT	448750	0.10	01.04.2016	0	NIL movement during the year		
		448750	0.10	31.03.2017			448750	0.10
11	JAIDEV RAJNIKANT SHROFF	0	0.00	01.04.2016				
				02.08.2016	5076750	Allotment Due to amalgamation of Advanta with the Company.		
		5076750	1.09	31.03.2017			5076750	1.09
12	VARUN JAIDEV SHROFF	14000	0.00	01.04.2016				
				02.08.2016	12500	Allotment Due to amalgamation of Advanta with the Company.		
		26500	0.01	31.03.2017			26500	0.01
13	RAJJU D SHROFF	10000	0.00	01.04.2016	0	NIL movement during the year		
		10000	0.00	31.03.2017			10000	0.00
14	VIKRAM RAJNIKANT SHROFF	0	0.00	01.04.2016				
				02.08.2016	4233250	Allotment Due to amalgamation of Advanta with the Company.		
		4233250	0.91	31.03.2017			4233250	0.91
15	MEKHALA VIKRAM SHROFF	2000	0.00	01.04.2016				
		2000	0.00	31.03.2017	0	NIL movement during the year	2000	0.00

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of shareholder	Shareholding: No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	Shareholding: % of total shares of the Company	Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): No. of shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): % of total shares of the Company
1	GOVERNMENT PENSION FUND GLOBAL	11165865	2.20	01 Apr 2016			11165865	2.20
				07 Oct 2016	97313	Transfer	11263178	2.22
				27 Jan 2017	185798	Transfer	11448976	2.26
		11448976	2.26	31 Mar 2017				
2	SKAGEN KON-TIKI VERDIPAPIRFOND	10661566	2.10	01 Apr 2016			10661566	2.10
				17 Jun 2016	-2789303	Transfer	7872263	1.55
				24 Jun 2016	-143075	Transfer	7729188	1.52
				30 Jun 2016	-606541	Transfer	7122647	1.40
				01 Jul 2016	-256388	Transfer	6866259	1.35
				08 Jul 2016	-285425	Transfer	6580834	1.30
				15 Jul 2016	-300000	Transfer	6280834	1.24
				22 Jul 2016	-147567	Transfer	6133267	1.21
				29 Jul 2016	-500000	Transfer	5633267	1.11
				05 Aug 2016	-635731	Transfer	4997536	0.99
				12 Aug 2016	-455000	Transfer	4542536	0.90
				19 Aug 2016	-215151	Transfer	4327385	0.85
				26 Aug 2016	-118000	Transfer	4209385	0.83
				02 Sep 2016	-124070	Transfer	4085315	0.81
				09 Sep 2016	-115000	Transfer	3970315	0.78
				21 Oct 2016	-101657	Transfer	3868658	0.76
				28 Oct 2016	-63040	Transfer	3805618	0.75
				03 Feb 2017	-109968	Transfer	3695650	0.73
		3695650	0.73	31 Mar 2017				
3	INVESCO PERPETUAL GLOBAL EQUITY FUND	1961752	0.46	01 Apr 2016			1961752	0.46
				15 Apr 2016	-7997	Transfer	1953755	0.46
				6 May 2016	-10174	Transfer	1943581	0.45
				17 Jun 2016	-9727	Transfer	1933854	0.45
				29 Jul 2016	-15567	Transfer	1918287	0.45
				26 Aug 2016	-11510	Transfer	1906777	0.38
				02 Sep 2016	-10038	Transfer	1896739	0.37
				23 Sep 2016	-9523	Transfer	1887216	0.37
				21 Oct 2016	-13376	Transfer	1873840	0.37
				11 Nov 2016	-9478	Transfer	1864362	0.37
				18 Nov 2016	-9253	Transfer	1855109	0.37
				30 Dec 2016	-9190	Transfer	1845919	0.36
				13 Jan 2017	-7244	Transfer	1838675	0.36
				20 Jan 2017	-7992	Transfer	1830683	0.36
				24 Feb 2017	-11436	Transfer	1819247	0.36
				3 Mar 2017	-11889	Transfer	1807358	0.36
		1807358	0.36	31 Mar 2017				
4	INVESCO ASIAN EQUITY FUND	5968042	1.18	01 Apr 2016			5968042	1.18
				17 Jun 2016	-779436	Transfer	5188606	1.02
				29 Jul 2016	-224119	Transfer	4964487	0.98
				11 Nov 2016	-68770	Transfer	4895717	0.97
				18 Nov 2016	-71115	Transfer	4824602	0.95
				02 Dec 2016	-80977	Transfer	4743625	0.94
				23 Dec 2016	-272546	Transfer	4471079	0.88
				20 Jan 2017	-143944	Transfer	4327135	0.85
				03 Feb 2017	-73698	Transfer	4253437	0.84
				10 Feb 2017	-146778	Transfer	4106659	0.81
				17 Feb 2017	-73264	Transfer	4033395	0.80
				03 Mar 2017	-144287	Transfer	3889108	0.77
				10 Mar 2017	-72209	Transfer	3816899	0.75
				24 Mar 2017	-63911	Transfer	3752988	0.74
		3752988	0.74	31 Mar 2017				
5	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	2185556	0.43	01 Apr 2016			2185556	0.43
				17 Jun 2016	3514444	Transfer	5700000	1.12
				19 Aug 2016	-125000	Transfer	5575000	1.10
				23 Sep 2016	-150000	Transfer	5425000	1.07
				30 Sep 2016	-50000	Transfer	5375000	1.06
				04 Nov 2016	-100000	Transfer	5275000	1.04
				09 Dec 2016	-50000	Transfer	5225000	1.03
				16 Dec 2016	-10600	Transfer	5214400	1.03
				13 Jan 2017	-112767	Transfer	5101633	1.01
				20 Jan 2017	-100000	Transfer	5001633	0.99
		5001633	0.99	31 Mar 2017				
6	CITIBANK INTERNATIONAL PLC AS DEPOSITORY FOR INVESCO PERPETUAL ASIAN FUND	2253296	0.53	01 Apr 2016			2253296	0.53
				29 July 2016	-53222	Transfer	2200074	0.51
				5 Aug 2016	-142048	Transfer	2058026	0.41
				2 Sept 2016	-171522	Transfer	1886504	0.37
				23 Sept 2016	-90512	Transfer	1795992	0.35
				30 Sept 2016	-148643	Transfer	1647349	0.33
				28 Oct 2016	-106353	Transfer	1540996	0.30
				9 Dec 2016	44031	Transfer	1585027	0.31
				30 Dec 2016	33590	Transfer	1618617	0.32
				03 Feb 2017	54007	Transfer	1672624	0.33
				10 Mar 2017	23794	Transfer	1696418	0.33
				17 Mar 2017	37921	Transfer	1734339	0.34
				24 Mar 2017	48272	Transfer	1782611	0.35
				31 Mar 2017	44679	Transfer	1827290	0.36
		1827290	0.36	31 Mar 2017				

Sr. No.	Name of shareholder	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	% of total shares of the Company				No. of shares	% of total shares of the Company
7	MORGAN STANLEY ASIA (SINGAPORE) PTE.	2323100	0.54	01 Apr 2016			2323100	0.54
				02-Apr-16	29391	Transfer	2352491	0.55
				08-Apr-16	11985	Transfer	2364476	0.55
				15-Apr-16	136483	Transfer	2500959	0.58
				22-Apr-16	-11076	Transfer	2489883	0.58
				29-Apr-16	584974	Transfer	3074857	0.72
				06-May-16	805588	Transfer	3880445	0.91
				13-May-16	206655	Transfer	4087100	0.95
				20-May-16	99365	Transfer	4186465	0.98
				27-May-16	105021	Transfer	4291486	1.00
				03-Jun-16	590436	Transfer	4881922	1.14
				17-Jun-16	138654	Transfer	5020576	1.17
				24-Jun-16	34141	Transfer	5054717	1.18
				30-Jun-16	-35247	Transfer	5019470	1.17
				08-Jul-16	24299	Transfer	5043769	1.18
				15-Jul-16	-476667	Transfer	4567102	1.07
				22-Jul-16	-237584	Transfer	4329518	1.01
				29-Jul-16	-121093	Transfer	4208425	0.98
				05-Aug-16	-313779	Transfer	3894646	0.77
				12-Aug-16	-83011	Transfer	3811635	0.75
				19-Aug-16	-15893	Transfer	3795742	0.75
				26-Aug-16	-119350	Transfer	3676392	0.73
				02-Sep-16	10300	Transfer	3686692	0.73
				09-Sep-16	7252	Transfer	3679440	0.73
				16-Sep-16	-128374	Transfer	3551066	0.70
				23-Sep-16	-594588	Transfer	2956478	0.58
				30-Sep-16	-79612	Transfer	2876866	0.57
				07-Oct-16	-39110	Transfer	2837756	0.56
				14-Oct-16	-1669	Transfer	2836087	0.56
				21-Oct-16	-183542	Transfer	2652545	0.52
				28-Oct-16	-126870	Transfer	2525675	0.50
				04-Nov-16	-202554	Transfer	2323121	0.46
				11-Nov-16	-262725	Transfer	2060396	0.41
				18-Nov-16	-108253	Transfer	1952143	0.39
				25-Nov-16	-718174	Transfer	1233969	0.24
				02-Dec-16	-1093322	Transfer	140647	0.03
				09-Dec-16	-82889	Transfer	57758	0.01
				30-Dec-16	17569	Transfer	75327	0.01
				06-Jan-17	-15843	Transfer	59484	0.01
				10-Feb-17	70095	Transfer	129579	0.03
				24-Feb-17	-31200	Transfer	98379	0.02
				03-Mar-17	-60666	Transfer	37713	0.01
				10-Mar-17	-10800	Transfer	26913	0.01
				17-Mar-17	-1200	Transfer	25713	0.01
				31-Mar-17	1200	Transfer	24513	0.01
		24513	0.01	31 Mar 2017				
8	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	0	0.00	01 Apr 2016			0.00	0.00
				17 Feb 2017	6293970	Transfer	5061891	1.18
				24 Feb 2017	11254	Transfer	5064187	1.18
				03 Mar 2017	116	Transfer	5066398	1.18
				10 Mar 2017	-9734	Transfer	5067051	1.18
				17 Mar 2017	-234	Transfer	5065774	1.18
				24 Mar 2017	-82321	Transfer	5063270	1.18
				31 Mar 2017	6787	Transfer	6219838	1.23
		6219838	1.23	31 Mar 2017				
9	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	4986548	1.16	01 Apr 2016			4986548	1.16
				17 Jun 2016	70655	Transfer	5057203	0.10
				24 Jun 2016	100000	Transfer	5157203	1.02
				30 Jun 2016	263685	Transfer	5420888	1.07
				15 Jul 2016	-146615	Transfer	5274273	1.04
				29 Jul 2016	-310520	Transfer	4963753	0.98
				05 Aug 2016	1342782	Transfer	6306535	1.24
				12 Aug 2016	-200	Transfer	6306335	1.24
				19 Aug 2016	-1170	Transfer	6305165	1.24
				26 Aug 2016	-16380	Transfer	6288785	1.24
				09 Sep 2016	-175365	Transfer	6113420	1.21
				23 Sep 2016	-80061	Transfer	6033359	1.19
				30 Sep 2016	-20417	Transfer	6012942	1.19
				21 Oct 2016	-115874	Transfer	5897068	1.16
				11 Nov 2016	2909	Transfer	5899977	1.16
				25 Nov 2016	194000	Transfer	6093977	1.20
				09 Dec 2016	54747	Transfer	6148724	1.21
				13 Jan 2017	-2568	Transfer	6146156	1.21
				20 Jan 2017	-10712	Transfer	6135444	1.21
				27 Jan 2017	35648	Transfer	6171092	1.22
				03 Feb 2017	124767	Transfer	6295859	1.24
				10 Feb 2017	9244	Transfer	6305103	1.24
				17 Feb 2017	-6305103	Transfer	0	0.00
		0	0.00	31 Mar 2017				
10	MACQUARIE FUND SOLUTIONS A/C MACQUARIE FUND SOLUTIONS - MACQUARIE ASIA NEW STARS FUND	2949088	0.69	01 Apr 2016			2949088	0.69
				8 Apr 2016	116971	Transfer	3066059	0.72
				15 Apr 2016	406260	Transfer	3472319	0.81
				6 May 2016	-399508	Transfer	3072811	0.72
				13 May 2016	-230311	Transfer	2842500	0.66
				29-Jul-16	-254262	Transfer	2588238	0.60
				05-Aug-16	-288534	Transfer	2299704	0.45
				30-Sep-16	-596317	Transfer	1703387	0.34
				04-Nov-16	-153585	Transfer	1549802	0.31

Sr. No.	Name of shareholder	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	% of total shares of the Company				No. of shares	% of total shares of the Company
				11-Nov-16	513102	Transfer	2062904	0.41
				18-Nov-16	246852	Transfer	2309756	0.46
				02-Dec-16	-70000	Transfer	2239756	0.44
				13-Jan-17	-525809	Transfer	1713947	0.34
				27-Jan-17	-385118	Transfer	1328829	0.26
				10-Feb-17	-446115	Transfer	882714	0.17
				03-Mar-17	-66591	Transfer	816123	0.16
		816123	0.16	31 Mar 2017				
11	DIMENSIONAL EMERGING MARKETS VALUE FUND	4969340	0.98	01 Apr 2016			4969340	0.98
				18 Nov 2016	-1214	Transfer	4968126	0.98
				10 Feb 2017	-74112	Transfer	4894014	0.97
				17 Feb 2017	-97408	Transfer	4796606	0.95
				24 Feb 2017	-74161	Transfer	4722445	0.93
				03 Mar 2017	-35319	Transfer	4687126	0.92
				10 Mar 2017	-122411	Transfer	4564715	0.90
				17 Mar 2017	-40281	Transfer	4524434	0.89
				24 Mar 2017	-80418	Transfer	4444016	0.88
				31 Mar 2017	-55879	Transfer	4388137	0.87
		4388137	0.87	31 Mar 2017				
12	COPTHALL MAURITIUS INVESTMENT LIMITED	4047593	0.80	01 Apr 2016			4047593	0.80
				17 Jun 2016	1189687	Transfer	5237280	1.03
				24 Jun 2016	21253	Transfer	5258533	1.04
				30 Jun 2016	-28143	Transfer	5230390	1.03
				01 Jul 2016	-71857	Transfer	5158533	1.02
				08 Jul 2016	27664	Transfer	5186197	1.02
				15 Jul 2016	-10300	Transfer	5175897	1.02
				22 Jul 2016	-944	Transfer	5174953	1.02
				29 Jul 2016	86033	Transfer	5260986	1.04
				12 Aug 2016	77231	Transfer	5338217	1.05
				19 Aug 2016	41086	Transfer	5379303	1.06
				26 Aug 2016	-4483	Transfer	5374820	1.06
				16 Sep 2016	-19323	Transfer	5355497	1.06
				23 Sep 2016	-395770	Transfer	4959727	0.98
				30 Sep 2016	60910	Transfer	5020637	0.99
				07 Oct 2016	2283	Transfer	5022920	0.99
				14 Oct 2016	-10840	Transfer	5012080	0.99
				21 Oct 2016	63623	Transfer	5075703	1.00
				28 Oct 2016	74357	Transfer	5150060	1.02
				04 Nov 2016	42605	Transfer	5192665	1.02
				11 Nov 2016	70452	Transfer	5263117	1.04
				18 Nov 2016	90584	Transfer	5353701	1.06
				02 Dec 2016	-18338	Transfer	5335363	1.05
				09 Dec 2016	-84150	Transfer	5251213	1.04
				16 Dec 2016	-150398	Transfer	5100815	1.01

Sr. No.	Name of shareholder	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	% of total shares of the Company				No. of shares	% of total shares of the Company
				23 Dec 2016	-108745	Transfer	4992070	0.98
				30 Dec 2016	-122599	Transfer	4869471	0.96
				06 Jan 2017	52276	Transfer	4921747	0.97
				13 Jan 2017	9253	Transfer	4931000	0.97
				20 Jan 2017	9669	Transfer	4940669	0.97
				27 Jan 2017	79590	Transfer	5020259	0.99
				03 Feb 2017	25322	Transfer	5045581	0.99
				10 Feb 2017	34286	Transfer	5079867	1.00
				17 Feb 2017	-69311	Transfer	5010556	0.99
				24 Feb 2017	17188	Transfer	5027744	0.99
				03 Mar 2017	-62500	Transfer	4965244	0.98
				24 Mar 2017	85751	Transfer	5050995	1.00
				31 Mar 2017	283097	Transfer	5334092	1.05
		5334092	1.05	31 Mar 2017				
13	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	4000000	0.79	01 Apr 2016			4000000	0.79
				06 Jan 2017	100000	Transfer	4100000	0.81
				20 Jan 2017	200000	Transfer	4300000	0.85
				03 Mar 2017	230000	Transfer	4530000	0.89
				31 Mar 2017	150000	Transfer	4680000	0.92
		4680000	0.92	31 Mar 2017				
14	BLACKROCK GLOBAL FUNDS ASIAN DRAGON FUND	2386075	0.56	01 Apr 2016			2386075	0.56
				2 Apr 2016	29870	Transfer	2415945	0.56
				15 Apr 2016	174159	Transfer	2590104	0.60
				15 Jul 2016	28953	Transfer	2619057	0.61
				19 Aug 2016	130204	Transfer	2749261	0.54
				02 Sep 2016	45466	Transfer	2794727	0.55
				16 Sep 2016	111438	Transfer	2906165	0.57
				07 Oct 2016	70245	Transfer	2976410	0.59
				21 Oct 2016	141441	Transfer	3117851	0.62
				4 Nov 2016	67366	Transfer	3185217	0.63
				11 Nov 2016	76689	Transfer	3261906	0.64
				16 Dec 2016	95210	Transfer	3357116	0.66
				23 Dec 2016	35267	Transfer	3392383	0.67
				06 Jan 2017	135258	Transfer	3527641	0.70
				27 Jan 2017	14326	Transfer	3541967	0.70
				17 Feb 2017	47366	Transfer	3589333	0.71
				24 Feb 2017	50787	Transfer	3640120	0.72
				31 Mar 2017	82200	Transfer	3722320	0.73
		3722320	0.73	31 Mar 2017				
15	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	3848300	0.76	01 Apr 2016			3848300	0.76
				11 Nov 2016	-100000	Transfer	3748300	0.74
				03 Feb 2017	307000	Transfer	4055300	0.80
		4055300	0.80	31 Mar 2017				

Sr. No.	Name of shareholder	Shareholding: No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	Shareholding: % of total shares of the Company	Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): No. of shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): % of total shares of the Company
16	GOVERNMENT OF SINGAPORE	7416398	1.46	01 Apr 2016			7416398	1.46
				17 Jun 2016	-138009	Transfer	7278389	1.44
				08 Jul 2016	-81810	Transfer	7196579	1.42
				22 Jul 2016	98	Transfer	7196677	1.42
				29 Jul 2016	-60213	Transfer	7136464	1.41
				05 Aug 2016	254013	Transfer	7390477	1.45
				19 Aug 2016	6794	Transfer	7397271	1.46
				02 Sep 2016	448346	Transfer	7845617	1.55
				09 Sep 2016	6135	Transfer	7851752	1.55
				16 Sep 2016	-96749	Transfer	7755003	1.53
				23 Sep 2016	-98430	Transfer	7656573	1.51
				07 Oct 2016	44104	Transfer	7700677	1.52
				14 Oct 2016	639	Transfer	7701316	1.52
				04 Nov 2016	-12507	Transfer	7688809	1.52
				11 Nov 2016	-12005	Transfer	7676804	1.51
				25 Nov 2016	677	Transfer	7677481	1.51
				02 Dec 2016	125394	Transfer	7802875	1.54
				09 Dec 2016	-11052	Transfer	7791823	1.54
				16 Dec 2016	-149081	Transfer	7642742	1.51
				30 Dec 2016	38008	Transfer	7680750	1.51
				06 Jan 2017	35598	Transfer	7716348	1.52
				20 Jan 2017	1728	Transfer	7718076	1.52
				03 Feb 2017	-211671	Transfer	7506405	1.48
				10 Feb 2017	-85436	Transfer	7420969	1.46
				24 Feb 2017	-211778	Transfer	7209191	1.42
				03 Mar 2017	-30561	Transfer	7178630	1.42
				10 Mar 2017	-1137	Transfer	7177493	1.42
				31 Mar 2017	-111662	Transfer	7065831	1.39
		7065831	1.39	31 Mar 2017				
17	INTEGRATED CORE STRATEGIES ASIA PTE LTD	75349	0.02	01 Apr 2016			75349	0.02
				8 Apr 2016	-24705	Transfer	50644	0.01
				15 Apr 2016	-50644	Transfer	0	0.00
				6 May 2016	95016	Transfer	95016	0.02
				13 May 2016	129596	Transfer	224612	0.05
				20 May 2016	-165612	Transfer	59000	0.01
				27 May 2016	-59000	Transfer	0	0.00
				24 Jun 2016	20	Transfer	20	0.00
				30 Jun 2016	-20	Transfer	0	0.00
				29 Jul 2016	175625	Transfer	175625	0.04
				05 Aug 2016	-175625	Transfer	0	0.00
				02 Sep 2016	62400	Transfer	62400	0.01
				9 Sep 2016	-62400	Transfer	0	0.00
				16 Sep 2016	21729	Transfer	21729	0.00
				23 Sep 2016	-8529	Transfer	13200	0.00
				30 Sep 2016	-13200	Transfer	0	0.00
				02 Dec 2016	61200	Transfer	61200	0.01
				09 Dec 2016	-61200	Transfer	0	0.00
				16 Dec 2016	71437	Transfer	71437	0.01
				23 Dec 2016	-71437	Transfer	0	0.00
				03 Mar 2017	12063	Transfer	12063	0.00
				10 Mar 2017	-10800	Transfer	1263	0.00
		1263	0.00	31 Mar 2017				
18	JOHN HANCOCK FUNDS III INTERNATIONAL GROWTH FUND	0	0.00	01 Apr 2016			0	0.00
				21 Oct 2016	571654	Transfer	571654	0.11
				28 Oct 2016	1089734	Transfer	1661388	0.33
				04 Nov 2016	1075502	Transfer	2736890	0.54
				11 Nov 2016	439137	Transfer	3176027	0.63
				18 Nov 2016	116819	Transfer	3292846	0.65
				25 Nov 2016	195845	Transfer	3488691	0.69
				16 Dec 2016	99976	Transfer	3588667	0.71
				23 Dec 2016	169108	Transfer	3757775	0.74
				03 Feb 2017	107940	Transfer	3865715	0.76
				17 Feb 2017	289586	Transfer	4155301	0.82
				24 Feb 2017	114697	Transfer	4269998	0.84
				03 Mar 2017	341470	Transfer	4611468	0.91
				10 Mar 2017	122453	Transfer	4733921	0.93
				31 Mar 2017	126254	Transfer	4860175	0.96
		4860175	0.96	31 Mar 2017				
19	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	4516104	0.89	01 Apr 2016			4516104	0.89
				17 Jun 2016	46111	Transfer	4562215	0.90
				24 Jun 2016	54120	Transfer	4616335	0.91
				22 Jul 2016	11070	Transfer	4627405	0.91
				29 Jul 2016	33300	Transfer	4660705	0.92
				05 Aug 2016	26574	Transfer	4687279	0.92
				12 Aug 2016	27405	Transfer	4714684	0.93
				19 Aug 2016	38976	Transfer	4753660	0.94
				09 Sep 2016	17640	Transfer	4771300	0.94
				07 Oct 2016	18816	Transfer	4790116	0.94
				14 Oct 2016	12936	Transfer	4803052	0.95
				21 Oct 2016	44100	Transfer	4847152	0.96
				28 Oct 2016	17640	Transfer	4864792	0.96
				11 Nov 2016	607018	Transfer	5471810	1.08
				25 Nov 2016	46452	Transfer	5518262	1.09
				02 Dec 2016	26460	Transfer	5544722	1.09
				06 Jan 2017	11256	Transfer	5555978	1.09
				13 Jan 2017	23919	Transfer	5579897	1.10
				20 Jan 2017	12456	Transfer	5592353	1.10

Sr. No.	Name of shareholder	Shareholding: No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	Shareholding: % of total shares of the Company	Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): No. of shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): % of total shares of the Company
				03 Feb 2017	37368	Transfer	5629721	1.11
				17 Feb 2017	10380	Transfer	5640101	1.11
				24 Mar 2017	29835	Transfer	5669936	1.12
				31 Mar 2017	29172	Transfer	5699108	1.12
		5699108	1.12	31 Mar 2017				
20	SBI BLUE CHIP FUND	1960242	0.39	01 Apr 2016			1960242	0.39
				17 Jun 2016	800000	Transfer	2760242	0.54
				30 Jun 2016	200000	Transfer	2960242	0.58
				08 Jul 2016	300000	Transfer	3260242	0.64
				29 Jul 2016	400000	Transfer	3660242	0.72
				21 Oct 2016	500000	Transfer	4160242	0.82
				09 Dec 2016	546020	Transfer	4706262	0.93
				10 Mar 2017	300000	Transfer	5006262	0.99
		5006262	0.99	31 Mar 2017				

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of shareholder	Shareholding: No. of shares at the beginning (01.04.2016) / end of the year 31.03.2017	Shareholding: % of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): No. of shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017): % of total shares of the Company
A.	DIRECTORS:							
1	RAJNIKANT D SHROFF PROMOTER AND EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR	10000	0.00	01.04.2016	0	NIL movement during the year	10000	0.00
		10000	0.00	31.03.2017				
2	SANDRA RAJNIKANT SHROFF PROMOTER AND NON-EXECUTIVE VICE CHAIRMAN	0	0.00	01.04.2016	0	NIL Holding and NIL movement during the year	0	0.00
				31.03.2017				
3	JAIDEV RAJNIKANT SHROFF PROMOTER AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016				
				02.08.2016	5076750	ALLOTMENT Due to amalgamation of Advanta Ltd. with the Company.		
		5076750	1.09	31.03.2017			5076750	1.09
4	VIKRAM RAJNIKANT SHROFF PROMOTER AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016				
				02.08.2016	4233250	ALLOTMENT Due to amalgamation of Advanta Ltd.with the Company.		
		4233250	0.91	31.03.2017			4233250	0.91
5	KALYAN ANANDIMOHAN BANERJEE NON-PROMOTER AND EXECUTIVE DIRECTOR	346204	0.08	01.04.2016				
				12.12.2016	44884	SALE		
		301320	0.06	31.03.2017			301320	0.06
6	ARUN C. ASHAR NON-PROMOTER AND EXECUTIVE DIRECTOR	257850	0.06	01.04.2016				
				02.08.2016	4985	ALLOTMENT Due to amalgamation of Advanta Ltd.with the Company.		
		262835	0.06	31.03.2017			262835	0.06
7	VASANT P. GANDHI INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016	0	NIL Holding and NIL movement during the year		
		0	0.00	31.03.2017			0	0.00
8	DR. REENA RAMACHANDRAN INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016	0	NIL Holding and NIL movement during the year		
		0	0.00	31.03.2017			0	0.00
9	PRADIP PRANJIVAN MADHAVJI INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016	0	NIL Holding and NIL movement during the year	0	0.00
		0	0.00	31.03.2017				
10	PRADEEP VEDPRAKASH GOYAL INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016	0	NIL Holding and NIL movement during the year	0	0.00
		0	0.00	31.03.2017				
11	VINOD RAJINDRANATH SETHI INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016	0	NIL Holding and NIL movement during the year	0	0.00
				31.03.2017				
12	HARDEEP SINGH INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0.00	01.04.2016				
				02.08.2016	32000	ALLOTMENT Due to amalgamation of Advanta Ltd. with the Company.		
		32000	0.01	31.03.2017			32000	0.01
B.	KEY MANAGER PERSONNEL:							
1	ANAND K VORA - CHIEF FINANCIAL OFFICER	1000	0.00	01.04.2016				
				18.11.2016	10800	PURCHASE		
		11800	0.00	31.03.2017			11800	0.00
2	MUKUL BHUPENDRA TRIVEDI - COMPANY SECRETARY	280560	0.07	01.04.2016	0	NIL movement during the year		
		280560	0.06	31.03.2017			280560	0.06

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5392	153311	NIL	158703
ii) Interest due but not paid		0	NIL	0
iii) Interest accrued but not due		6929	NIL	6929
Total (i + ii + iii)	5392	160240	NIL	165632
Change in Indebtedness during the financial year				
Addition			NIL	
Reduction	5084	75634	NIL	80718
Net Change		75634	NIL	75634
Indebtedness at the end of the financial year				
i) Principal Amount	308	79436	NIL	79744
ii) Interest due but not paid	0	0	NIL	0
iii) Interest accrued but not due		5260	NIL	5260
Total (i+ ii + iii)	308	84696	NIL	85004

VI. Remuneration Of Directors And Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. R. D. Shroff CMD	Mr. A. C. Ashar Dir.-Finance	Mr. K. Banerjee WT-Director	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	480.00	117.00	24.00	621.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	243.00	69.00	22.00	334.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961				
2	Stock Options				
3	Sweat Equity				
4	Commission	650.00	65.00	15.00	730.00
	- as % of profit	1.56	0.16	0.04	1.03
	- others, specify				
5	Others, please specify	153.00	37.00	8.00	198.00
	Total (A)	1526.00	288.00	69.00	1883.00
	Ceiling as per the Act				4180.00

B. Remuneration to other Directors

1. Independent Directors

Particulars of Remuneration	Name of Director						Total Amount
	Mr. Pradeep Vedprakash Goyal (DIN-00008370)	Dr. (Mrs.) Reena Ramachandran (DIN-00212371)	Mr. Pradip Pranjivan Madhavji (DIN-00549826)	Mr. Vinod Rajindranath Sethi (DIN-00106598	Mr. Hardeep Singh (DIN-00088096)	Mr. Vasant Prakash Gandhi (DIN-00863653)	
- Fee for attending Board/ Committee Meetings	3.20	2.10	3.35	1.45	1.85	1.85	13.80
- Commission	7.00	7.00	7.00	7.00	7.00	3.50	38.50
- Others, please specify							
Total (B) (1)							52.30

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director			Total Amount
	Mrs. Sandra Rajnikant Shroff (DIN-00189012	Mr. Jaidev Rajnikant Shroff (DIN-00191050)	Mr. Vikram Rajnikant Shroff (DIN-00191472)	
- Fee for attending Board/ Committee Meetings	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL
Total (B) (2)	NIL	NIL	NIL	NIL
Total (B) = (B)(1) + (B)(2)	NIL	NIL	NIL	52.30
Total Managerial Remuneration				1935.30
Overall Ceiling as per the Act				4598.00

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTDS

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Mukul B. Trivedi – Company Secretary	Mr. Anand Vora - CFO	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	69.00	162.00	231.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1.00	2.00	3.00
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify – Retrials	5.00	9.00	14.00
	Total (C)	75.00	173.00	248.00

VII. 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)
A. COMPANY					
Penalty	N.A.	N.A.	NIL	N.A.	N.A.
Punishment	N.A.	N.A.	NIL	N.A.	N.A.
Compounding	N.A.	N.A.	NIL	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	NIL	N.A.	N.A.
Punishment	N.A.	N.A.	NIL	N.A.	N.A.
Compounding	N.A.	N.A.	NIL	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	NIL	N.A.	N.A.
Punishment	N.A.	N.A.	NIL	N.A.	N.A.
Compounding	N.A.	N.A.	NIL	N.A.	N.A.

Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. It intends to enhance shareholder value by undertaking the best possible Corporate Governance practices. A high standard of Corporate Governance is maintained by being transparent, accountable and being in continuous interaction with shareholders, employees, lending institutions, banks, governmental agencies and all the dealers.

The Company's products are marketed not only in India but also across the globe. The Company is, therefore, conscious of the fact that the management and the employees need to work ethically to achieve success.

2. Board of Directors

The Board of Directors consists of 12 Directors as on 31st March, 2017.

Four Board Meetings were held during the year, as against the minimum requirement of four meetings. The dates on which the meetings were held are as follows: 29th April, 2016, 29th July, 2016, 28th October, 2016 and 25th January, 2017.

Composition and category of Directors, Other Directorships and Committee Memberships:

Name of the Director	Category	Attendance Particulars		No. of other directorships and Committee member/ chairmanship*			No. of Shares and Convertible Instruments held By non-executive directors
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships	
Mr. R. D. Shroff @	Promoter and Executive Chairman and Managing Director	4	Present	8	1	-	N. A
Mrs. S. R. Shroff @	Promoter and Non-Executive Vice Chairman	4	Present	7	-	-	Nil
Mr. J. R. Shroff @	Promoter and Non-Executive Director	4	Present	5	-	-	50,76,750 Equity Shares and 1,52,30,250 Compulsory Convertible Preference Shares
Mr. V. R. Shroff @	Promoter and Non-Executive Director	4	Absent	5	-	-	42,33,250 Equity Shares and 1,26,99,750 Compulsory Convertible Preference Shares
Mr. A. C. Ashar	Non-Promoter and Executive Director	4	Present	7	4	1	N.A
Mr. K. Banerjee	Non-Promoter and Executive Director	4	Present	1	-	-	N.A
Mr. Pradeep Goyal	Independent and Non-Executive Director	3	Present	3	2	2	Nil
Dr. Reena Ramachandran	Independent and Non-Executive Director	4	Present	1	1	-	Nil
Mr. Pradip Madhavji	Independent and Non-Executive Director	4	Present	1	1	1	Nil
Mr. VinodSethi	Independent and Non-Executive Director	3	Absent	3	2	2	Nil
Mr. Hardeep Singh	Independent and Non-Executive Director	4	Absent	2	2	1	32,000 Equity Shares and 96,000 Preference Shares
Mr. Vasant Prakash Gandhi	Independent and Non-Executive Director	4	Absent	1	1	1	Nil

Notes: * Excludes Directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

@ Mr. R. D. Shroff and Mrs. S. R. Shroff are spouse of each other and father and mother respectively of Mr. J. R. Shroff and Mr. V. R. Shroff. Mr. J. R. Shroff and Mr. V. R. Shroff are sons of Mr. R. D. Shroff and Mrs. S. R. Shroff and brothers of each other.

The details of familiarization programmes imparted to Independent Directors have been disclosed on the Company's website www.uplonline.com

3. Audit Committee

Terms of reference:

The terms of reference of Audit Committee are as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The broad terms of reference of Audit Committee as adopted by the Board are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by the management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 utilised 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;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of 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;
16. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall also mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   (b) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of the Company has constituted an Audit Committee, comprising three Independent and Non-Executive Directors. Four meetings of the Audit Committee were held on 29th April, 2016, 29th July, 2016, 28th October, 2016 and 25th January, 2017.

Composition of members of Audit Committee is as follows:

Composition	Mr. Pradip Madhavji Chairman	Mr. Pradeep Goyal	Mr. A. C. Ashar
Meetings attended during the year	4	3	4

The constitution of Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013. All the members of Audit Committee are financially literate and Mr. Pradip Madhavji who has accounting and financial management expertise has been nominated as the Chairman of the Audit Committee.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 besides other terms as may be referred by the Board of Directors.

Mr. M. B. Trivedi, Company Secretary acts as the Secretary to the Audit Committee.

4. Nomination and Remuneration Committee

Terms of reference:

The broad terms of reference of Nomination and Remuneration Committee of the Company are as under:

1. Formulation of 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the terms of appointment of Independent directors, on the basis of report of performance evaluation of Independent Directors.

The Board of the Company has constituted a Nomination and Remuneration Committee, comprising three Independent and Non-Executive Directors viz. Dr. Reena Ramachandran, Chairman, Mr. Pradeep Goyal and Mr. Pradip Madhavji.

One meeting of the Nomination and Remuneration Committee was held on 24th January, 2017.

Composition of members of Nomination and Remuneration Committee is as follows:

Composition	Dr. (Mrs.) ReenaRamachandran, Chairman	Mr. Pradeep Goyal	Mr. Pradip Madhavji
Meetings attended during the year	1	1	1

Performance evaluation criteria for independent directors:

Qualifications, meeting the independence criteria, observing ethical standards, integrity, exercise of responsibilities, safeguarding interest of all stakeholders, skills and knowledge updation, adhering to Company's Code of conduct, regular attendance and active participation at the meetings of the Company, maintaining confidentiality, transparency, assistance in implementing best corporate governance practices and absence of conflict of interest with business of the Company.

5. Remuneration of Directors:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management such as expertise, experience and integrity of the Directors, independent nature of the Directors, personal and professional standing, diversity of the Board, etc. The remuneration policy lays down the entitlements of remuneration to Non-Executive Directors such as sitting fees, commission and other reimbursement. Remuneration to the Managing Director and other Executive Directors will consist of monthly salary, allowances, perquisites, bonus, commission and other retiral benefits. In respect of senior management, the remuneration will be based on the performance, working of the Company, targets achieved, KPI, industry benchmark and current compensation trends in the industry.

Details of the remuneration to all the Directors for the year:

The aggregate value of salary, perquisites and commission for the year ended 31st March, 2017 to three Whole-time Directors is as follows:

₹ in Lacs

Name of Director	Salary	Perquisites	Retirement Benefits	Commission	Total
Mr. R. D. Shroff *Chairman & Managing Director*	480	243	153	650	1526
Mr. Kalyan Banerjee *Whole-time Director*	24	22	8	15	69
Mr. A. C. Ashar *Whole- time Director*	117	69	37	65	288

The Company has paid the sitting fees for the year ended 31st March, 2017 to Independent and Non-Executive Directors for attending Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings, CSR Committee Meeting and Stakeholders Relationship Committee Meeting as follows:

Mr. Pradeep Goyal ₹3,20,000/-, Dr. Reena Ramachandran ₹2,10,000/-, Mr. Pradip Madhavji ₹3,25,000/-, Mr. Vinod R. Sethi ₹1,45,000/-, Mr. Hardeep Singh ₹1,85,000/- and Mr. Vasant P. Gandhi ₹1,85,000/-.

In addition, the Company has paid commission to Independent and Non-Executive Directors of ₹7.00 lacs each to Mr. Pradeep Goyal, Dr. Reena Ramachandran, Mr. Pradip Madhavji, Mr. Vinod Sethi, Mr. Hardeep Singh and ₹3.50 lacs/- each to Mr. Vasant P. Gandhi, and Dr. P.V. Krishna (resigned w.e.f. 1-10-2015).

Remuneration of the executive directors are broadly divided into fixed and variable components. The fixed components comprises of salary, allowances, perquisites, amenities and retirement benefits. The variable components comprises of performance based annual commission. The performance criteria are individual performance based on annual targets, Company's performance and recent compensation trends in the industry.

The appointment of executive directors is for a period of five years. The service agreement provides for a notice period of three months on either side.

6. Stakeholders Relationship Committee

The Board of the Company has constituted a Stakeholders Relationship Committee, comprising two Independent and Non-Executive Directors to look into the redressal of grievances of security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. One meeting of the Stakeholders Relationship Committee was held on 24th January, 2017.

Composition of members of Stakeholders Relationship Committee is as follows:

Composition	Mr. Pradip Madhavji Chairman	Mr. Pradeep Goyal
Meetings attended during the year	1	1

Compliance Officer:

Mr. M. B. Trivedi, Company Secretary

The Company also has its separate shares transfer committee consisting of Mrs. S. R. Shroff and Mr. A. C. Ashar, Directors and two other senior executives of the Company. This committee normally meets weekly to approve transfer of shares, issue of duplicate certificates, redressal of Stakeholders Grievances, among others. Share certificates submitted for dematerialisation and request for rematerialisation were also approved by the committee.

The total numbers of complaints received during the year under review were 101 of which 100 complaints were addressed to the satisfaction of shareholders on or before 31st March, 2017 and one complaint was pending as on or before 31st March, 2017.

Seven requests for transfers were pending for approval as on 31st March, 2017, which were processed under objections on 1st April, 2017 and 5th April, 2017.

7. General Body Meetings

(A) Annual General Meetings:

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2013-14	30th AGM	Hotel Green View Hall, N. H. No. 8 Vapi, Gujarat - 396 195.	22/08/2014	9.00 a.m.
2014-15	31st AGM	Hotel Green View Hall, N. H. No. 8 Vapi, Gujarat - 396 195.	30/07/2015	10.00 a.m.
2015-16	32nd AGM	Hotel Green View Hall, N. H. No. 8, Vapi, Gujarat - 396 195.	29/06/2016	10.00 a.m.

The following special resolutions were passed by the members during the last three Annual General Meetings:

2013-14

a) Increase of limit for investment by Foreign Institutional Investors (FIIs)

b) Increase of limit for borrowing by the Company

c) Authorised the Board of Directors of the Company to mortgage and/or charge on all or any of the moveable and/or immoveable properties of the Company

2014-15

a) To adopt new Alteration of Articles of Association of the Company

b) Private placement of Non-Convertible Debentures

2015-16

a) Private placement of Non-Convertible Debentures

(B) Extra-ordinary General Meeting:

One Extra-ordinary General Meeting was held on 30th March, 2017. However, no resolutions were passed.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of voting pattern

2016-17

- No special resolution, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, was passed through Postal Ballot during the year.
- None of the resolutions, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, are proposed to be passed in the ensuing Annual General Meeting which require passing a special resolution through Postal Ballot.

8. Means of communication

The quarterly and annual results are published by the Company in the English and Gujarati editions of the The Economics Times/DNA/Business Standard/ Business Line/The Financial Express/Western Times and are also displayed on the corporate website, www.uplonline.com. The Company's website also contains a separate dedicated section called 'Investors' wherein shareholder-related information like the Annual Report of the Company, shareholding pattern among others, are available. Official news releases are sent to the Stock Exchanges at BSE Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed.

Further, the Company also holds an Analysts' meet after the audited Annual Financial Statements have been adopted by the Board of Directors, where information is disseminated and analyzed. The presentation made at this meet has been posted on the corporate website, www.uplonline.com.

The Management Discussion and Analysis (MD&A) forms a part of the annual report.

9. General Shareholder Information

9.1. Annual General Meeting:

- Date : 8th July, 2017 at 11.00 a.m.
- Venue : Hotel Green View Hall, N. H. No. 8, Vapi - 396195, Gujarat.

9.2. Financial calendar : Annual General Meeting – 8th July, 2017

Results for quarter ending June 30th, 2017 - On or before 14th August, 2017

Results for quarter ending September 30th, 2017 - On or before 14th November, 2017

Results for quarter ending December 31st, 2017 - On or before 14th February, 2018

Results for quarter/ year ending March 31st, 2018 - Last week of April, 2018/May, 2018.

9.3. Dividend payment date : On or after 13th July, 2017

9.4. Listing of Equity Shares on Stock Exchanges at : BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Ltd. Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (East), MUMBAI 400 051

The Company has paid the annual listing fees to each of the stock exchange.

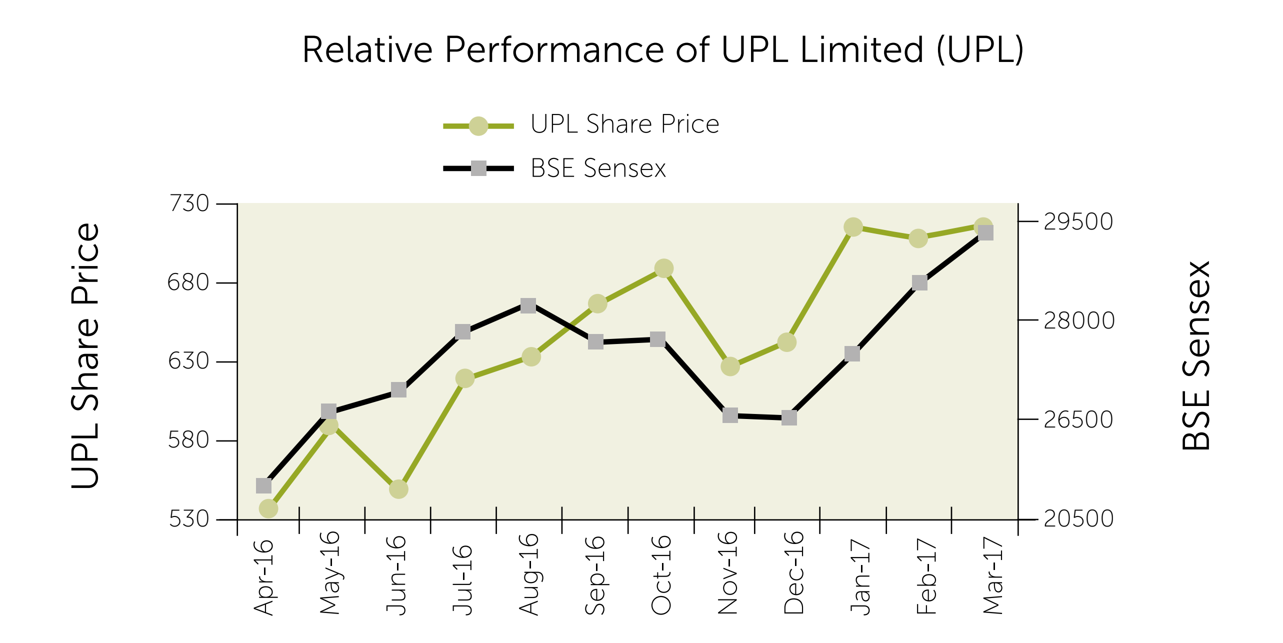
9.5. (a) Stock Code : BSE Ltd.: 512070
National Stock Exchange of India Ltd.: UPL

9.6. Market Price Data

Month	BSE Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price (In ₹)	Month's Low Price (In ₹)	Month's High Price (In ₹)	Month's Low Price (In ₹)
April, 2016	542.00	449.20	542.00	448.55
May, 2016	613.00	538.75	612.95	538.30
June, 2016	617.00	491.20	616.95	490.00
July, 2016	629.70	538.95	629.75	538.35
August, 2016	655.00	576.45	655.50	575.85
September, 2016	710.90	613.80	710.70	612.80
October, 2016	730.00	648.85	730.70	663.20
November, 2016	709.25	584.00	709.45	584.20
December, 2016	712.00	605.75	712.00	606.05
January, 2017	754.50	645.60	754.50	645.00
February, 2017	751.00	693.00	751.65	692.20
March, 2017	735.00	680.95	734.85	680.40

9.7. Share price performance in comparison to broad-based indices – BSE Sensex.

UPL closing share price performance relative to BSE Sensex based on share price during the year.



9.8. Registrar and Share Transfer Agent (Share transfer and communication regarding share certificate, dividends and change of address). : **Link Intime India Pvt. Ltd.**
Unit: UPL Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai- 400 083.

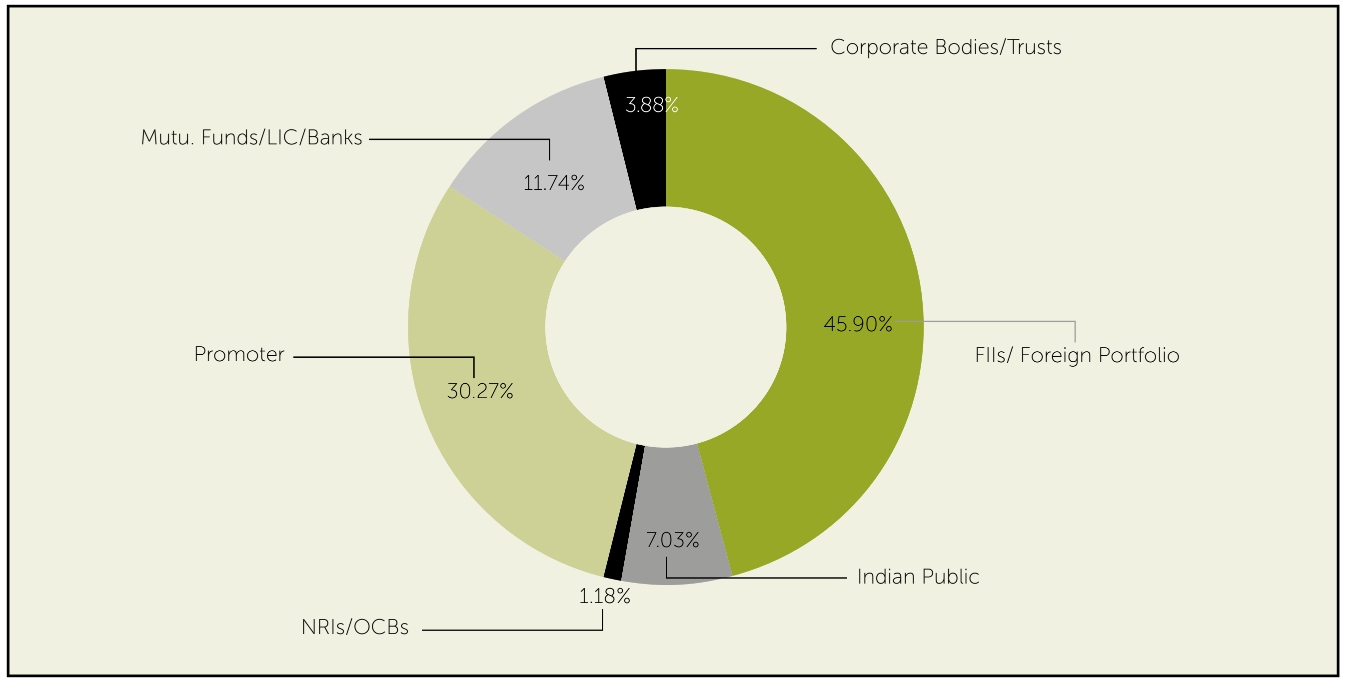
Also, for the benefit of the Shareholders, the documents will be accepted at the following office of the Company : UPL Limited
Secretarial Department
Uniphos House,
C. D. Marg, 11th Road,
Madhu Park
Khar (West), Mumbai 400 052.

9.9. Share Transfer System : Presently, the share transfers which are received in the physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

9.10. Distribution of shareholdings as on 31st March, 2017:

Shareholding of Nominal Value of (In ₹)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	(In ₹)	% of Total Amt.
1 – 5,000	59956	94.54	30988772	3.06
5,001 – 10,000	1438	2.27	10662006	1.05
10,001 – 20,000	884	1.39	12297358	1.21
20,001 – 30,000	213	0.33	5309356	0.52
30,001 – 40,000	132	0.21	4568876	0.45
40,001 – 50,000	74	0.12	3299228	0.33
50,001 – 1,00,000	192	0.30	13733314	1.35
1,00,001 and above	531	0.84	933175326	92.03
Total	63420	100	1014034236	100

9.11. Shareholding pattern as on 31st March, 2017:



9.12. Dematerialisation of shares : 98.70% of the outstanding shares have been dematerialised up to 31st March, 2017. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity:

The shares of the Company are among the most liquid and actively traded shares. Relevant data for the average daily turnover for the financial year 2016–2017 is given below:

	BSE Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	BSE+NSE
In no. of shares (in thousand)	131.89	3216.45	3348.34

(Source: This information is compiled from the data available from the websites of BSE and NSE)

9.13. Outstanding GDR/Warrants and Convertible Bonds, their conversion dates and their likely impact on the equity	:	As on 31st March, 2017 there are Outstanding GDRs represent 42361062 shares (9.12%), Optionally Convertible Preference Shares represent 24642786 shares and Compulsorily Convertible Preference Shares represent 81940125 shares.
9.14. Commodity price risk or Foreign Exchange Risk and Hedging activities	:	The Company has exports of finished products and imports by sourcing of raw materials from outside India. The international trade is primarily in USD and Euro which are major convertible currencies, and to that extent the exposure to forex exchange risk exists. However, the Company exports and imports are in same currencies, there is a natural hedge for these currencies. To mitigate this foreign exchange risk, the Company works out the net open position relating to trade operations and such net open positions are hedged by taking simple Forward Contracts for a period not exceeding twelve months. Similarly, for exposure on account of capital operations in Foreign Currency, the net open position is hedged by taking Forward Contracts for a period not exceeding twelve months. The Company has a Risk Management Policy in place which as approved by the Board of Directors, which monitors foreign currency risk on a continuous basis. The various derivative transactions relating to Foreign Exchange and all the outstanding Derivative Contracts are periodically reported to and ratified by the Board of Directors.
9.15. Plant locations	:	The Company's plants in India are located at Vapi, Ankleshwar, Jhagadia, Halol, Jammu, Haldia and Hyderabad.
9.16. Address for Correspondence		
(i) Investor correspondence	:	For Shares held in Physical Form Link Intime India Pvt. Ltd. Unit: UPL Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083. Telephone No(s): 91-22-49186270 Fax No.: 91-22-49186060 E-mail: rnt.helpdesk@linkintime.co.in website: www.linkintime.co.in Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company: UPL Limited Secretarial Department Uniphos House, C. D. Marg, 11th Road, Madhu Park Khar (West), Mumbai 400 052. Telephone No.: 91-022-26468009/10 For Shares held in Demat form To the Depository Participant(s)
(ii) Any query on Annual Report	:	Mr. M. B. Trivedi, Company Secretary UPL Limited Legal & Secretarial Department Uniphos House, C. D. Marg Madhu Park, Khar (West), Mumbai 400 052. E-Mail : trivedimb@uniphos.com
(iii) Exclusive e-mail ID of the grievance redressal division	:	upl.investors@uniphos.com
(iv) Corporate website	:	www.uplonline.com

10. Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

During the year, the Company had no materially significant related party transactions which were considered to have potential conflict with the interests of the Company at large.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None.

(c) Details of establishment of vigil mechanism, whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee.

The Company has devised an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to communicate their concerns about illegal or unethical practices freely. The Company has also established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and placed on the website of the Company www.uplonline.com and no personnel has been denied access to the audit committee.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

Mandatory Requirements

The Company has complied with the mandatory requirements of para C (10) (d) of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(e) Policy for determining 'material' subsidiary has been disclosed on the Company's website www.uplonline.com.

(f) Policy on dealing with related party transaction has been disclosed on the Company's website www.uplonline.com.

11. There are no non-compliance of any requirements of Corporate Governance Report of sub-paras (2) to (10) above.

12. Discretionary Requirements as specified in Part E of Schedule II

A. Chairman of the Board

The Chairman of the Board is Executive.

B. Shareholder Rights – Half yearly results

As the Company's half yearly results are published in English newspapers circulated all over India and in a Gujarati newspaper (circulated in Gujarat) and also posted on the website of the company www.uplonline.com, the same are not sent to the households of the shareholders of the Company.

C. Modified opinion in audit report

There are no modified opinion contained in the Audit Report.

D. Separate Posts of Chairman and Chief Executive Officer

The Posts of Chairman and Managing Director are not separate.

E. Reporting of Internal Auditors

The Internal Auditors of the Company report directly to the Audit Committee.

13. The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

On behalf of the Board of Directors

Mumbai,
April 28, 2017

R. D. Shroff
(Chairman and Managing Director)

Declaration

As provided under Clause D of Schedule V pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the year ended 31st March, 2017.

On behalf of the Board of Directors of
UPL LIMITED

Place: Mumbai
Date: April 28, 2017

R. D. Shroff
(Chairman & Managing Director)

Compliance Certificate

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, R. D. Shroff, Chairman and Managing Director and Anand Vora, Chief Financial Officer do hereby certify that in respect of annual accounts and cash flow statement for the year 2016-2017.

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) 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 internal control systems of the Company pertaining to financial reporting and we 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

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) 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.

R. D. Shroff
Chairman and Managing Director

Anand Vora
Chief Financial Officer

Auditors' Certificate

To
The Members of UPL Limited

We have examined the compliance of conditions of corporate governance by UPL Limited, for the year ended on March 31, 2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

We further 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai,
Date: April 28, 2017

Business Responsibility Report

FOR THE YEAR 2016-17

(PURSUANT TO REGULATION 34(2) (f)) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24219GJ1985PLC025132
2.	Name of the company	UPL Limited
3.	Registered Address	3-11, GIDC, VAPI, DIST VALSAD, GUJARAT
4.	Website	www.uplonline.com
5.	E-mail ID	trivedimb@uniphos.com
6.	Financial year reported	April 2016 to March 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2021 - Agrochemicals
8.	List three key products/services that the company manufactures/provides.	Industrial chemicals Agrochemicals Hybrid seeds
9	Number of locations where business activities are undertaken by the company	
	1) Total number of International locations	75
	2) Total number of National locations	26 Depots & 10 companies
10.	Markets served by the company Local/State/National/ International	Global Market, 120 countries in the world

Section B: Financial Details of the company

1.	Paid Up Capital (INR)	☐10,140 Lacs
2.	Total Turnover (INR)	☐7,27,672 Lacs
3.	Total Profit after Taxes (INR)	☐24,460 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	☐2379 Lacs (9.7% of Profit after tax)
5.	List of activities in which the expenditure in 4 above has been incurred.	

The CSR expenditure was done for

- Agriculture Development
- Employability & Entrepreneurship
- Education & Empowerment
- Environment & Nature Conservation
- Health & Sanitation
- National & Local Area needs

Section C: Other Details

1. Does the company have any Subsidiary Company/Companies?

   Yes. The company has subsidiaries

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   No. The subsidiaries conduct BR initiatives independently.

3. Do any other entity / entities (e.g Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (less than 30%, 30 – 60% and More than 60%)

   Our Supplier Code of Conduct applies to all suppliers of goods and services to UPL and its affiliates worldwide, including suppliers, contractors, contract manufacturers, tollers and joint venture partners with whom we share a contractual and commercial relationship. This code of conduct clearly specifies the expectations of UPL from its business partners.

Section D: BR Information

1. Details of Director/Directors responsible for BR

   a) Details of Director/Directors responsible for Business Responsibility

   Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies

Name	DIN Number	Designation
Mr. R. D. Shroff	00180810	Chairman & Managing Director

   b) Details of the Business Responsibility Head

DIN Number (if applicable)	00180810
Name	Mr. R. D. Shroff
Designation	Chairman & Managing Director.
Telephone number	2271528000
e-mail id	shroffrd@uniphos.com

2. Principle-wise (as per NVGs) BR Policy/Policies (mentioned and discussed as per Section E of the Report)

   a) Details of compliance (Reply in Y/N)

NVG Principle-wise BR Policies

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for	√	√	√	√	√	√	√	√	√
Has the policy been formulated in consultation with relevant stakeholders?	√	√	√	√	√	√	√	√	√
Does the policy conform to any national/international standards? Specify if Yes	√*	√*	√*	√*	√*	√*	√*	√*	√*
Has the policy been approved by the Board? Has it been signed by MD/ Owner/CERO/ Appropriate Board Director?	√**	√**	√**	√**	√**	√**	√**	√**	√**
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	√	√	√	√	√	√	√	√	√
Indicate the link for the policy to be viewed online	√***	√***	√***	√***	√***	√***	√***	√***	√***
Has the policy been formally communicated to all relevant internal and external stakeholders?	√*	√*	√*	√*	√*	√*	√*	√*	√*

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Does the company have in-house structure to implement the policy/ policies?	√	√	√	√	√	√	√	√	√
Does the company have a grievance redressal mechanism to address stakeholders' grievance related to the policy/policies?	√	√	√	√	√	√	√	√	√
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	√	√	√	√	√	√	√	√	√

* The policies are developed and aligned with following standards prescribed by /under;
- Securities and Exchange Board of India
- Ministry of Corporate Affairs Guidelines
- Applicable legal requirements
- The Company's internal requirements, detailed consultations and research on the best practices adopted by peers and organizations across the industry

** The policies are approved by the board and signed by the heads of the respective department responsible for the implementation of the policies.

*** The policies are available on our internet portal which can be viewed at http://www.uplonline.com/

\+ The policies are available on the intranet for all the internal stakeholders and in the Annual Report for the External Stakeholders.

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

NVG Principle-wise BR Policies

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The board of directors meet annually to access the BR related performance.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, UPL Ltd publishes a Business Responsibility Report. The report is part of the annual report of FY 2016-17

Section E: Principle Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1) Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint-Ventures/Suppliers/Contractors/NGOS/ Others?

Yes.

Ethics & transparency are fundamental pillars which underline our business activities. As a responsible and leading organisation, the Company conducts its business with utmost integrity. Our Code of Conduct is applicable to all employees, directors and senior management personnel. The Code lays down policies and procedures on ethical conduct, transparency, anti-bribery, conflict of interest, compliance with Government rules, intellectual property, confidentiality, advertising, fair dealings and equal opportunity. We have a separate code of conduct guidance for suppliers, contractors, contract manufacturers, tollers and joint ventures partners. The basic principles of this code are Ethics, Intellectual property, Legal requirements, employment practices, health, safety, environmental and quality practices, conflict minerals, procurement from civil war zones, communications, monitoring and compliance.

2) How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details thereof, in about 50 words or so.?

UPL has Stakeholder relationship Committee which comprises of two independent directors for grievance redressal of stakeholders. The Company has a whistle blower policy which is applicable to all interested parties. In the current financial year we have not received any complaints.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1) List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities?

The Company is conscious about its impact on the environment and society while it develops and manufactures its products. The following products have been developed with the view to minimize the environmental footprint and achieve maximum societal benefit. We have designed these products such that the overall consumption of energy and natural resources can be reduced further cutting down on the air emissions and its resulting impact on the environment and society. Environmental considerations get incorporated in each proposal through process hazard analysis and what-If analysis. All the activities that the Company performs, the farmers is always our priority. We work with the farmers closely to improve the yield and enhance the productivity.

a) Pesticide
b) Insecticide
c) Fungicide

2) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

For the above mentioned products we have achieved the reduction in resource consumption as mentioned in the table below.

Thermal (MWH/MT)	14%
Power (MWH/MT)	13%
Water (Cubic meter/MT)	22%

The reduction in raw material consumption is represented in the table below

Mono Methyl Aceto Acetamide rm	2.31%
Ethylene Di Chloride rm	12.98%
Chlorine rm consumption	3.45%
Zinc Sulphate solution	1.32%
Ammonia solution	12.23%
Sulphuric Acid rm	7.88%
Imported Coal	7.88%
CS2 rm	0.97%
Tri Ethyl Phosphite rm	21.75%
PCl3 rm	22.12%
MeCl rm	23.21%
Tri Methyl Benzene rm	23.54%
Tetrahydro Furan rm	69%
Magnesium Oxide rm	30.32%
Acrolein rm	9.93%
Acetic Acid rm	13.95%
Ammonia rm	1.29%
Sodium Cyanide rm	12.46%
HCl rm	98.70%
Methanol rm	17.81%
Ethanol rm	22.55%
EO rm	13.37%
DMPAT rm	1.38%
MDC rm	29.91%
EA rm	7.69%

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

UPL ltd remains committed to the environment and is working in tandem with many food chain companies like Pepsico and ADM to uphold the environmental sustainability of the emerging commercial agriculture in India. We have taken the knowledge of water saving, judicious use of pesticides based in IPM and ETL, and stewardship of packing material to our last mile users. UPL works with NGO's like BASIX to inculcate the knowledge of environment safety to small holder farmers. UPL is also associated with CIMMYT to improve the productivity of the cereal farmers in India in a sustainable manner adhering to global norms of food safety. We also conduct farmers meetings reaching out to more than a million farmers through various means to create awareness and make agriculture profitable and sustainable.

3) Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Green Procurement program is a robust mechanism to procure raw materials and packaging materials through a sustainable source. This is further monitored through joint visits of representatives from Purchase, QA and technical department. Around 90% of the material sourced are procured sustainably.

4) Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

There are a host of MSME vendors supported by UPL Ltd. We support needy women's society near Ankleshwar named Sharda mahila Vikas Society & get our workers" uniform, Boiler suit stitched. We also procure "Papad" for serving in our Canteen all across units.

Similarly for packing material we have developed local vendors for supply of Laminates, CFB, Labels, Leaflets, HDPE Woven bags, Fiber drums etc.

UPL Ltd employs 1000 Field Officers and 350 + managerial staff across 10 Zones in India, to cater to more than 4000 direct channel partners and reach out to more than a Million Farmers.

As a corporate policy UPL has designed an online LMS tool for training and knowledge upgradation of the sales force. This is a self-certified "Train the Trainer" programme, empowering the last link to our end-user farmers. One of the significant and the most profound benefit being providing the farmers a scientific, techno commercial response to their problems.

We also conduct farmers meetings reaching out to more than a million farmers through various means to create awareness and make agriculture profitable and sustainable.

5) Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?

We have achieved Zero-Discharge for 5 of our units. TATVA is engaged in the process of industrial waste management. As a commitment to the industry partners in Gujarat, UPL was a pioneer to set up a common incinerator and a pipeline to ensure safe disposal of industrial waste.

Some waste materials are 100% recycled (e.g. Ammonium chloride, Ammonium acetate, Methyl chloride, sodium sulfate, ammonium sulphate, calcium chloride, hydrochloric acid, MDC residue, HNO3 etc) however other waste streams are treated before disposed.

Product recycle or recovery is maintained at 95% but for few products we have achieved 100% recovery.

UPL undertook various initiatives for product recycle or recovery such as,

1. Recovery of products from emissions using bag filtration and air pollution control equipment
2. Converting all by products to saleable quality & selling. (Eg.Recovery of sulfur & NaSH, Na2S from flue gas in CS2 plant.)
3. Ammonia Recovery plant - recovers ammonia & calcium chloride from waste stream.
4. Solvent recovery & recycling./
5. Sodium Sulphate recovery from waste stream
6. HNO3 recovery from ML

Principle 3: Businesses should promote the wellbeing of all employees

1) Please indicate the Total number of employees?
3,489

2) Please indicate the Total number of employees hired on temporary/ contractual/ casual basis?
6,973

3) Please indicate the Number of permanent women employees?
153

4) Please indicate the Number of permanent employees with disabilities?
7

5) Do you have an employee association that is recognized by management?
We do not have any employee association

6) What percentage of your permanent employees is members of this recognized employee association?
Nil

7) Please indicate the number of complaints relating to child labor, forced labor, involuntary labor, and sexual harassment in the last financial year and pending, as on the end of the financial year?

There is a Sexual Harassment Policy in place which is available on Online Portal.

Based on the policy, there is a Corporate Central Committee with a Presiding Officer plus a Unit Level Committee at every Mfg. Units. This committee has both male & female members on board.

We have a Child Labour policy which we follow strictly and all contract and permanent workforce, age proof is mandatory at the time of joining.

We have not received any complaints in the current financial year

8) What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety - 14 PSM elements are the basis for Safety Processes. Trainings are provided accordingly to them. Few rituals developed on Safety:

- Daily Safety Talk (done at the start of shift/ general shift) is theme based. One topic per month.

- Monthly Training - One Topic trained in detail by Plant Safety Representative.

Skill Upgradation - Done on Need Basis.

Major interventions undertaken for Skill Upgradation of Frontline Operators across sites.

Around 1000 mandays training done across sites.

	Total number of employees that were given safety training in the Reporting Period	Total number of employees that were given skill upgradation training in the Reporting Period
Number of employees	1002	976
Number of Temporary Employees	326	311
Number of Contractual Employees	2512	2171
Number of permanent women employees	7	7
Number of permanent employees with disabilities	6	6

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

1) Has the company mapped its internal and external stakeholders?
Yes, UPL has identified it's all internal & external stakeholders and have regular communication with them at set intervals

2) Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes.

3) Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
Yes, Under Corporate Social Responsibility projects we have taken special initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders and are focusing on generating sustainable livelihoods for them. The strategy envisaged to operationalizing the sustainable livelihood is based on three pillars;

1. Agriculture development
2. Skill development
3. Entrepreneurship

The target disadvantaged, vulnerable and marginalized stakeholders of the project are;

1. Small farmers
2. Unemployed youth
3. Poor women

These three-target groups were selected based on vulnerability context that emerged from our need assessment study.

Small farmers: Our initiative for farmers is called as UPL KhedutPragati Programme. We are working directly with 4,500 farmers under this initiative.

Sr. No.	Project	Villages	Farmers	Location
1.1	Dang Paddy Development Project	10	350	Waghai, Dangs
1.2	UPL AKRSP SRI Project	21	1500	Waghai, Dangs.
1.3	KhedutPragati with BAIF Farmers Co-operative	16	1000	Kaprada, Valsad
1.4	KhedutPragati at Vapi	10	200	Vapi, Valsad
1.5	KhedutPragati at Vandri	1	400	Dediapada, Narmada
1.6	KhedutPragati at Ankleshwar	11	525	Ankleshwar, Bharuch
1.7	UPL Centre for Agriculture Excellance (Earlier Farmers Training Centre, Vikram Farm)		525	(As of March 2017 12,434 Farmers Trained)
	Total	69	4500	

Unemployed youth: Capabilities, assets and activities, together form the backbone of any livelihood. To improve the capabilities of the youth in the region we have taken up Skill Development initiatives which is known as UPL Niyojaniy Kendra

The following table gives the program outcome in the 3 years.

Year	Candidates trained	Candidates placed
2014-15	80	60
2015-16	380	215
2016-17	357	204

We have partnered with ITI Surat (Women) and ITI Amod in Chemical Sector of Bharuch district. The objective is to share our technical knowhow and capabilities with these institutes and help them become world class organizations. With this intervention, we introduced new trades in the institutes, provided technological innovations such as simulators to create better impact of training.

Our Capacity Building programmes aim at equipping individuals (with a strong focus on women) with the understanding, skills and access to information, knowledge and training that enables them to perform effectively. We have taken up multiple interventions to build capacity of the youth and women!

POOR WOMEN - UPL Udyamita Programme has been started with the active support of UMA (Utkarsh Mahila Association, an NGO actively working in Valsad).The objective is to form and strengthen Self Help Groups (SHGs) and promote entrepreneurship through these groups. We are currently working in the following areas:

A. Umergam and Pardi Taluka of Valsad District

B. Ankleshwar and Jhagadia Taluka of Bharuch District

Initiatives undertaken	Output/Outcome in Valsad	Output/Outcome in Ankleshwar
No of SHGs formed	44	44
No. SHG members	626	515
Number of villages covered (Block/District)	24 in Pardi and Umergam block	9 in Ankleshwar and Jhagadia block
Cumulative savings (Amount in INR)	15,75,400	15,92,772
No. of SHGs who have started inter loaning	42	26
No. of SHGs with financial linkage	31	13
No. of trainings organized on record/book keeping	44	8
No. of SHG/ individual members involved in income generation activity	31 SHGs /234 individual members	41 SHGs /206 individual members
No. of trainings organized on income generation and financial inclusion	55	26

Principle 5: Businesses should respect and promote human rights.

1) Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

UPL is committed to uphold the dignity of every stakeholder engaged or associated with company. Company has put in place a robust policies on Human Rights to protect the dignity and self-respect of all stakeholders. Company value all stakeholders and hence the grievance redressal mechanisms is accessible to all stakeholders & grievances are addressed and resolved with top scrutiny and urgency.

UPL is committed towards providing equal opportunities to all the employees and any kind of discrimination on the basis of gender, caste, creed, religion, disability, marital status, pregnancy, culture, ancestry, socioeconomic status etc. is strictly prohibited. We also have programs to sensitize employees towards their colleagues with special needs and promote a congenial work culture.

The human rights policy is applicable to the contractors associated with UPL Limited

2) How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We are following model standing order to address any grievances / issues related to human rights violation and have strong governance controls and mechanisms to ensure rights are protected. We have no received any complaints in the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1) Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?

Yes. Company has an environmental policy applicable to group, joint ventures, suppliers, vendors & contractors.

2) Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has undertaken several initiatives to address issues related to climate change.

1. Usage of cleaner fuels
2. Reduction of emission from power generation and boilers,
3. Energy efficient manufacturing,
4. Tree plantation. Also supporting tree plantation by providing samplings and developing mini forests.
5. Solvent recovery improvement above 97%.
6. ESP provided to control PM

UPL Ltd follows a process named "Dynamic Resource Allocation System". Under this system the entire rainfall pattern and weather changes in a contiguous geography is mapped real time on a fortnightly basis. Since the captured parameters are supposed to impact the cropping season in the selected area, the sales and allocation of products and resources is done on the basis of the indicators. This helps manage the stocks and optimize use of inputs at end user level minimizing risk of expiry and over usage.

3) Does the company identify and assess potential environmental risks?

Yes

4) Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

In 2002, UPL have replaced fuel in power plant from Naptha to Natural Gas. Company also got registration under CDM.

5) Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.?

Clean technology adopted for manufacturing:

1) Membrane cell Technology for caustic chlorine manufacturing
2) CS2 manufacturing using natural gas.
3) Natural Gas use in Boiler
4) Steam condensate back into boiler
5) Used drums use back in packaging

6) Installed water recycling system (RO) & water recycled in to process
7) Steam condensate is being recycled in to process
8) MDC residue (Spent solvent) Sold to recyclers /end users
9) ESP provided to control PM
10) Conservation of thermal energy through heat integration (pinch analysis) in multi column operation.
11) Innovative in-line condenser cleaning system to sustain and improve heat transfer coefficient.
12) New 'Heat Pipe' technology for low grade heat recovery for process air preheating.
13) Energy conservation through reducing refrigeration power by 12% (reducing condensing temperature from 40'C. To 36'C).
14) Energy efficient LED lighting system across UPL sites.

Recovery of products from Waste streams

Sodium Sulphate from waste ML, NaSH from H2S scrubber, Calcium chloride, ammonia and di calcium phosphate sludge from ML, Recovery of Sodium Sulphate from effluent. Recovery of HNO3 & H2SO4 from ML manufacture, NaSH as by-product from CS2 plant by utilizing excess H2S gas which was previously going for thermal destruction in TGTU, Mn (OH) 2 recovered from ML

6) Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1) Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with?

   UPL's associations with various forums helps the Company to understand and communicate industry wide issues and advocate policies that are beneficial for the development of Company and associated stakeholders.

   UPL is currently a part of the following associations:

   I. Vapi Industrial Association
   II. Indian Merchant Chambers
   III. Crop Care Federation of India
   IV. Asmechem
   V. Centigro Environment of Agriculture
   VI. CII

2) Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas?

a) UPL writes about advantage of Indian Chemical Industries including drugs & pesticides and how the hurdles in expansion can be removed. Company take delegations to the Ministry explaining the situation and giving constructive suggestions.

b) Some foreign funded environment NGO's are publishing false reports about toxic pesticide in our food. Through our association we have surveyed and taken this foreign funded NGO's to court. We have successfully penalised some Green Peace with fine of ₹1 Cr and again fine of ITF Rupee ₹48 lac. Some NGO's and media have published apology for false and harmful information published which is harming the Indian farmers and Indian Agriculture. So we have benefited with these activities for the Indian farmers. We have also collected data and written a letter to Prime Minister who has acted immediately which has helped faster in Indian industrial development. We had several meetings with the Registering Authority with Agro Chemicals.

c) Company has lobbied or advocated through public associations on the below topics:

   I. Problems of Chemical Industries in Gujarat and India.
   II. Customs and Excise laws effecting faster industrial development.
   III. Environment and pollution matters
   IV. Agriculture and Agro Chemical inputs
   V. Fight against foreign funded NGO's
   VI. Promoting and educating public about advantage of scientific agriculture and use of agro chemicals
   VII. Other matters connected with government policy "Make in India".
   VIII. Removal of hurdles and exports.

d) UPL organized couple of large conferences where large number of speakers from India as well as from Europe were invited to talk which has helped the industries and Government officers to understand the situation in Indian industries

e) UPL also take part in trade fares, Krishi Mela's, workshops and conferences in different parts of the country

f) UPL is also publishing articles in magazines & newspapers giving the correct pictures of industrial development and giving suggestion for improvement.

Principle 8: Businesses should support inclusive growth and equitable development

1) Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof?

   UPL has a strong history of always being an active contributor to society. We understand the effect our community outreach programs have on the community and the cascading effect that translates from it. Our CSR activities are a testament to what we believe in and how we look at giving the most we can to the community by way of our various activities.

   At UPL Ltd, our vision for CSR is "To be a catalyst for a more equitable and inclusive society by supporting long term sustainable transformation and social integration."

   Our CSR activities focus not just around our factory and offices, but also in other locations based on the needs of the communities. Before undertaking any program, a sound assessment of the scope, need, projected benefits is carried out. The projects are then taken up on a pilot basis and based on the progress of the projects and feedback from the community, projects are evaluated and scale is increased in case of favorable projects.

   Our studies and commitment to the community have translated into 6 key focus areas. They are:

   - Agriculture Development
   - Employability & Entrepreneurship
   - Education & Empowerment
   - Environment & Nature Conservation
   - Health & Sanitation
   - National & Local Area needs

For more details login to http://www.uplonline.com/CSR

2) Are the programmes/projects undertaken through in-house team/own foundation/external

   The CSR programmes / projects are undertaken by in-house CSR team / UPL promoted foundation. We have a dedicated CSR team with relevant expertise and experience. As a part of broader engagement and to utilize competency, UPL also partners with and supports various Government organizations, NGOs and CBOs to work on specific area based community needs.

3) Have you done any impact assessment of your initiative?

   A Systematic 3rd party investigation of merit, worth, value, quality, or significance of UPL's CSR efforts was conducted in year 2016-2017 by "Inverted Comma" Ahmedabad (CSR Consultancy Firm).

   - Region under study was Ankleshwar, Dang, Halol, Jhagadia and Vapi.
   - The Sample Size was 1) Project beneficiaries - 552 and 2) Non beneficiaries -369.
   - The methodology followed was primary data collection.
   - The sample were community members including but not restricted to women, children and youth.
   - Total No. of interventions studied were 18.

4) What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   INR 23.79 Crores

5) Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?

   We have created a system of community representation in all our interventions to ensure that all our CSR initiatives are successfully adopted. The farmer groups are integral part of agriculture development and all initiatives are routed through them so as to create ownership. On same lines women SHG members are prime owner and custodians of entrepreneurship programme. The community involvement is at all level

   - Planning
   - Implementation
   - Monitoring and Evaluation

   Apart from community involvement, we also do systematic and continuous monitoring to ensure community adopts all our initiatives.

   This year we did a Systematic 3rd party investigation of merit, worth, value, quality, or significance of UPL's CSR efforts. The study has gauged impact from 3 dimensions.

   - Impact on development domains - Natural Resources, Human Resources, Socio- Cultural, Technological and Financial.
   - Impact created at various levels: Individual, Group and Regional.
   - Effectiveness of interventions in meeting the needs of the community.
   - Based on the relative scores achieved by the interventions on the above 3 dimensions, the study classified interventions as Most Impactful, Highly Impactful and Moderately Impactful

Most Impactful	Highly Impactful	Moderately Impactful
Impacting 3 or more development domains	Impacting 2 or more development domains	Impacting only 1 development domain
Impact at 2 or more levels	Impact only at 1 level	Impact only at 1 level
Addressing 3 or more critical needs	Addressing 2 or less critical needs	Addressing only 1 critical need

The summary of result is

Most Impactful	Highly Impactful	Moderately Impactful
UPL Udyamita Project	Skill Development Initiative- UPL Niyojaniy Kendra	Agri-technology Project
Smt. Sandraben Shroff Gnyan Dham School, Vapi	Shroff S Rotary Institute of Chemical Technology (SRICT)	Environment and Nature Conservation- UPL Vasudha
Sandra Shroff ROFEL College of Nursing, Vapi	We are United (WAU volunteers)	UPL BoriBagicha Project
	Skill Based Entrepreneurial Development Program	Sanitation Awareness Programme
	Dang Paddy Development Project	UPL Khedut Niyojaniy Kendra
	UPL AKRSP SRI Project	Dang Moringa Development Programme
		Sarus Conservation Project
		Girls safety training program
		Road safety training program

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1) What percentage of customer complaints/consumer cases are pending as on the end of financial year

   Nil

2) Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

   Yes, as a responsible corporate we utilize every possible way to engage with our stakeholder and packaging being one of the important communication tool to engage with customers, we provide product details tagged with the packaging, the details include product information, recommended dosages for optimized usage and pest targeted by that product

   All UPL products conform to the CIB regulations and carry the statutory details on the product "Label".

3) Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so?

   The Competition Commission of India had levied penalty of ₹ 252.44 crores on the Company for alleged cartelization in product Aluminium Phosphide tablets. On appeal, this penalty was reduced to ₹6.94 crores by Competition Appellate Tribunal. We have filed appeal in Supreme Court against the penalty of ₹6.94 crores.

4) Did your company carry out any consumer survey/ consumer satisfaction trends?

   Customer being an important stakeholder can contribute maximum towards the improvement of the products & services and hence we carry out post-marketing audits related to our specific products. This category of audit not only acts as a parameter to enhance customer satisfaction level but also helps company to serve better by understanding the need to consumer to serve.

UPL ltd runs Call Centers from Mumbai, Visakhapatnam and Chandigarh under the brand of "Adarsh Kisan Centre"(AKC). A toll free number of the AKC is available (printed) on all product packs for customers to ask questions and or lodge complaints. On the basis of the customer complaint, AKC calls up the customer and efforts are made to resolve this issue over the call, however if the customer requires a visit then the grievance is escalated to the field and UPL field team visits the customer and resolves the issues.

We also regularly use Call Centre "Adarsh Kisan Centre" to evaluate and get feedback from 12.8 Lakh farmers who are registered with AKC. The spread of survey is wide varying from, product availability, usage and market access of harvest. Our internal data in FY 15-16 indicated that every farmer spending One Rupee in a UPL product gains a value of Twenty Rupees for the crop.

UPL has various processes in place to ensure the performance of the field team adheres to the long term commitment of the organization to the farmers and to the environment.

We run in-house academies to reinforce our mission of providing value to customers and nurture environment. To ensure transparency of operations UPL has created SMS portal for channel partners to get information on Invoices and Receivables. This cuts down the use of paper and makes the operations environment friendly.

UPL Ltd initiated a pilot project named "Project Lakshya" in the Rabi of 2016. The purpose of the project was to hand-hold and take across paddy farmers in a journey from conventional paddy cultivation (subsistence) to commercial cultivation with an eye on environmental sustainability. The pilot was initiated in two districts of AP and Telangana and one district of Chattisgarh. AKC was integrated with the UPL field force team and the pilot was rolled out. 49% of the farmers under Project Lakshya adopted the UPL recommendations and 80% mentioned that they were satisfied with the journey. Major satisfaction was reported from the knowledge of technology and inputs gained on understanding of the time of application of products, on the basis of pest and disease intensity. The pilot is now planned to be replicated in larger geographies with a wider scope for small and marginal farmers.

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)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Shroffs United Chemicals Limited		INR	1.00	5	21	26	0	-	-	1	(0)	1	-	100%
2	SWAL Corporation Limited		INR	1.00	100	6,551	42,865	36,214	-	60,712	761	(273)	488	-	100%
3	United Phosphorus (India) LLP		INR	1.00	153	807	45,071	44,110	-	43,803	1,249	(436)	813	-	100%
4	United Phosphorus Global LLP		INR	1.00	10	1	12	0	-	-	1	(0)	0	-	100%
5	Optima Farm Solutions Limited		INR	1.00	155	461	8,907	8,290	-	11,519	674	(241)	433	-	100%
6	UPL Europe Limited (formerly known as United Phosphorus Limited)		EUR	69.33	48,136	16,721	65,839	982	-	77,782	8,925	(1,787)	7,138	-	100%
7	UPL Deutschland GmbH (formerly known as United Phosphorus GMBH)		EUR	69.33	17	1,098	18,868	17,753	-	20,136	676	6	682	-	100%
8	UPL Polska Sp z.o.o. (formerly known as United Phosphorus Polska Sp.z o.o)		PLN	16.43	1	(11)	1	10	-	-	(7)	-	(7)	-	100%
9	UPL Benelux B.V.(formerly known as AgriChem B.V.)		EUR	69.33	12	6,801	12,588	5,774	-	22,145	1,888	(499)	1,389	-	100%
10	Cerexagri B.V.		EUR	69.33	15,674	5,824	53,450	31,953	-	55,613	1,916	(505)	1,411	-	100%
11	Blue Star B.V.		EUR	69.33	1	1,633	1,635	1	-	236	(1)	-	(1)	-	100%
12	United Phosphorus Holdings Cooperatief U.A.		EUR	69.33	2,20,754	743	2,26,779	5,282	-	501	1,127	25	1,152	-	100%
13	United Phosphorus Holdings B.V.		EUR	69.33	12	2,29,614	4,55,324	2,25,697	-	504	1,548	(362)	1,186	-	100%
14	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.		EUR	69.33	2,583	(41)	2,585	44	-	233	(3)	-	(3)	-	100%
15	Decco Worldwide Post-Harvest Holdings B.V.		EUR	69.33	12	3,495	13,602	10,094	-	234	(47)	-	(47)	-	100%
16	United Phosphorus Holding, Brazil B.V.		EUR	69.33	13	1,99,145	2,26,666	27,509	-	508	(1,463)	(1,349)	(2,812)	-	100%
17	UPL Italia S.R.L. (formerly known as Cerexagri Italia S.R.L.)		EUR	69.33	69	3,639	28,332	24,624	-	28,260	1,257	(448)	809	-	100%

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
18	UPL Iberia, S.A. (formerly known as Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain)		EUR	69.33	183	5,471	11,872	6,217	-	16,327	1,394	(462)	932	-	100%
19	Decco Iberica Postcosecha, S.A.U.		EUR	69.33	125	6,454	8,947	2,369	-	10,256	1,463	(300)	1,163	-	100%
20	Transterra Invest, S. L. U.		EUR	69.33	5,972	(831)	49,560	44,419	-	-	(4,795)	(47)	(4,841)	-	100%
21	Cerexagri S.A.S.		EUR	69.33	9,180	15,057	31,998	7,761	-	37,235	2,051	(12)	2,038	-	100%
22	Neo-Fog S.A.		EUR	69.33	208	1,168	1,624	247	-	2,531	411	(136)	275	-	100%
23	UPL France (formerly known as Aspen SAS)		EUR	69.33	2,432	5,960	19,403	11,011	-	35,116	4,516	(290)	4,226	-	100%
24	United Phosphorus Switzerland Limited		CHF	64.85	65	41	117	11	-	-	(52)	(0)	(53)	-	100%
25	Agrodan, ApS		DKK	9.32	233	823	1,075	19	-	-	52	(11)	40	-	100%
26	Decco Italia SRL		EUR	69.33	729	3,140	5,693	1,824	-	3,209	294	(109)	186	-	100%
27	Limited Liability Company "UPL" (formerly known as JSC United Phosphorus Limited)		RUB	1.15	2,076	(1,131)	2,720	1,775	-	3,077	544	-	544	-	100%
28	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)		EUR	69.33	3	(9)	4	10	-	40	(2)	-	(2)	-	100%
29	United Phosphorus Inc.		USD	64.85	1	6,659	2,04,912	1,98,252	-	2,45,173	8,191	(2,261)	5,929	-	100%
30	UPI Finance LLC		USD	64.85	-	-	-	-	-	-	-	-	-	-	100%
31	Cerexagri, Inc. (PA)		USD	64.85	-	-	-	-	-	-	-	-	-	-	100%
32	UPL Delaware, Inc.(formerly known as Cerexagri Delaware, Inc.)		USD	64.85	-	-	-	-	-	-	-	-	-	-	100%
33	Canegrass LLC		USD	64.85	-	-	-	-	-	-	-	-	-	-	70%
34	Decco US Post-Harvest Inc		USD	64.85	0	7,442	18,726	11,284	-	23,150	(151)	(135)	(286)	-	100%
35	Essentiv LCC		USD	64.85	-	-	-	-	-	-	-	-	-	-	50%
36	RiceCo LLC		USD	64.85	3,643	4,969	47,117	38,505	-	39,228	1,160	-	1,160	-	100%
37	Riceco International, Inc.		USD	64.85	3	19,969	40,893	20,921	-	43,875	2,380	-	2,380	-	100%

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
38	UPL Corporation Limited (Formerly known as Bio-win Corporation Limited, Mauritius)		USD	64.85	8,820	77,305	8,68,344	7,85,543	3,324	2,41,145	32,812	(300)	32,512	-	100%
39	UPL Limited, (formerly known as Uniphos Limited)		USD	64.85	198	1,10,651	1,64,486	53,637	-	2,79,808	51,427	-	51,427	-	100%
40	UPL Management DMCC		USD	64.85	9	9,612	12,712	3,092	-	11,673	1,453	-	1,453	-	100%
41	United Phosphorus Limited, Gibraltor		USD	64.85	3	4	6	-	-	94,651	(35,127)	-	(35,127)	-	-
42	UPL Limited, (formerly known as Uniphos Limited), Gibraltor		USD	64.85	2	2,03,212	2,40,667	37,485	32	3,24,812	59,507	-	59,507	-	100%
43	UPL Agro S.A. de C.V.(formerly known as United Phosphorus de Mexico, S.A. de C.V.)		MXN	3.46	1,533	(2,840)	31,972	33,279	-	40,378	(2,306)	21	(2,285)	-	100%
44	Decco Jifkins Mexico Sapi		MXN	3.46	2	(596)	660	1,254	-	852	(160)	-	(160)	-	100%
45	Perrey Participações S.A		BRL	20.47	-	-	-	-	-	-	-	-	-	-	100%
46	United Phosphorus do Brasil Ltda		BRL	20.47	-	-	-	-	-	-	-	-	-	-	100%
47	Uniphos Industria e Comercio de Produtos Quimicos Ltda.		BRL	20.47	2,20,025	(76,459)	4,57,836	3,14,269	-	3,44,952	12,413	(2,416)	9,997	-	100%
48	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.		BRL	20.47	66,082	53,804	4,33,780	3,13,894	-	3,44,952	15,303	(3,628)	11,675	-	100%
49	UPL Costa Rica S.A (formerly known as Cerexagri Costa Rica, S.A.)		CRC	0.12	0	(456)	16,390	16,845	-	26,080	(65)	-	(65)	-	100%
50	UPL Bolivia S.R.L (formerly known as United Phosphorus Bolivia S.R.L)		BOB	9.36	395	169	4,336	3,771	-	2,675	(312)	-	(312)	-	100%
51	UPL Paraguay S.A.		PYG	0.01	455	(398)	2,218	2,161	-	1,408	(349)	-	(349)	-	100%
52	Icona Sanluis S A		USD	64.85	224	(1,417)	2,258	3,450	-	1,666	(438)	-	(438)	-	100%
53	DVA Technology Argentina S.A.		BRL	20.47	-	-	-	-	-	-	-	-	-	-	100%
54	UPL Argentina S A (Formerly known as Icona S A)		USD	64.85	19,627	(11,646)	42,733	34,753	-	37,605	(2,822)	-	(2,822)	-	100%
55	Decco Chile SpA		CLP	0.10	1	570	1,555	984	-	2,893	447	(80)	367	-	100%

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
56	UPL Colombia SAS		COP	22.47	188	201	11,233	10,844	-	13,549	83	0	83	-	100%
57	United Phosphorus Cayman Limited		USD	64.85	0	5,800	45,316	39,515	-	22,305	(593)	195	(398)	-	100%
58	UP Aviation Limited		USD	64.85	0	347	8,958	8,611	-	-	(1,936)	-	(1,936)	-	100%
59	UPL Australia Limited (formerly known as United Phosphorus Limited)		AUD	49.59	50	2,841	11,393	8,502	-	21,385	1,554	(467)	1,087	-	100%
60	UPL New Zealand Limited (formerly known as United Phosphorus Limited)		NZD	45.31	0	249	660	412	-	1,625	158	(44)	114	-	100%
61	UPL Shanghai Limited (formerly known as United Phosphorus (Shanghai) Company Limited)		RMB	9.41	-	-	-	-	-	-	-	-	-	-	100%
62	UPL Limited (Korea) (formerly known as United Phosphorus (Korea) Limited)		KRW	0.06	41	159	540	340	-	248	88	(19)	70	-	100%
63	PT.UPL Indonesia (formerly known as PT. United Phosphorus Indonesia)		IDR	4.87	48	100	7,007	6,860	-	4,349	258	-89	170	-	100%
64	PT Catur Agrodaya Mandiri		IDR	4.87	74	-1,149	6,570	7,645	-	5,500	289	-107	182	-	100%
65	UPL Limited (formerly known as United Phosphorus Limited)		USD	64.85	1	19,082	53,675	34,592	-	57,434	4,406	-	4,406	-	100%
66	UPL Philippines Inc.(formerly known as United Phosphorus Corp.)		PHP	1.29	111	357	8,671	8,203	-	5,435	47	(14)	33	-	100%
67	UPL Vietnam Co. Limited (formerly known as United Phosphorus Vietnam Co., Limited)		VND	2.85	410	5,449	11,015	5,156	-	14,231	2,685	-420	2,265	-	100%
68	UPL Limited, Japan (formerly known as United Phosphorus Limited, Japan)		JPY	58.02	522	8,383	6,629	5,279	7,556	16,498	-5,720	-119	-5,839	-	100%
69	Anning Decco Fine Chemical Co. Limited		RMB	9.41	753	1,564	2,513	195	-	2,349	427	(61)	366	-	55%

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
70	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi (formerly known as Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey)		TRY	17.81	1,694	921	17,471	14,855	-	11,196	(1,079)	233	(846)	-	100%
71	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.		TRY	17.81	1,512	1,058	12,104	9,534	-	7,511	(544)	57	(487)	-	51%
72	Safepack Products Limited		ILS	17.85	-	4,368	6,696	2,328	-	4,080	236	4	240	-	100%
73	Citrashine (Pty) Ltd		ZAR	4.86	0	(365)	2,109	2,475	-	2,197	(97)	3	(94)	-	100%
74	UPL Africa SARL		XOF	0.10	0	(5)	1	6	-	-	(1)	-	(1)	-	100%
75	Prolong Limited		ILS	17.85	-	126	305	179	-	214	(112)	-	(112)	-	50%
76	Agrinet Solutions Limited		INR	1.00	200	144	136	0	208	-	(0)	-	(0)	-	50%
77	Advanta Holdings B.V.		EUR	69.33	22,605	35,449	1,51,376	93,322	-	12,636	(2,253)	-	(2,253)	-	100%
78	Advanta Netherlands Holding B.V.		EUR	69.33	12	32,147	36,953	4,794	-	517	341	-	341	-	100%
79	Advanta US Inc.		USD	64.85	2,594	(5,312)	39,307	42,025	-	10,556	(12,555)	4,236	(8,319)	-	100%
80	Advanta Seeds International		USD	64.85	1,362	50,253	76,054	24,439	-	18,003	3,012	(89)	2,923	-	100%
81	Advanta Seeds DMCC (formerly known as Advanta Seeds JLT)		AED	17.66	53	15,788	20,358	4,517	-	21,127	8,696	(671)	8,026	-	100%
82	Advanta Comercio De Sementes LTDA.		BRL	20.47	1,280	(15,346)	19,033	33,098	-	15,166	(5,418)	(4,556)	(5148)	-	100%
83	Advanta Semillas SAIC		ARS	4.21	16,690	(11,002)	18,431	12,743	-	22,304	(448)	(4,072)	(4,521)	-	100%
84	Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd)		AUD	49.59	2,480	19,032	39,242	17,730	-	20,207	(2,272)	646	(1,626)	-	100%
85	Pacific Seeds (Thai) Limited		THB	1.88	1,129	15,471	29,180	12,580	-	31,647	9,744	(1,954)	7,790	-	100%
86	Pacific Seeds Holdings (Thailand) Limited		THB	1.88	2	13,460	13,465	3	-	-	10,764	-	10,764	-	100%
87	PT Advanta Seeds Indonesia		IDR	4.87	53	-3,157	4,194	7,298	-	3,424	1,128	-763	365	-	100%
88	Advanta Seeds Ukraine LLC		UAH	69.33	-	(973)	-	973	-	-	(973)	-	(973)	-	100%
89	Phosfonia, S.L.		EUR	69.33	-	-	-	-	-	-	-	-	-	-	-

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
90	United Phosphorus Indústria E Comércio de Produtos Quimicos Ltda.		BRL	20.47	-	-	-	-	-	-	-	-	-	-	-
91	UPL(Taiwan) Limited (formerly known as United Phosphorus (Taiwan) Limited)		TWD	2.13	-	-	-	-	-	-	-	-	-	-	-
92	Advanta (B.V.I) Ltd		EUR	69.33	-	-	-	-	-	-	-	-	-	-	-

Note

1. United Phosphorus Inc., U.S.A. results include the results of UPL Delaware, Inc. (Formerly known as Cerexagri Delaware, Inc.), Cerexagri Inc; Canegrass LLC, Riceco LLC & UPI Finance LLC.
2. Decco US Post-Harvest Inc results include the results of Essentiv LCC.
3. Uniphos Industria e Comercio de Produtos Quimicos Ltda. results include the results of Perry Participiacoes
4. During current year, United Phosphorus Limited, Gibraltor is divested.
5 During current year, Advanta (B.V.I) Ltd is disolved.
6. UPL do Brasil Industria e Comércio de Insumos Agropecuários S.A. results include the result DVA Technology Argentina and United Phosphorus Do Brasil Ltda.
7. United Phosphorus Limited, Hongkong results includes the results of United Phosphorus (Shanghai) Company Limited
8. During previous year Phosphenia, S.L. was merged with UPL IBERIA, SOCIEDAD ANONIMA(formerly know asCompania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain).
9. During previous year, UPL (Taiwan) Limtied (Formerly known as United Phosphorous (Taiwan) Limited was divested.
10. During previous year, United Phosphorus Indústria E Comércio de Produtos Químicos Ltda was merged with Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A..
11. Exchange rate in INR is per thousand of COP, IDR & VND and for JPY Exchange rate in INR is per hundred.

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURE

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

₹ In. Crores

S. No.	Names of Associate and Joint venture	Weather Risk Management Pvt LTD	Kerala Enviro Infrastructure Limited	Sinagro Produtos Agropecuários S.A.	3SB Produtos Agrícolas S.A.	Polycot	LongReach Plant Breeders PTY LTD	Hodogaya UPL Co. Ltd.
1	Last Audited/ Reviewed Balance sheet date	31.03.2017	31.03.2017	31.12.2016	31.12.2016	31.12.2016	31.03.2017	31.03.2017
2	Shares of Associates/Joint ventures held by the Company for the year end	1	1	1	1	1	1	1
	No.	37,681	33,50,000	4,39,07,621	4,000	200	88,223	200
	Amount of Investment in Associate/Joint venture	10	3	36	76	-	31	18.17
	Extend of Holding %	27%	27.52%	40%	40%	20%	70.00%	40%
3	Description of how there is significant influence	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement
4	Reason why to associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to share holding as per latest Audited/ Reviewed Balance sheet	7	3	12	13	-	13	18
6	Profit/(Loss) for the year considered in consolidation	(0)	(1)	16	(36)	-	1	1

Independent Auditor's Report

To the Members of UPL Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of UPL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 45 to the standalone Ind AS financial statements, relating to amalgamation of Advanta Limited with the Company which has been accounted under the "Purchase Method" as per Accounting Standard 14 – Accounting for Amalgamations (AS 14) in compliance with the Scheme of Amalgamation pursuant to Sections 391-394 of the Companies Act, 1956 approved by the Hon'ble High Court of Gujarat. Accordingly, the Company has recognised goodwill on amalgamation amounting to ₹3,697 Crores which has been amortised in accordance with the scheme. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS) 103 – 'Business Combinations' for business combination of entities under common control. Had the accounting treatment prescribed under Ind AS 103 been followed, profit after tax reported for the year ended March 31, 2017 would have been higher by ₹370 Crores. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

   (g) 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 standalone Ind AS financial statements – Refer Note 35 (c) and 44 to the financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 15 to the financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosures in Note 48 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870

Place of signature: Mumbai
Date: April 28, 2017

Annexure 1 - Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2016

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the Company, except in the case of leasehold land, freehold land and buildings with a carrying value of ₹11 Crores, ₹2 Crores and ₹1 Crore (Gross block of ₹3 Crores) as at March 31, 2017 respectively, wherein as explained to us, the Company is in process of reconciling the fixed asset register with the title deeds and hence we are unable to comment on the same.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are re-payable on demand, to two companies covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the amount 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.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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, 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, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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, sales-tax, duty of by the custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax demands	5	1995-96, 1997-98 and 2004-05	Income-tax Appellate Tribunal
Sales Tax Act	Sales tax demands	20	1985-86, 1995-96 to 2005-06	Supreme Court, Jt. Commissioner of Sales-tax, Baroda, Sales Tax Tribunal
Central Excise Act/ Finance Act	Excise duty/ Service tax demands	67	1989-90, 1994-2004 and 2007-2015	Commissioner (Appeals) Central Excise and Service Tax Appellate Tribunal.
Customs Act	Custom duty demands	36	1992 to 1997, 2000, 2001 and 2004	Commissioner (Appeals) Central Excise and Service Tax Appellate Tribunal
Foreign Trade (Development and regulation) Act	Fiscal penalty	33	1992 to 1997	Bombay High Court

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company has not taken any loan or borrowing from the government.

(ix) According to the information and explanations given by the management, the Company has not raised any money, by way of initial public offer / further public offer / debt instrument and term loans hence, reporting under this clause is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) According to information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870

Place of signature: Mumbai
Date: April 28, 2017

Annexure 2 - To the Independent Auditor's Report of even date on the Standalone Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of UPL Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870

Place of signature: Mumbai
Date: April 28, 2017

Balance Sheet as at 31 March 2017

INR Crores

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	3	1,733	1,585	1,176
Capital work-in-progress	3	249	190	291
Goodwill	4	2,965	3,334	3,704
Other Intangible assets	4	418	478	458
Intangible assets under development	4	23	19	79
Financial assets				
(i) Investments	5	593	588	881
(ii) Loans	6	941	1,200	1,130
Income Tax Assets (Net)		148	137	49
Other non-current assets	8	275	193	173
		7,345	**7,724**	**7,941**
Current assets				
Inventories	9	1,355	1,284	1,191
Financial assets				
(i) Trade receivables	10	1,957	1,866	1,430
(ii) Cash and cash equivalents	11	59	65	86
(iii) Bank Balances other than (ii) above	11A	12	10	55
(iv) Loans	6	128	289	478
(v) Other financial asset	7	52	77	73
Other current assets	8	439	444	294
		4,002	**4,035**	**3,607**
Total Assets		**11,347**	**11,759**	**11,548**
Equity and liabilities				
Equity				
Equity Share capital	12	101	86	86
Compulsorily convertible preference shares	12A	82	-	-
Share Capital Suspense	12B	-	3,797	3,942
Other equity	13			
(i) Securities Premium		4,498	822	822
(ii) Retained Earnings		968	929	750
(iii) Other Reserves		2,101	2,113	2,122
		7,750	**7,747**	**7,722**
Liabilities				
Non-current liabilities:				
Financial liabilities				
(i) Borrowings	14	756	755	904
(ii) Trade payables	17	9	8	6
(iii) Other financial liabilities	15	146	201	189
Deferred tax liabilities (net)	19	133	49	33
		1,044	**1,013**	**1,132**
Current liabilities:				
Financial liabilities				
(i) Borrowings	14	40	678	372
(ii) Trade payables				
- Outstanding dues of micro and small enterprises	18	1	-	-
- Outstanding dues of other than micro and small enterprises	18	2,187	1,750	1,712
(iii) Other current financial liabilities	15	148	405	449
Provisions	16	66	51	42
Other current liabilities	20	94	102	111
Net employee defined benefit liabilities	33	17	13	8
Total Liabilities		**2,553**	**2,999**	**2,694**
Total equity and liabilities		**11,347**	**11,759**	**11,548**
Summary of significant accounting policies	2.2			

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Statement of Profit and Loss for the year ended 31 March, 2017

INR Crores

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from operations	21	7,277	6,277
Other income	22	325	481
TOTAL INCOME		**7,602**	**6,758**
EXPENSES			
Cost of materials consumed	23	3,029	2,786
Purchases of stock-in-trade		701	280
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	24	(108)	(57)
Excise duty on sale of goods		338	296
Employee benefits expenses	25	445	399
Finance costs	26	149	192
Depreciation and amortisation expenses	27	655	619
Other expenses	28	1,929	1,735
TOTAL EXPENSES		**7,138**	**6,250**
Profit before exceptional items and tax		**464**	**508**
Exceptional items	43	46	-
Profit before tax		**418**	**508**
Current tax	19	89	107
Deferred tax credit/(charge)	19	84	16
Tax expenses		**173**	**123**
PROFIT FOR THE YEAR		**245**	**385**
Other Comprehensive Income	30		
(i) Items that will not be reclassified to profit or loss		(2)	(2)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1	1
Other Comprehensive Income for the year, net of tax		**(1)**	**(1)**
Total Comprehensive Income for the year		**244**	**384**
Earnings per equity share (in Rupees)			
Basic (Face value of ₹2 each)		**4.84**	**7.60**
Diluted (Face value of ₹2 each)		**4.81**	**7.55**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Cash Flows Statement for the year ended 31 March, 2017

INR Crores

	Year ended 31 March, 2017	Year ended 31 March, 2016
OPERATING ACTIVITIES		
Profit before exceptional items and tax	464	508
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	205	171
Amortization of intangible assets	450	448
Gain on disposal of property, plant and equipment	(10)	-
Assets written off	4	4
Interest Income	(63)	(59)
Profit on sale of Investment	(5)	-
Profit on buyback of shares by Subsidiary	-	(189)
Fair value gain on financial instruments at fair value through profit or loss	(12)	(4)
Dividend Income on Long-term investments in Subsidiary	(216)	(217)
Share in profit from investment in LLP	(8)	-
Allowances for doubtful debts and advances (net)	6	10
Finance costs	149	192
Unwinding of Corporate Guarantee obligation and Long term deposits	-	(5)
Manufacturing expenses capitalised	(22)	(18)
Liabilities / provisions no longer required written back	(5)	(1)
Working capital adjustments		
(Increase)/decrease in trade receivables	(83)	(444)
(Increase)/decrease in inventories	(71)	(93)
(Increase)/decrease in non-current and current financial assets	18	(33)
(Increase)/decrease in other non-current and current assets	(78)	(183)
(Increase)/decrease in other non-current and current trade payables	398	40
(Increase)/decrease in other non-current and current financial liabilities	(9)	-
(Increase)/decrease in other current liabilities	(8)	(9)
Increase /(decrease) in provisions and Net employee defined benefit liabilities	17	14
	1,121	**132**
Income tax paid (including TDS) (net)	(100)	(195)
Net cash flow from/ (used in) operating activities	**1,021**	**(63)**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP)	(439)	(496)
Purchase of intangible assets (including CWIP)	(26)	(39)
Proceeds from sale of property, plant and equipment	28	1
Purchase / subscription of optionally convertible bonds	(2)	(4)
Redemption of optionally convertible bonds	21	-
Redemption of Preference shares of subsidiary	7	-
Profit on sale of Mutual funds	3	-
Proceeds from buyback of shares by subsidiary	-	494
Proceeds for Sale of investments	2	-
Purchase of current and non current investments	(10)	(145)
Dividend on investments	216	217
Interest received	64	79
Sundry loans - Given	-	(17)
Sundry loans - Repayment received	4	20
Fixed deposits and margin money (net)	(2)	45
Advances and loans to subsidiaries - Given	(258)	(14)
Advances and loans to subsidiaries - Repayment received	660	223
Net cash flows from / (used in) investing activities	**268**	**364**

Cash Flows Statement (contd.) for the year ended 31 March, 2017

INR Crores

	Year ended 31 March, 2017	Year ended 31 March, 2016
FINANCING ACTIVITIES		
Interest and finance cost paid	(264)	(265)
Proceeds from borrowings	2,281	2,529
Repayments of borrowings	(3,099)	(2,373)
Payment of dividend	(213)	(213)
Net cash flows from / (used in) financing activities	**(1,295)**	**(322)**
Net increase / (decrease) in cash and cash equivalents	**(6)**	**(21)**
Cash and cash equivalents at the beginning of the year (Refer note 11)	65	86
Cash and cash equivalents at the end (Refer note 11)	**59**	**65**

Notes:

(i) Cash and cash equivalents includes Fixed deposit of ₹ NIL [31 March, 2016: ₹23 crores; 1 April, 2015:₹23 crores] earmarked towards redemption of debentures.

(ii) The amalgamation of Advanta Limited (Refer note 45) with the Company is a non cash transaction and hence, has no impact on the Company's cash flow for the year.

(iii) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Statement of Changes in Equity for the year ended 31 March, 2017

A. Equity Share Capital

INR Crores

	Equity shares of INR 2 each		Compulsorily Convertible Preference Shares (CCPS)	
	Nos.	INR Crores	Nos.	INR Crores
Issued, subscribed and fully paid				
At 1 April 2015	42,86,04,274	86	-	-
Changes during the period	-	-	-	-
At 31 March 2016	42,86,04,274	86	-	-
Changes during the period	7,84,12,844	15	8,19,40,125	82
At 31 March 2017	50,70,17,118	101	8,19,40,125	82

A1. Share Capital Suspense Account (Refer Note 45 of the financial statements)

INR Crores

	Nos.	INR Crores	Nos.	INR Crores
At 1 April 2015		3,942		
Changes during the period		(145)		
At 31 March 2016		3,797		
Changes during the period		(3,797)		
At 31 March 2017		-		

B. Statement of Changes in Equity for the year ended 31 March, 2017

INR Crores

	Other Equity									
	Capital redemption reserve	Capital reserve	Debenture redemption reserve	Securities premium reserve	Share Based Payment reserve	General reserve	Equity Component of convertible preference shares	Retained earnings	Equity Instruments through Other Comprehen-sive Income	Total Equity
As at 1st April 2016	36	86	140	822	2	1,848	-	929	1	3,864
Profit for the period	-	-	-	-	-	-	-	245	-	245
Other comprehensive income	-	-	-	-	-	-	-	(2)	1	(1)
Total comprehensive income										
Dividends paid during the year	-	-	-	-	-	-	-	(214)	-	(214)
Allotment of shares pursuant to scheme of Amalgamation with Advanta Limited (Refer note 45)	-	-	-	3,673	-	-	0	-	-	3,673
Conversion of Optionally convertible preference shares and Compulsorily convertible preference shares	-	-	-	2	-	-	-	-	-	2
Dividend distribution tax on Proposed dividend	-	-		-	-	-	-	(3)	-	(3)
Transfer to retained earnings	-	-	(15)	-	-	-	-	15	-	-
Transfer from retained earnings	-	-	2	-	-	-	-	(2)	-	-
Receipt on exercise of share options	-	-	-	1	-	-	-	-	-	1
Share based compensation	-	-	-	-	0	-	-	-	-	0
As at 31 March 2017	36	86	127	4,498	2	1,848	0	968	2	7,567

Statement of Changes in Equity for the year ended 31 March, 2017

B. Statement of Changes in Equity for the year ended 31 March, 2016

INR Crores

	Other Equity									
	Capital redemption reserve	Capital reserve	Debenture redemption reserve	Securities premium reserve	Share Based Payment reserve	General reserve	Equity Component of convertible preference shares	Retained earnings	Equity Instruments through Other Comprehen-sive Income	Total Equity
As at 1 April 2015	36	86	150	822	2	1,848	-	750	-	3,694
Profit for the period	-	-	-	-	-	-	-	385	-	385
Other comprehensive income	-	-	-	-	-	-	-	(2)	1	(1)
Total comprehensive income										
Dividends paid during the year	-	-	-	-	-	-	-	(214)	-	(214)
Transfer from retained earnings	-	-	29	-	-	-	-	(29)	-	-
Transfer to retained earnings	-	-	(39)	-	-	-	-	39	-	-
Share based compensation	-	-	-	-	0	-	-	-	-	0
As at 31 March 2016	36	86	140	822	2	1,848	-	929	1	3,864

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Notes to financial statements for the year ended 31 March, 2017

1. Corporate Information

UPL Limited (the company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 3-11, G.I.D.C., Vapi, Dist- Valsad, Gujarat.

The Company is principally engaged in the business of agrochemicals, industrial chemicals, chemical intermediates, speciality chemicals and production and sale of field crops and vegetable seeds.

The financial statements were authorised for issue in accordance with a resolution of the directors on April 28, 2017.

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 46 for information on how the Company adopted Ind AS.

The separate financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupee ('INR') or ('₹') which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated. Wherever the amount represented ₹ '0' (zero) construes value less than Rupees fifty lakhs.

Significant accounting estimates, assumptions and judgements

The preparation of the Company's separate financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 33 for details of the key assumptions used in determining the accounting for these plans.

Notes to financial statements for the year ended 31 March, 2017

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 39 and 40 for further disclosures.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its histroically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.2 Summary of significant accounting policies

a Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to financial statements for the year ended 31 March, 2017

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

b Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is stated inclusive of excise duty and excludes sales tax/ value added tax (VAT).

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c. Property, Plant and Equipment

Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the Assets.

The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to financial statements for the year ended 31 March, 2017

Estimated useful life's of the assets are as follows:

Nature of tangible Assets	Useful Life (years)
Plant & Equipment's	3 to 25
Building	30 to 60
Laboratory Equipment's	10
Office Equipment's	5
Furniture, Fixtures & Equipment's	10
Vehicles	8
Leasehold improvements	over the period of lease

Leasehold Land:

No depreciation is provided for leasehold land since as per the lease agreements, the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without / with marginal payment of further premium.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Intangible assets

i. Goodwill

a) Goodwill arising on amalgamation in accordance with court scheme

Goodwill arising on amalgamation of Advanta Limited has been recognised in accordance with court scheme. Said goodwill has been amortised in accordance with the court scheme for which Company has estimated useful life of 10 years. (Refer note 45)

b) Goodwill other than mentioned above

- Goodwill is initially measured at cost, being the excess of the aggregate of consideration transferred over net identifable assets acquired and liablilty assumed.
- Subsequent measurement is at cost less any accumulated impairment losses.
- Goodwill is not amortsied and is tested for impairment annually.

ii. Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Notes to financial statements for the year ended 31 March, 2017

A summary of the policies applied to the Company's intangible assets is as follows

Intangible assets	Useful lives	Amortisation method used
Product Acquisitions	Fifteen years	Amortised on straight-line basis from the month of additions to match their future economic benefits
Germplasm	Ten to fifteen years	Amortised on straight-line basis
Other Intangible assets	Five years	Amortised on straight-line basis

e. **Borrowing costs**

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f. **Foreign Currency**

Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. 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 transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

g. **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Notes to financial statements for the year ended 31 March, 2017

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (note 40)
- Financial instruments (including those carried at amortised cost) (note 5, 6, 7, 10, 11, 11A, 14, 15, 18, 38, 39, 40 and 41)

h. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i. **Inventories**

(i) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below

Notes to financial statements for the year ended 31 March, 2017

cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the

Notes to financial statements for the year ended 31 March, 2017

current best estimates.

l. Retirement and other employee benefits

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the year when the contributions are due. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

Remeasurements, comprising of acturial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition

Notes to financial statements for the year ended 31 March, 2017

of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
e) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

n. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships

Notes to financial statements for the year ended 31 March, 2017

as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 14.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. **Derivative financial instruments**

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

p. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q. **Cash dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount

Notes to financial statements for the year ended 31 March, 2017

are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

s. **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable

Notes to financial statements for the year ended 31 March, 2017

adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

t. Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

u. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

v. Segment Reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

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

Segment 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. Common allocable costs are allocated to each segment on an appropriate basis.

w. Contigent Liability and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contigent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

x. Share-Based Payments:

Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

y Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments)

Notes to financial statements for the year ended 31 March, 2017

Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'.The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Notes to financial statements for the year ended 31 March, 2017

3. Property, plant and equipment

INR Crores

	Land - Freehold	Land - Leasehold	Building	Plant and Equipment	Laboratory Equipments	Office Equipments	Furniture, Fixtures and Equipments	Vehicles	Leasehold Improvements	Capital Work in Progress	Total
Cost or valuation											
At 1 April 2015	101	132	139	1,624	14	34	39	23	27	291	2,424
Additions	-	7	15	497	9	13	12	4	27	435	1,019
Disposals	-	-	(0)	(15)	(0)	(2)	(1)	(0)	-	-	(18)
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(536)	(536)
At 31 March 2016	101	139	154	2,106	23	45	50	27	54	190	2,889
Additions	-	12	29	307	8	7	4	6	2	185	560
Disposals	(8)	(0)	(4)	(17)	(2)	(1)	(0)	(0)	-	-	(32)
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(126)	(126)
At 31 March 2017	93	151	179	2,396	29	51	54	33	56	249	3,291
Depreciation											
At 1 April 2015	-	-	36	821	4	28	26	17	25	-	957
Depreciation	-	-	6	146	2	7	5	3	2	-	171
Disposals	-	-	(0)	(12)	(0)	(2)	(0)	(0)	-	-	(14)
At 31 March 2016	-	-	42	955	6	33	31	20	27	-	1,114
Depreciation (refer note 27)	-	-	6	171	3	10	7	4	4	-	205
Disposals	-	-	(0)	(7)	(2)	(1)	(0)	(0)	-	-	(10)
At 31 March 2017	-	-	48	1,119	7	42	38	24	31	-	1,309
Net book value											
At 31 March 2017	93	151	131	1,277	22	9	16	9	25	249	1,982
At 31 March 2016	101	139	112	1,151	17	12	19	7	27	190	1,775
At 1 April 2015	101	132	103	803	10	6	13	6	2	291	1,467

Net book value

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Plant, property and equipment	1,733	1,585	1,176
Capital work in progress	249	190	291
Total	1,982	1,775	1,467

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2017 was INR Nil (31 March 2016: ₹10 crores; 1 April, 2015: ₹14 crores). The rate used to determine the amount of borrowing costs eligible for capitalisation was 10.39%, which is the effective interest rate of the specific borrowing.

Capital Work in Progress

Capital work in progress as at 31 March 2017 comprises expenditure for the plant and building in the course of construction.

Notes to financial statements for the year ended 31 March, 2017

4. Intangible assets

INR Crores

	Goodwill*	Other Intangible Assets								Intangible asset under development	Total
		Data Access Fees	Product Registrations	Product Acquisitions	Task Force Expenses	Software/ Licence Fees	Brands/Trade Marks	Technical Knowhow	Germplasm		
Cost											
At 1 April 2015	3,704	94	98	601	8	16	63	11	9	79	4,683
Additions during the year	-	3	69	2	15	5	-	-	4	21	119
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(81)	(81)
At 31 March 2016	3,704	97	167	603	23	21	63	11	13	19	4,721
Additions during the year	-	-	17	-	-	4	-	-	-	10	31
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(6)	(6)
At 31 March 2017	3,704	97	184	603	23	25	63	11	13	23	4,746
Amortisation											
At 1 April 2015	-	94	68	197	8	9	50	10	6	-	442
Amortisation	370	(0)	24	41	3	3	6	(0)	1	-	448
At 31 March 2016	370	94	92	238	11	12	56	10	7	-	890
Amortisation (note 27)	369	(0)	26	41	3	4	6	(0)	1	-	450
At 31 March 2017	739	94	118	279	14	16	62	10	8	-	1,340
Net book value											
At 31 March 2017	2,965	3	66	324	9	9	1	1	5	23	3,406
At 31 March 2016	3,334	3	75	365	12	9	7	1	6	19	3,831
At 1 April 2015	3,704	-	30	404	-	7	13	1	3	79	4,241

Net book value

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Goodwill	2,965	3,334	3,704
Other intangible assets	418	478	458
Intangible assets under development	23	19	79
Total	3,406	3,831	4,241

***Goodwill arising on Amalgamation**

Goodwill includes goodwill arising on amalgamation of Advanta Limited fully described in note 45 of the financial statements.

"Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

The Company generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements's best estimate about future developments."

Notes to financial statements for the year ended 31 March, 2017

Financial Assets

5. Investments

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
Investment stated at Cost				
(A)	Investments in Equity Instruments			
a.	Investment in Subsidiaries (Unquoted)			
(i)	1,36,000 (31 March 2016: 1,36,000; 1 April 2015:8,36,000) Ordinary Shares of US $ 100 each fully paid-up in UPL Corporation Limited (formerly known as Bio-Win Corporation Ltd	77	77	383
(ii)	3,053 (31 March 2016: 3,053; 1 April 2015:3,053) equity shares of Euro 100 each, fully paid-up in Advanta Holdings B.V., Netherlands	171	171	168
(iii)	50,007 (31 March 2016: 50,007; 1 April, 2015:50,007) Equity Shares of ₹10 each fully paid-up in Shroffs United Chemicals Limited	0	0	0
(iv)	99,000 (31st March 2016 : 99,000; 1 April, 2015:99,000) equity shares of $ 1 each, fully paid-up in PT Advanta Indonesia	1	1	1
(v)	10,00,007 (31 March 2016: 10,00,007; 1 April, 2015: 10,00,007) Equity Shares of ₹10 each fully paid-up in SWAL Corporation Limited	17	17	17
(vi)	2 (31 March 2016: 2; 1 April, 2015:2) ordinary shares of $ 1 each, fully paid-up in Advanta Seed International, Mauritius	0	0	0
(vii)	10,00,000 (31 March, 2016: 10,00,000; 1 April, 2015: 10,00,000) Equity Shares of ₹10 each fully paid-up in Agrinet Solutions Limited	2	2	2
(viii)	UPL (India) LLP - Capital Contribution in LLP	9	0	0
	Name of Partners: UPL Limited			
	SWAL Limited			
	Total Capital of the firm: 1,53,00,000			
	Share of each partner: UPL Limited - 95%			
	SWAL Limited - 5%"			
(ix)	UPL(Global) LLP - Capital Contribution in LLP (Unquoted)	0	0	0
	Name of Partners: UPL Limited			
	SWAL Limited			
	Total Capital of the firm: ₹10,00,000			
	Share of each partner: UPL Limited - 95%			
	SWAL Limited - 5%"			
b.	Investment in Associates (Unquoted)			
(i)	9,21,000 (31 March, 2016: 9,21,000; 1 April, 2015: 9,21,000) Equity Shares of ₹10 each fully paid-up in Chemisynth (Vapi) Limited	-	-	-
(ii)	33,50,000 (31 March, 2016: 33,50,000; 1 April, 2015) Equity Shares of ₹10 each fully paid-up in Kerala Enviro Infrastructure Limited	3	3	3
(iII)	37,681 (31 March, 2016: Nil; 1 April, 2015: Nil) equity shares of ₹10 each, fully paid-up in Weather Risk Management Services Pvt Ltd	10	-	-
c.	Investment in Joint Ventures (Unquoted)			
(i)	NIL (31 March, 2016: 1,627; 1 April, 2015:1,627) Equity Shares of Tk.1,000 each fully paid-up in United Phosphorus (Bangladesh) Limited	-	0	0
(B)	Investments in Preference Instruments in subsidiaries (Unquoted)			

Notes to financial statements for the year ended 31 March, 2017

5. Investments contd.

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
(i)	NIL (31 March, 2016: 7,02,000; 1 April, 2015:7,02,000) 4% Non-Cumulative Non-Convertible Preference Shares of ₹100 each fully paid-up in SWAL Corporation Limited	-	7	7
(ii)	6,393 (31 March, 2016: 6,393; 1 April, 2015:6,393) Preference shares of Euro 5,000 each, fully paid-up in Advanta Holdings B.V., Netherlands	210	210	210
Investment stated at Amortised Cost				
	Investments in Government or trust securities (Unquoted)	0	0	0
Investments stated at Fair Value through OCI				
	Investments in Equity Instruments (Quoted)	3	2	1
Investments stated at Fair Value through Profit and Loss				
a.	Investments in optionally convertible Bonds (Unquoted)	83	91	82
b.	Investment in Others (Unquoted)	7	7	7
	Total Non-Current Investments	593	588	881
	Aggregate amount and Market value of quoted investments	3	2	1
	Aggregate amount of unquoted investments	590	586	880
	Impairment of investments	-	-	-

Investments at fair value through Profit or loss (fully paid) reflect investment in debt instruments . Refer note 39 for determination of their fair values.

Investments at fair value through OCI (fully paid) reflect investment in quoted equity securities . Refer note 39 for determination of their fair values.

List of significant investments in Subsidiaries, Joint Venture and Associates

	Name and Country of Incorporation	% of equity interest		
		31-Mar-17	31-Mar-16	01-Apr-15
a.	Subsidiaries			
	UPL Corporation Limited (formerly known as Bio-Win Corporation Ltd), Mauritius	100%	100%	100%
	Advanta Holdings B.V., Netherlands	100%	100%	100%
	PT Advanta Indonesia	100%	100%	100%
	SWAL Corporation Limited, India	100%	100%	100%
	Advanta Seed International, Mauritius	100%	100%	100%
	Agrinet Solutions Limited, India	50%	50%	50%
	Shroffs United Chemicals Limited, India	100%	100%	100%
	UPL (India) LLP, India	95%	95%	95%
	UPL (Global) LLP, India	95%	95%	95%
b.	Joint Ventures			
	United Phosphorus (Bangladesh) Limited	-	50%	50%
c.	Associates			
	Chemisynth (Vapi) Limited, India	30%	30%	30%
	Kerala Enviro Infrastructure Limited, India	28%	28%	28%
	Weather Risk Management Services Pvt Ltd, India	27%	-	-

Notes to financial statements for the year ended 31 March, 2017

6. Loans

INR Crores

		Non-current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
(A)	**Security Deposit**						
a.	Unsecured, Considered good	79	73	63	-	-	-
b.	Doubtful	2	2	2	-	-	-
	Less: Allowance for doubtul security deposit	(2)	(2)	(2)	-	-	-
		79	**73**	**63**	**-**	**-**	**-**
(B)	**Loans and Advances to related parties (refer note 36)**						
a.	Unsecured, Considered good	859	1,126	1,066	127	288	476
		859	**1,126**	**1,066**	**127**	**288**	**476**
(C)	**Loans to employees**						
a.	Unsecured, Considered good	3	1	1	1	1	2
		3	**1**	**1**	**1**	**1**	**2**
(D)	**Sundry loans**						
	Doubtful	2	2	2	-		-
	Less: Allowance for doubtul sundry loans	(2)	(2)	(2)	-	-	-
		-	**-**	**-**	**-**	**-**	**-**
	Total loans	**941**	**1,200**	**1,130**	**128**	**289**	**478**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company.

7. Other Financial Assets

INR Crores

		Current		
		31-Mar-17	31-Mar-16	01-Apr-15
(A)	**Interest receivable**			
a.	Unsecured, Considered good	5	6	26
b.	Doubtful	0	0	0
	Less: Allowance for doubtul Interest receivable	(0)	(0)	(0)
		5	**6**	**26**
(B)	**Receivables from related parties**			
a.	Unsecured, Considered good	47	71	42
		47	**71**	**42**
(C)	**Other receivables**			
a.	Unsecured, Considered good	-	-	5
b.	Doubtful	2	2	2
	Less: Allowance for doubtful other financial assets	(2)	(2)	(2)
		-	**-**	**5**
	Total Other Financial Assets	**52**	**77**	**73**

Notes to financial statements for the year ended 31 March, 2017

7. Other Financial Assets (contd.)

Break up of financial assets carried at amortised cost

INR Crores

	Non-current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Security Deposits	79	73	63	-	-	-
Loans (note 6)	3	1	1	1	1	2
Trade receivable (note 10)	-	-	-	1,957	1,866	1,430
Cash and cash equivalents (note 11)	-	-	-	59	65	86
Other Bank balance (note 11A)	-	-	-	12	10	55
Total financial assets carried at amortised cost	**82**	**74**	**64**	**2,029**	**1,942**	**1,573**

8. Other Assets

INR Crores

		Non-current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
(i)	Capital advances	32	19	32	-	-	-
(ii)	Export Benefits Receivable	60	-	-	75	109	75
(iii)	Deposits with the Collectorate of Central Excise and Customs	21	20	20	150	126	95
(iv)	Statutory receivables	141	126	103	150	144	70
(v)	Prepaid Expense	4	5	6	25	12	8
(vi)	Other Advances	17	23	12	39	53	46
		275	**193**	**173**	**439**	**444**	**294**

9. Inventories (Valued at lower of cost and net realisable value)

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
a.	Raw materials and components [includes goods in transit: ₹9 crores (31 March, 2016: ₹5 crores; 1 April, 2015:₹1 crore)]	404	370	310
b.	Work in progress	148	166	122
c.	Finished goods	647	656	662
d.	Traded goods [includes goods in transit: ₹12 crores (31 March, 2016: ₹5 crores; 1 April, 2015: ₹12 crores)]	91	25	35
e.	Store and spares [including fuel]	31	27	23
f.	Packing Material	28	30	28
g.	By products	6	10	11
	Total inventories at the lower of cost and net realisable value	**1,355**	**1,284**	**1,191**

Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is ₹38 crores (31 March 2016: ₹6 crores, 1 April 2015: ₹1 crore)

Notes to financial statements for the year ended 31 March, 2017

10. Trade receivables

INR Crores

	Current		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade Receivables			
Unsecured, Considered good	1,957	1,866	1,430
Doubtful	69	77	69
Less: Allowance for doubtul trade receivable	(69)	(77)	(69)
Total trade receivables	**1,957**	**1,866**	**1,430**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 36.

Trade receivables are non-interest bearing and are generally on terms of 45 to 270 days.

The Company has entered into an agreement to sell and asign its receivables to certain banks. In connection therewith, the Company sells its receivables to these banks on a non recourse basis. When the Company sells its receivables to these banks the transfer is treated as a "true sale" for both legal and financial reporting purposes. As such, the assets once transferred to these banks are not reflected on the balance sheet date of the Company. As at March 31, 2017, the Company sold receivables which have been derecognised amounting to ₹147 crores. (31 March, 2016: ₹55 crores; 1 April, 2015: ₹103 crores).

For explanations on the Company's credit risk management processes, refer note 41

11. Cash and cash equivalents

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Balances with banks (of the nature of cash and cash equivalents):			
- Current accounts	59	38	49
- Deposits with original maturity of less than three months*	-	27	37
Cash on Hand	0	0	0
	59	**65**	**86**

* Fixed deposit of ₹NIL [31 March, 2016: ₹23 crores; 1 April, 2015:₹23 crores] earmarked towards redemption of debentures.

11A. Other Bank Balances

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
- Unclaimed Dividend accounts	6	4	3
- Margin money deposit **	5	6	22
- Deposits with original maturity for more than 3 months but less than 12 months	1	-	30
	12	**10**	**55**

** Margin money deposits given as security against Bank Guarantees

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Balances with banks:			
-Current accounts	59	38	49
- Deposits with original maturity of less than three months*	-	27	37
Cash on Hand	0	0	0
	59	**65**	**86**

Notes to financial statements for the year ended 31 March, 2017

12. Share Capital

Authorised Share Capital

Equity Shares of INR 2 each	No.	INR Crores
At 1 April 2015	1,27,50,00,000	255
Increase/(decrease) during the year	-	-
At 31 March 2016	1,27,50,00,000	255
Increase/(decrease) during the year	(3,75,00,000)	(7)
At 31 March 2017	**1,23,75,00,000**	**248**

Issued equity capital

Equity shares of INR 2 each issued, subscribed and fully paid	No.	INR Crores
At 1 April 2015	42,86,04,274	86
Increase/(decrease) during the year	-	-
At 31 March 2016	42,86,04,274	86
Increase/(decrease) during the year	7,84,12,844	15
At 31 March 2017	**50,70,17,118**	**101**

Terms/ rights attached to equity shares

The Company has one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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 the 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.

During the year ended 31st March, 2017, the amount of per share dividend proposed as distributions to equity shareholders is ₹7 (31st March, 2016: ₹5)

Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity shares of INR 2 each fully paid						
Nerka Chemicals Private Limited	10	19.98%	10	23.01%	10	23.01%
Uniphos Enterprises Limited	3	5.03%	3	5.91%	3	5.91%

As per 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 ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Equity shares bought back by the Company.	3	3	3

There are 42,361,062 shares (31 March, 2016: 257,120; 1 April, 2015:307,120) underlying equity shares of the Company in respect of GDR's traded on Luxemburg Stock Exchange and against conversion of each GDR ten equity shares were issued.

During the year, 42,103,942 underlying equity shares of the Company in respect of GDR's listed on Singapore Stock Exchange were issued pursuant to scheme of amalgamation of Advanta Limited with the Company (refer note 45).

Notes to financial statements for the year ended 31 March, 2017

12A. Preference Share Capital

Authorised Share Capital

	Preference Shares of INR 100 each		Preference Shares of INR 10 each	
	No.	INR Crores	No.	INR Crores
At 1 April 2015	1,40,00,000	140	50,00,000	5
Increase/(decrease) during the year	-	-	-	-
At 31 March 2016	1,40,00,000	140	50,00,000	5
Increase/(decrease) during the year	(1,40,00,000)	(140)	22,45,00,000	225
At 31 March 2017	**-**	**-**	**22,95,00,000**	**230**

Issued Preference Share Capital

	Optionally Convertible Preference Shares (OCPS)		Compulsorily Convertible Preference Shares (CCPS)	
	No.	INR Crores	No.	INR Crores
At 1 April 2015	-	-	-	-
Increase/(decrease) during the year	-	-	-	-
At 31 March 2016	-	-	-	-
Increase/(decrease) during the year	2,46,42,786	25	8,19,40,125	82
At 31 March 2017	**2,46,42,786**	**25**	**8,19,40,125**	**82**
Debt portion of OCPS considered as part of Short term borrowings		24		
Equity portion of OCPS considered as part of other Equity		1		

Terms/ rights attached to preference shares

Each Compulsory Convertible Preference Share (CCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one CCPS held. If the CCPS are not converted within 18 months from the date of allotment, then the CCPS shall be automatically converted into equity shares of the Company at the end of 18 months from the date of allotment. The CCPS carry a dividend of 5% per annum, payable annualy, subject to deduction of taxes at source, if applicable. The CCPS shall be non-cumulative and non-participating in nature. The holder of CCPS shall have right to vote in accordance with Section 47 of the Companies Act, 2013.

Each Optionally convertible preference share (OCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one OCPS held. If the OCPS are not converted within 18 months from the date of allotment, then the OCPS shall be automatically redeemed at par. The OCPS carry a dividend of 5% per annum, payable annualy, subject to deduction of taxes at source, if applicable. The OCPS shall be non-cumulative and non-participating in nature. The holder of OCPS shall have right to vote in accordance with Section 47 of the Companies Act, 2013. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

12B. Share Capital Suspense

During the year, the Company has alloted Equity Shares, Compulsorily Convertible Preference Shares and Optionally Convertible Preference Shares to the share holders of erstwhile Advanta Limited, pursuant to Scheme of Amalgamation as described in detail in Note 45. Accordingly during the year, the balance lying in Share Capital Suspense Account has been transferred to respective Equity / Liability Account.

Notes to financial statements for the year ended 31 March, 2017

12C. Distribution made & Proposed

INR Crores

	31-Mar-17	31-Mar-16
Cash dividends on Equity shares declared and paid:		
Final dividend for 31 March 2016: ₹5 per share (31 March 2015: ₹5 per share)	214	214
	214	**214**
Proposed dividends on Equity shares:		
Proposed cash dividend for 31 March 2017: ₹7 per share (31 March 2016: ₹5 per share)	355	214
	355	**214**

Note

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2017.

13. Other equity

INR Crores

		31-Mar-17
i)	**Securities Premium Reserve**	
	At 1 April 2015	**822**
	Increase/(decrease) during the year	-
	At 31 March 2016	**822**
	Increase/(decrease) during the year	3,676
	At 31 March 2017	**4,498**
ii)	**Retained Earnings**	
	At 1 April 2015	**750**
	Add: Profit for the year	385
	Add: Transfer from Debenture redemption reserve	39
	Less: Re-measurement gains (losses) on defined benefit plans	(2)
	Less: Appropriations:	
	Dividend on Equity Shares	(214)
	Transfer to debenture redemption reserve	(29)
	Total appropriations	(243)
	At 31 March 2016	**929**
	Add: Profit for the year	245
	Add: Transfer from Debenture redemption reserve	15
	Less: Re-measurement gains (losses) on defined benefit plans	(2)
	Less: Appropriations:	
	Dividend on Equity Shares	(214)
	Dividend on Optionally Convertibe Preference Share	(3)
	Transfer to debenture redemption reserve	(2)
	Total appropriations	(219)
	At 31 March 2017	**968**
iii)	**Other Reserves**	
	Capital Redemption Reserve	
	At 1 April 2015	**36**
	Increase/(decrease) during the year	-

Notes to financial statements for the year ended 31 March, 2017

13. Other equity (contd.)

INR Crores

	31-Mar-17
At 31 March 2016	36
Increase/(decrease) during the year	-
At 31 March 2017	36
Capital Reserve	
At 1 April 2015	86
Increase/(decrease) during the year	-
At 31 March 2016	86
Increase/(decrease) during the year	-
At 31 March 2017	86
Debenture Redemption Reserve	
At 1 April 2015	150
Add: Amount transferred from retained earnings	29
Less: Amount transferred to retained earnings	(39)
At 31 March 2016	140
Add: Amount transferred from retained earnings	2
Less: Amount transferred to retained earnings	(15)
At 31 March 2017	127
Share based payment reserve	
At 1 April 2015	2
Increase/(decrease) during the year	0
At 31 March 2016	2
Increase/(decrease) during the year	0
At 31 March 2017	2
General Reserve	
At 1 April 2015	1,848
Increase/(decrease) during the year	-
At 31 March 2016	1,848
Increase/(decrease) during the year	-
At 31 March 2017	1,848
Equity Component of convertible preference shares	
At 1 April 2015	-
Increase/(decrease) during the year	-
At 31 March 2016	-
Increase/(decrease) during the year	0
At 31 March 2017	0
Equity Instruments through Other Comprehensive Income	
At 1 April 2015	-
Increase/(decrease) during the year	1
At 31 March 2016	1
Increase/(decrease) during the year	1
At 31 March 2017	2

Notes to financial statements for the year ended 31 March, 2017

13. Other equity (contd.)

Securities Premium Reserve - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

Share Based Payment Reserve - Pursuant to merger of Advanta Limited with effect from April 1, 2015 the company has taken over share based payments obligation towards its employees as per the original terms and conditions. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to the key employees as part of their remuneration. Refer to Note 34 for further details of the scheme.

Capital Redemption Reserve - Capital Redemption Reserve was created for buy-back of shares.

General Reserve - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

Capital Reserve - The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

Debenture Redemption Reserve (DRR) - The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

Other reserves INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Capital Reserve	86	86	86
Capital Redemption Reserve	36	36	36
Debenture Redemption Reserve	127	140	150
General Reserve	1,848	1,848	1,848
SBP Reserve	2	2	2
Equity Instruments through Other Comprehensive Income	2	1	0
Equity Component of convertible preference shares	0	-	-
Total other reserves	**2,101**	**2,113**	**2,122**

The disaggregetion of changes in OCI by each type of reserves in equity is disclosed in Note 30.

Notes to financial statements for the year ended 31 March, 2017

14. Borrowings

INR Crores

	Effective interest rate (%)	Maturity	31-Mar-17	31-Mar-16	01-Apr-15
Non-current Borrowings					
Debentures					
Unsecured Redeemable Non convertible Debentures (NCDs) (Refer note a below)	10.44% to 10.85%	2018-2026	756	755	903
			756	**755**	**903**
Term Loan					
Loan from Biotechnology Industry Research Assistance (BIRAC) (Secured)			-	0	1
			-	**0**	**1**
Current maturities of Non- current Debentures			52	217	231
			52	**217**	**231**
Total Non-current Borrowings			**808**	**972**	**1,135**
Less: Amount clubbed under "other current financial liabilities"			(52)	(217)	(231)
Net Non-current Borrowings			**756**	**755**	**904**
Aggregate Secured loans			-	0	1
Aggregate Unsecured loans			756	755	903
Current Borrowings					
Loans repayable On Demand					
From Banks					
Cash credit, packing credit and working capital demand loan accounts (Refer note b below)					
Secured	MCLR + 195bps and	On demand	3	54	19
Unsecured	LIBOR + 10bps	On demand	13	623	345
			16	**677**	**364**
Liability component of compound financial instrument					
Optionally Convertible preference shares (unsecured) (refer note 12A)			24		
			24	**-**	**-**
Trade Receivables factored with recourse (Unsecured)			**-**	**1**	**8**
Total current Borrowings			**40**	**678**	**372**
Aggregate Secured loans			3	54	19
Aggregate Unsecured loans			37	624	353

a. **Unsecured Redeemable Non-Convertible Debentures (NCD's)**

The Borrowings and current maturities of long term borrowings include ₹48 crores (31 March, 2016: ₹62 crores; 1 April 2015: ₹75 crores) pertaining to interest accrued but not due on account of recognition of Debentures at amortised cost as per EIR method.

NCDs of face value amounting to ₹300 crores (31 March, 2016: ₹300 crores; 1 April, 2015: ₹300 crores) have been issued under two series and are redeemable at par at the end of 10th year ₹150 crores i.e June, 2022 and 7th year ₹150 crores i.e June, 2019 from the date of allotment. Out of the above, NCDs amounting to ₹90 crores have been bought back by the Company.

Notes to financial statements for the year ended 31 March, 2017

14. Borrowings (contd.)

NCDs of face value amounting to ₹250 crores (31 March, 2016: ₹250 crores; 1 April, 2015: ₹250 crores) are redeemable at par at the end of 15th year i.e July 2026 from the date of allotment . The NCDs carry a call option at the end of 10th year from the date of allotment.

NCDs of face value aggregating to ₹300 crores (31 March, 2016:₹300 crores; 1 April, 2015: ₹300 crores) have been issued under four series and are redeemable at par of ₹75 crores each at the end of 12th year, 11th year, 9th year and 8th year i.e. October 2022, October 2021, October 2019 and October 2018 respectively from the date of allotment.

NCDs of face value aggregating to ₹ Nil (31 March, 2016:₹150 crores; 1 April, 2015: ₹300 crores) are redeemable at par at the end of 10th year i.e., April, 2020 from the date of allotment. The NCDs carry a call option at the end of 10th year i.e., April, 2016 from the date of allotment.

NCD's mentioned above carry a coupon rate ranging from 9.95% to 10.70%

b. **Secured Loan repayable on demand from Banks**

Outstanding loan is secured by hypothecation of inventories, bills receivables, book debts and all movable assets of the Company both present and future, wherever situated.

15. Other financial liabilities

INR Crores

	Non-current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Financial liabilities at fair value through profit or loss						
Derivatives contract (net)	142	197	185	-	70	48
Total financial liabilities at fair value through profit or loss	**142**	**197**	**185**	**-**	**70**	**48**
Other financial liabilities carried at amortised Cost						
Current maturities of long-term borrowings (note 14)	-	-	-	52	217	231
Trade Deposits	-	-	-	51	58	49
Creditors for capital goods	-	-	-	38	51	105
Interest accrued on borrowings	-	-	-	-	2	3
Unpaid dividend	-	-	-	6	4	3
Others	4	4	4	1	3	7
Total other financial liabilities carried at amortised Cost	**4**	**4**	**4**	**148**	**335**	**398**
Financial Guarantee obligations	**-**	**-**	**-**	**-**	**-**	**3**
Total other financial liabilities	**146**	**201**	**189**	**148**	**405**	**449**

Break up of financial liabilities carried at amortised cost

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Borrowings (non-current) (note 14)	756	755	904
Borrowings (current) (note 14)	40	678	372
Current maturity of long term loans (note 15)	52	217	231
Trade payables (non-current) (note 17)	9	8	6
Trade payables (current) (note 18)	2,188	1,750	1,712
Other financial liabilities (Note 15)	96	118	167
Total financial liabilities carried at amortised cost	**3,141**	**3,526**	**3,392**

Notes to financial statements for the year ended 31 March, 2017

16. Provisions

INR Crores

	Mar-17			Mar-16		
	Leave encashment	Dividend on CCPS	Total	Leave encashment	Dividend on CCPS	Total
Opening	51	-	51	42	-	42
Arising during the year	20	3	23	12	-	12
Utilised	(8)	-	(8)	(3)	-	(3)
Closing	**63**	**3**	**66**	**51**	**-**	**51**

17. Trade payables

INR Crores

	Non - Current		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables	9	8	6
	9	**8**	**6**

18. Trade payables

INR Crores

	Current		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables			
- Outstanding dues of micro and small enterprises	1	-	-
- Outstanding dues of other than micro and small enterprises	2,187	1,750	1,712
	2,188	**1,750**	**1,712**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90-360 days terms

For terms and conditions with related parties, refer note 36

For explanations on the Company's credit risk management processes, refer note 41

19. Deferred Tax Liabilities (net)

Income Tax

The major components of income tax expense for the year ended:

Statement of profit and loss:

INR Crores

	31-Mar-17	31-Mar-16
Current income tax:		
Current income tax charge	89	107
Deferred tax:		
Relating to origination and reversal of temporary differences	84	16
Income tax expense reported in the statement of profit or loss	**173**	**123**

OCI section

Deferred tax related to items recognised in OCI:

INR Crores

	31-Mar-17	31-Mar-16
Net loss/(gain) on remeasurements of defined benefit plans	1	1
Income tax charged to OCI	**1**	**1**

Notes to financial statements for the year ended 31 March, 2017

19. Deferred Tax Liabilities (net) (contd.)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

INR Crores

	31-Mar-17	31-Mar-16
Accounting profit before income tax	417	508
Statutory income tax rate of 34.608% (31 March 2016: 34.608%)	144	176
Dividend Income from Subsidiary	(75)	(75)
Profit on Buyback of shares by Subsidiary	-	(65)
Investment Allowance on new Plant & Machinery	(16)	(25)
Additional deduction on expenditure on Research & Development	(15)	(17)
Amortisation of goodwill in books considered as not deductible in provision for tax	128	128
Others	7	1
At the effective income tax rate of 41.48% (31 March 2016: 24.21%)	**173**	**123**
Income tax expense reported in the statement of profit and loss	173	123

Deferred tax relates to the following

INR Crores

	Balance Sheet			Statement of profit and loss	
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16
Accelerated depreciation for tax purposes	(189)	(171)	(142)	18	28
Debentures carried at amortised cost	(2)	(2)	(2)	(0)	(0)
Minimum tax credit	-	75	75	75	-
Provision for doubtful debts and advances	32	35	27	3	(8)
Gratuity	6	4	2	(2)	(1)
Leave Encashment	22	18	14	(4)	(4)
Unwinding of interest cost of trade payables	(7)	(8)	(7)	(1)	1
Others	5	(0)	(0)	(5)	(0)
Net deferred tax assets/(liabilities)	**(133)**	**(49)**	**(33)**	**-**	**-**
Deferred tax expense/(income)	**-**	**-**	**-**	**84**	**16**

Reflected in the balance sheet as follows:

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Deferred tax assets	65	132	118
Deferred tax liabilities:	(198)	(181)	(151)
Deferred tax liabilities, net	**(133)**	**(49)**	**(33)**

Reconciliation of deferred tax liabilities (net):

INR Crores

	31-Mar-17	31-Mar-16
Opening balance as of 1 April	**49**	**33**
Tax income/(expense) during the year recognised in profit or loss	84	17
Tax income/(expense) during the year recognised in OCI	1	(1)
Tax income/(expense) during the year recognised in Equity	(1)	-
Closing balance as at 31 March	**133**	**49**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to financial statements for the year ended 31 March, 2017

20. Other current liabilities

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Advances against Orders	49	53	52
Statutory Liabilities	41	48	57
Other liabilities	4	1	2
Total other current liabilities	**94**	**102**	**111**

21. Revenue from operations

INR Crores

	31-Mar-17	31-Mar-16
Sale of products (including excise duty)	7,107	6,092
Sale / rendering of services		
Job-work income	16	16
Management service fees	8	6
Others	1	1
Other operating revenues		
Export Incentives	88	97
Refund of Excise Duty	29	33
Excess Provisions in respect of earlier years written back (net)	23	29
Miscellaneous Receipts	5	3
Total	**7,277**	**6,277**

22. Other income

INR Crores

	31-Mar-17	31-Mar-16
Interest income on		
Bank deposits	2	4
Loans and others	61	55
Dividend Income on		
Long-term investments in Subsidiary	216	217
Other non-operating income		
Profit on buyback of shares by Subsidiary	-	189
Unwinding of Corporate Guarantee obligation and Long term deposits	-	5
Fair value gain on financial instruments at fair value through profit or loss	12	4
Rent received	4	3
Profit on sale of assets (net)	10	0
Profit on sale of Investment	5	-
Sundry Credit Balances written back (net)	5	1
Commission Income	1	2
Share in profit from investment in LLP	8	-
Miscellaneous Income	1	1
	325	**481**

Notes to financial statements for the year ended 31 March, 2017

23. Cost of raw material and components consumed

INR Crores

	31-Mar-17	31-Mar-16
Inventory at the beginning of the year	370	310
Add: Purchases	3,063	2,846
	3,433	3,156
Less: inventory at the end of the year	404	370
Cost of raw material and components consumed	3,029	2,786

24. (Increase)/Decrease in inventory

INR Crores

	31-Mar-17	31-Mar-16
Inventories at the end of the year		
Finished goods	647	656
By-products	6	10
Semi-finished goods	148	166
Traded goods	91	25
	892	**857**
Inventories at the beginning of the year		
Finished goods	656	662
By-products	10	11
Semi-finished goods	166	122
Traded goods	25	35
	857	**830**
	(35)	**(27)**
Less: Excise duty on stocks	(73)	(30)
	(108)	**(57)**

25. Employee benefits expense

INR Crores

	31-Mar-17	31-Mar-16
Salaries, wages and bonus	354	325
Contribution to provident and other funds	21	21
Share based payments to employees	0	0
Retirement benefits	26	15
Staff welfare expenses	44	38
	445	**399**

26. Finance costs

INR Crores

	31-Mar-17	31-Mar-16
Interest:		
- On Debentures	81	86
- On Foreign Currency convertible Bonds	-	11
- On Cash Credit and Working Capital Demand Loan Accounts	47	50
- On Fixed Loans	-	0
- On Others	38	33
Exchange Difference (net)	39	(43)
(Gain)/Loss on Derivatives Instruments	(97)	19
Unwinding of Interest cost on Trade Payable	31	25
Other Financial Charges	10	11
Total finance costs	**149**	**192**

Notes to financial statements for the year ended 31 March, 2017

27. Depreciation and amortization expense

INR Crores

	31-Mar-17	31-Mar-16
Depreciation of tangible assets	205	171
Amortization of intangible assets	450	448
	655	**619**

28. Other expense

INR Crores

	31-Mar-17	31-Mar-16
Power and fuel	287	312
Containers & packing materials consumed	302	258
Transport Charges	237	206
Sub-contracting expenses	230	192
Sales Commission	127	127
Rent (Refer note: 35)	83	84
Effluent Disposal Charges	79	79
Travelling and conveyance	74	68
Advertising and sales promotion	87	68
Legal and professional fees	69	66
Consumption of stores and spares	53	50
Repairs and maintenance		
Plant and machinery	32	25
Buildings	4	5
Others	30	31
Rates and taxes	23	18
Exchange differences (net)	22	16
Charity and Donations ([includes ₹25 Crores (31 March 2016: NIL) paid to Satya Electoral Trust for political purpose)	51	13
Insurance	13	11
Allowances for doubtful debts and advances (net)	6	10
Assets written off	4	4
Payment to auditor (Refer details below)	3	2
Directors' sitting fees	0	0
Other Expenses	113	90
	1,929	**1,735**

Payment to Auditors

INR Crores

	31-Mar-17	31-Mar-16
As auditor:		
Audit fee	3	2
Other services (certification fees)*	0	0
Reimbursement of expenses*	0	0
	3	**2**

* Amount less than a Crore

Notes to financial statements for the year ended 31 March, 2017

28. Other expense (contd.)

Details of CSR expenditure:

INR Crores

Particulars	31-Mar-17			31-Mar-16		
a) Gross amount required to be spent by the company during the year	8			8		
(b) Amount spent during the year ending on 31st March, 2017:	In cash	Yet to be paid in Cash	Total	In cash	Yet to be paid in Cash	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above	23	1	24	11	1	12
Total	**23**	**1**	**24**	**11**	**1**	**12**

29. Research and development costs

INR Crores

	31-Mar-17	31-Mar-16
Research and Development costs, as certified by the Management		
a) Revenue expenses debited to appropriate heads of account.	73	56
b) Capital Expenditure	21	11

30. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2017

INR Crores

	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	(2)	(2)
Gain/(loss) on FVTOCI financial assets	1	-	1
	1	**(2)**	**(1)**

During the year ended 31 March 2016

INR Crores

	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	(2)	(2)
Gain/(loss) on FVTOCI financial assets	1	-	1
	1	**(2)**	**(1)**

31. Earnings per share (EPS)

INR Crores

	31-Mar-17	31-Mar-16
Profit attributable to equity holders for basic earnings	245	385
Weighted average number of Equity shares for basic EPS*	50,70,17,118	50,69,17,696
Effect of dilution:		
Convertible preference shares	22,62,904	23,06,336
Employee Stock options	75,973	6,03,847
Weighted average number of Equity shares adjusted for the effect of dilution *	**50,93,55,995**	**50,98,27,879**
Earnings per equity share (in Rupees)		
Basic (Face value of ₹2 each)	4.84	7.60
Diluted (Face value of ₹2 each)	4.81	7.55

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Notes to financial statements for the year ended 31 March, 2017

32. Details of Loans & Investment as required u/s 186 of Companies Act, 2013

Loans INR Crores

Particulars	31-Mar-17		31-Mar-16	
	Loan given	Outstanding	Loan given	Outstanding
Loan given and proposed to be utilised for business operations by recipient -				
Tatva Global Environment Pvt Limited	-	-	15	-
Bharuch Enviro Infrastructure Limited	-	1	-	5
Loan given to subsidiaries for working capital / business operations				
Biowin Corporation Limited (foreign currency loan)	-	903	-	1,150
Advanta Holdings BV	168	-	-	217
SWAL Corporation Limited	90	82	14	41

Note: Rate of interest charged on loans given in INR is 13% p.a and in case of foreign currency loan at 2.9% p.a. for loan given prior to April 1, 2014.

Investments

Details required u/s 186 have been disclosed in note 5 of the financial statements.

Note 33: Gratuity and other post-employment benefit plans

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Gratuity Plan	17	13	8

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) The amounts recognised in the statement of Profit and Loss are as follows:

(i) Defined Benefit Plan INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
Current service cost	5	4
Interest cost on benefit obligation	3	2
Return on plan assets	(2)	(2)
Actuarial changes arising from changes in financial assumptions	2	1
Amount included under the head Employee Benefit Expense in Note 25	8	5
Actual return on plan assets	2	2

(ii) Defined Contribution Plan INR Crores

	Provident Fund	
	31-Mar-17	31-Mar-16
Current service cost included under the head Employee Benefit Expense in Note 25	14	13

(iii) Defined Contribution Plan INR Crores

	Superannuation Fund	
	31-Mar-17	31-Mar-16
Current service cost included under the head Employee Benefit Expense in Note 25	7	9

Notes to financial statements for the year ended 31 March, 2017

Note 33: Gratuity and other post-employment benefit plans (contd.)

b) The amounts recognised in the Balance Sheet are as follows: INR Crores

	Defined Benefit Plan - Gratuity (Funded)		
	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded obligation	44	37	31
Less: Fair value of plan assets	27	24	23
Net Liability	17	13	8

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
Opening defined benefit obligation	37	31
Interest cost	3	2
Current service cost	5	4
Benefits paid	(3)	(1)
Actuarial changes arising from changes in financial assumptions	2	1
Closing defined benefit obligation	44	37

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

	Gratuity	
	31-Mar-17	31-Mar-16
Opening fair value of plan assets	24	23
Return on plan assets	2	2
Actuarial changes arising from changes in financial assumptions	1	(1)
Closing fair value of plan assets	27	24

e) Expected contribution to defined benefit plan for the year 2017-18 INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
	18	14

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

	Gratuity	
	31-Mar-17	31-Mar-16
Investments with insurer under:		
Funds managed by insurer	100%	100%

g) The principal actuarial assumptions at the Balance Sheet date.

	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate	6.85 - 7.29%	7.90 - 8.06%	8.00%
Return on plan assets	6.85 - 7.29%	8.06 - 9.00%	8.00 - 9.25%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Proportion of employees opting for early retirement	5% at younger ages and reducing to 1% at old age on graduated scale	5% at younger ages and reducing to 1% at old age on graduated scale	5% at younger ages and reducing to 1% at old age on graduated scale

Notes to financial statements for the year ended 31 March, 2017

Note 33: Gratuity and other post-employment benefit plans (contd.)

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below: INR Crores

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(4)	4	4	(4)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Note 34: Share based payment

Pursuant to merger of Advanta Limited with effect from April 1, 2015 the company has taken over share based payments obligation towards its employees as per the original terms and conditions. Accordingly during the year ended March 31, 2017, the following employee stock option plan (ESOPs) were in existence. The relevant details of the scheme and the grant are as follows:

a Employees stock option and share plan 2006

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on September 20, 2006 which provides for a grant of 840,000 options (each option covertible into share) to employees.

Particulars	31-Mar-17	31-Mar-16
Number of options granted (net of options lapsed)	5,08,390	5,54,620
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	Spread over 4 years and 6 months	Spread over 4 years and 6 months
Exercise period	10 years	10 years

b The details of the activity have been summarized below

Particulars	As at March 31, 2017 (No. of equity shares)	As at March 31, 2016 (No. of equity shares)
Outstanding at the beginning of the year	1,88,055	3,87,480
Exercisable at the beginning of the year	1,12,195	2,76,380
Forfeited during the year	6,075	31,455
Exercised during the year	89,575	1,67,970
Vested during the year	69,785	3,785
Expired during the year	40,155	-
Outstanding at the end of the year	52,250	1,88,055
Exercisable at the end of the year*	52,250	1,12,195
Weighted average remaining contractual life (in years)	4.91	3.87

Notes to financial statements for the year ended 31 March, 2017

Note 34: Share based payment (contd.)

c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2017	As at March 31, 2016
Weighted average share price/market price	68.75	68.75
Exercise price (₹ per share)	57.00	57.00
Expected volatility	64.49%	64.49%
Life of the options granted (vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected dividends	0.30% per annum	0.30% per annum
Average risk-free interest rate	8.04% per annum	8.04% per annum

a Employees stock option plan (ESOP) 2013

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on December 03, 2013 which provides for a grant of 1,300,000 options (each option covertible into share) to employees.

Particulars	31-Mar-17		
Dates of grant	30-Jan-14	27-May-14	25-Jul-14
Dates of board approval	30-Jan-14	27-May-14	25-Jul-14
Date of shareholders approval	3-Dec-13	3-Dec-13	3-Dec-13
Number of options granted	7,11,752	35,000	5,630
Method of settlement (Cash / Equity)	Equity	Equity	Equity
Vesting period	Spread over 4 years		
Exercise period	60 months from the date of grant		

b The details of the activity have been summarized below

Particulars	As at March 31, 2017 (No. of equity shares)	As at March 31, 2016 (No. of equity shares)
Outstanding at the beginning of the year	4,15,792	7,52,382
Exercisable at the beginning of the year	55,695	-
Granted during the year	-	
Forfeited during the year	3,19,685	26,250
Exercised during the year	72,384	3,10,340
Vested during the year	19,503	3,66,035
Expired during the year	-	-
Outstanding at the end of the year	23,723	4,15,792
Exercisable at the end of the year*	2,814	55,695
Weighted average remaining contractual life (in years)	1.95	2.84

Notes to financial statements for the year ended 31 March, 2017

Note 34: Share based payment (contd.)

c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2017	As at March 31, 2016
Weighted average share price/market price (₹ per share)*	112.81	112.81
Exercise price (₹ per share)*	Grant 1 ₹103.80	Grant 1 ₹103.80
	Grant 2 ₹262.75	Grant 2 ₹262.75
	Grant 3 ₹319.70	Grant 3 ₹319.70
Expected volatility	49.17%	49.17%
Life of the options granted (vesting and exercise period) in years	Vesting period + 6 months	Vesting period + 6 months
Expected dividends	0%	0%
Average risk-free interest rate	8.71% per annum	8.71% per annum

d Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

INR Crores

Particulars	March 31, 2017	March 31, 2016
Total employee compensation cost pertaining to stock option plan	0	0
Liability for employee stock option plan outstanding as at the year end	2	2

*Eligible Employees holding 1 Option shall be entitled to purchase 1.06 new equity shares as per the scheme of Amalgamation.

35. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

Lease rent debited to statement of profit and loss is ₹83 crores (31 March, 2016: ₹84 crores)

The Company has entered into operating lease arrangements for its office premises, vehicles, machinery, storage locations and residential premises.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Within one year	20	19	19
After one year but not more than five years	88	83	80
More than five years	38	62	84

b. Commitments

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	134	161	159
b)	The Company has undertaken an export obligation of 6 to 8 times the duty saved on CIF machinery imported by the Company to be fulfilled over a period of 6 to 8 years. The obligation outstanding as on the date of the balance sheet is ₹ Nil (31 March, 2016: ₹17 crores).			

Notes to financial statements for the year ended 31 March, 2017

35. Commitments and contingencies (contd.)

c. Contingent liabilities

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
(a)	Disputed Income-Tax Liability (excluding interest)	26	26	26
(b)	Disputed Excise Duty / Service Tax liability (excluding interest)	173	170	157
(c)	Disputed Sales Tax liability	28	26	26
(d)	Disputed Custom Duty liability	36	36	36
(e)	Disputed Fiscal Penalty for cancellation of licences	33	33	33
(f)	Disputed penalty levied by Competition Commission of India for Cartelization of prices*	252	252	252
(g)	Disputed penalty on Water Tax	2	2	2
	In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities			
(h)	Claims against the Company not acknowledged as debts	6	6	6

* The Competition Commission of India (CCI) had levied a penalty of ₹252 crores on the Company for alleged violation of section 3(3) (b) and 3(3) (d) of the Competition Act 2002. The order of the CCI was challenged before the Competition Appellate Tribunal (COMPAT) which by its order dated 29th October, 2013 has reduced the penalty to ₹7 crores. The Company and CCI have challenged the order of COMPAT before the hon'ble Supreme Court

36. Related party transactions

(a) Relationship:

(i) Name of the Subsidiary Companies:

Shroffs United Chemicals Limited
SWAL Corporation Limited
United Phosphorus (India) LLP
United Phosphorus Global LLP
Optima Farm Solutions Ltd
UPL Europe Limited (formerly known as United Phosphorus Limited, U.K.)
UPL Deutschland GmbH (formerly known as United Phosphorus GMBH, Germany)
United Phosphorus Polska Sp.z o.o - Poland
UPL Benelux B.V.(formerly known as AgriChem B.V.)
Cerexagri B.V., Netherlands
Blue Star B.V.
United Phosphorus Holdings Cooperatief U.A.
United Phosphorus Holdings B.V. , Netherlands
Decco Worldwide Post-Harvest Holdings Cooperatief U.A.
Decco Worldwide Post-Harvest Holdings B.V.
United Phosphorus Holding, Brazil B.V.
UPL Italia S.R.L. (formerly known as Cerexagri Italia S.R.L.)
UPL Iberia, Sociedad Anonima (formerly know asCompania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain)
Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)
Transterra Invest, S. L. U., Spain
Cerexagri S.A.S., France
Neo-Fog S.A.
UPL France (formerly known as Aspen SAS)
United Phosphorus Switzerland Limited
Agrodan, ApS
Decco Italia SRL, Italy
DECCO PORTUGAL POST HARVEST, UNIPESSOAL LDA(FormerlyUPL Portugal Unipessoal LDA)
United Phosphorus Inc.,U.S.A
UPI Finance LLC
Cerexagri, Inc. (PA)
UPL Delaware, Inc.,USA

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

Canegrass LLC, U.S.A
Decco US Post-Harvest Inc, U.S.A
LLC "UPL" (formerly CJSC United Phosphorus Limited, Russia)
Essentiv LLC
RiceCo LLC,USA
Riceco International, Inc., Bahamas
UPL Corporation Limited (Formerly known as Bio-win Corporation Limited, Mauritius)
UPL Limited, Mauritius (Formerly known as Uniphos Limited, Mauritius)
United Phosphorus Limited,Gibraltar (upto 30th March 2017)
UPL Limited, (formerly known as Uniphos Limited), Gibraltar
UPL Management DMCC
UPL Agro S.A. de C.V.(formerly known as United Phosphorus de Mexico, S.A. de C.V.)
Decco Jifkins Mexico Sapi, Mexico
Perrey Participações S.A
United Phosphorus do Brasil Ltda
Uniphos Indústria e Comércio de Produtos Químicos Ltda., Brazil
Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.
DVA Technology Argentina S.A.
UPL Costa Rica S.A (formerly known as Cerexagri Costa Rica, S.A.)
UPL Bolivia S.A
Icona Sanluis S A , Argentina
UPL Argentina S A (formerly known as Icona S A Argentina)
Decco Chile SpA
UPL Colombia SAS
UPL Paraguay S.A.
United Phosphorus Cayman Limited
UP Aviation Limited,Cayman Island
UPL Australia Limited (formerly known as United Phosphorus Limited)
UPL New Zealand Limited (formerly known as United Phosphorus Limited)
UPL Shanghai Limited (formerly known as United Phosphorus (Shanghai) Company Limited)
UPL Limited (Korea) (formerly known as United Phosphorus (Korea) Limited)
PT.UPL Indonesia (formerly known as PT. United Phosphorus Indonesia)
PT Catur Agrodaya Mandiri, Indonesia
UPL Limited, Honkong (formerly known as United Phosphorus Limited)
UPL Philippines Inc.(formerly known as United Phosphorus Corp., Philippines)
UPL Vietnam Co. Limited (formerly known as United Phosphorus Vietnam Co., Limited)
UPL Limited, Japan(formerly known as United Phosphorus Limited, Japan)
Anning Decco Fine Chemical Co. Limited, China
UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi
(formerly known as Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey)
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.
Safepack Products Limited, Israel
Citrashine (Pty) Ltd., South Africa
UPL Africa SARL
Pro Long Limited
Agrinet Solutions Limited
Advanta Holdings BV, Netherlands
Advanta Netherlands Holdings BV,Netherlands
Advanta US Inc,USA
Advanta Seeds International, Mauritius
Advanta Seeds DMCC [Formerly Advanta Seeds JLT], UAE
Advanta Commercio De Sementes Ltda,Brazil
Advanta Semillas SAIC, Argentina
Advanta Seeds Pty Ltd,Australia
Pacific Seeds (Thai) Ltd, Thailand
Pacific Seeds Holdings (Thai) Ltd ,Thailand
Pt. Advanta Seeds Indonesia
Advanta Ukraine LLC, Ukraine
Advanta (B.V.I) Limited, British Virgin Island (upto 02 May, 2016)

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(ii) Name of Associate Companies:
Polycoat Technologies 2010 Limited
3SB Produtos Agrícolas S.A.
Sinagro Produtos Agropecuários S.A.
Chemisynth (Vapi) Limited
Universal Pestochem (Industries Limited
Seara Comercial Agricola Ltda.
Serra Bonita Sementes S.A.
Bioplanta Nutricao Vegetal, Industria e Comercio S.A.
Weather Risk Management Services Private Limited (w.e.f 28th June, 2016)
Kerala Enviro Infrastructure Limited
Ingen Technologies (P) Ltd.

(iii) Joint Venture Companies:
United Phosphorus (Bangladesh) Limited (upto 22nd September, 2016)
Hodogaya UPL Co. Limited, Japan
Longreach Plant Breeders Managements pty Limited, Australia

(iv) Enterprises over which key management personnel and their relatives have significant influence:
Bharuch Enviro Infrastructure Limited
Bloom Packaging Private Limited
Bloom Seal Containers Private Limited
Daman Ganga Pulp and Papers Private Limited
Demuric Holdings Private Limited
Enviro Technology Limited
Gharpure Engineering and Construction Private Limited
Uniphos Envirotronic Private Limited
Jai Trust
Pot Plants
Sanguine Holdings Private Limited
Tatva Global Environment Private Limited (formerly Tatva Global Environment Limited)
Tatva Global Environment (Deonar) Limited
Ultima Search
Uniphos International Limited
Uniphos Enterprises Limited
UPL Environmental Engineers Limited
UPL Investment Private Limited
Vikram Farm

(v) Key Management Personnel and their relatives :
Directors and their relatives
Mr. Rajnikant.D. Shroff
Mrs. Sandra R. Shroff *
Mr. Kalyan Banerjee
Mr. Jaidev R. Shroff *
Mr. Arun C. Ashar
Mr. Vikram R. Shroff *
Mrs. Asha Ashar *
Mr. Navin Ashar *
Mr. Hardeep Singh
Mr. Vasant Gandhi
Mr. Pradeep Goyal
Mr. Vinod Sethi
Dr. Reena Ramchandran
Mr. Pradip Madhavji
Mr. P.V. Krishna (upto 30th September, 2015)
Mr. Anand K Vora - Chief Financial Officer
Mr. Mukul B Trivedi - Company Secretary
* Relatives of Key management personnel.

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
1 INCOME										
(A) SALES:										
(i) GOODS	3,882	2,969	-	-	5	-	2	2	3,889	2,971
UPL Corporation Ltd.	920	751	-	-	-	-	-	-	920	751
UPL Limited Gibraltar	1,025	960	-	-	-	-	-	-	1,025	960
SWAL Corporation Limited	404	356	-	-	-	-	-	-	404	356
UPL Ltd. - Mauritius	836	658	-	-	-	-	-	-	836	658
United Phosphorus (India) LLP	425	-	-	-	-	-	-	-	425	-
Others	272	244	-	-	5	-	2	2	279	246
(ii) FIXED ASSETS	8	1	-	-	-	-	-	-	8	1
United Phosphorus (India) LLP	7	1	-	-	-	-	-	-	7	1
Others	1	-	-	-	-	-	-	-	1	-
(B) DIVIDEND RECEIVED	216	217	-	-	-	-	-	-	216	217
UPL Corporation Ltd.	216	217	-	-	-	-	-	-	216	217
(C) MANAGEMENT FEES / OTHER SERVICES	1	4	-	-	-	-	7	7	8	11
Tatva Global Environment Private Limited	-	-	-	-	-	-	3	4	3	4
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	1	1	1	1
Gharpure Engineering and Construction Private Limited	-	-	-	-	-	-	2	1	2	1
United Phosphorus (India) LLP	1	-	-	-	-	-	-	-	1	-
Uniphos Enterprises Ltd	-	-	-	-	-	-	1	1	1	1
Advanta Seeds International	-	2	-	-	-	-	-	-	-	2
Others	-	2	-	-	-	-	0	0	0	2
(D) RENT RECEIVED	2	-	-	-	-	-	0	0	2	0
Uniphos Envirotronic Pvt. Ltd.	-	-	-	-	-	-	0	0	0	0
United Phosphorus (India) LLP	2	-	-	-	-	-	-	-	2	-

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Others	-	-	-	-	-	-	0	-	0	-
(E) ROYALTY INCOME	2	-	-	-	-	-	-	-	2	-
United Phosphorus (India) LLP	2	-	-	-	-	-	-	-	2	-
(F) COMMISSION ON GUARANTEE GIVEN/ RECEIVED	1	-	-	-	-	-	-	-	1	-
Advanta Seeds PTY Ltd.	0	-	-	-	-	-	-	-	0	-
Advanta Seed International Mauritius	1	-	-	-	-	-	-	-	1	-
(G) Markup on reimbursement of expenses received	0	-	-	-	-	-	-	-	0	-
Advanta Netherlands Holdings BV	0	-	-	-	-	-	-	-	0	-
2 EXPENSES										
(A) PURCHASES										
(i) GOODS	255	233	-	-	-	-	57	50	312	283
UPL Ltd, Hong Kong	156	177	-	-	-	-	-	-	156	177
Optima Farm Solutions Ltd.	70	13	-	-	-	-	-	-	70	13
Bloom Seal Containers Pvt Ltd, Vapi	-	-	-	-	-	-	34	28	34	28
Others	29	43	-	-	-	-	23	22	52	65
(ii) FIXED ASSETS	0	0	-	-	-	-	0	0	0	0
UPL Environmental Engg. Ltd.	-	-	-	-	-	-	-	0	-	0
Cerexagri BV	0	-	-	-	-	-	-	-	0	-
Uniphos Envirotronic Pvt. Ltd.	-	-	-	-	-	-	0	0	0	0
UPL Europe Ltd.	-	0	-	-	-	-	-	-	-	0
Bharuch Enviro Infrastructure Ltd.	-	-	-	-	-	-	0	-	0	-
Others	-	0	-	-	-	-	-	-	-	0
(iii) INTANGIBLE ASSETS	2	6	-	-	-	-	-	-	2	6
UPL Corporation Ltd.	-	5	-	-	-	-	-	-	-	5
UPL Ltd. Japan	2	1	-	-	-	-	-	-	2	1

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
(iv) INTANGIBLE ASSETS - UNDER-CWIP	0	-	-	-	-	-	-	-	0	-
UPL Limited Japan	0	-	-	-	-	-	-	-	0	-
(v) OTHERS	-	-	-	-	-	-	0	0	0	0
Vikram Farm	-	-	-	-	-	-	0	0	0	0
Pot Plants	-	-	-	-	-	-	0	0	0	0
Others	-	-	-	-	-	-	0	-	0	-
(B) SERVICES	0	-	0	-	-	-	84	81	84	81
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	82	79	82	79
Others	0	-	0	-	-	-	2	2	2	2
(C) RENT	-	-	-	-	-	-	1	1	1	1
Bloom Packaging Pvt. Ltd.	-	-	-	-	-	-	0	-	0	-
Ultima Search	-	-	-	-	-	-	0	-	0	-
Sanguine Holdings Pvt. Ltd.	-	-	-	-	-	-	0	0	0	0
Jai Trust	-	-	-	-	-	-	0	0	0	0
Others	-	-	-	-	-	-	1	1	1	1
(D) COMMISSION ON EXPORTS	106	104	-	-	-	-	-	-	106	104
UPL Corporation Ltd.	106	103	-	-	-	-	-	-	106	103
Others	-	1	-	-	-	-	-	-	-	1
(E) RESEARCH & DEVELOPMENT EXPENSES	-	0	-	-	-	-	-	-	-	0
Cerexagri B V	-	0	-	-	-	-	-	-	-	0
(F) WRITE BACK OF PAYABLES	4	0	-	-	-	-	-	-	4	0
UPL Corporation Ltd.	0	0	-	-	-	-	-	-	0	0
UPL Ltd Gibraltar	4	-	-	-	-	-	-	-	4	-
Others	0	-	-	-	-	-	-	-	0	-

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
(G) WRITE OFF OF RECEIVABLES	0	-	-	-	-	-	-	-	0	-
Safepack Products Ltd.	0	-	-	-	-	-	-	-	0	-
(H) CONTRIBUTION TO C.S.R.	-	-	-	-	-	-	0	-	0	-
Vikram Farm	-	-	-	-	-	-	0	-	0	-
Bharuch Enviro Infrasturcture Ltd.	-	-	-	-	-	-	0	-	0	-
3 FINANCE										
(A) LOAN / INTER CORPORATE DEPOSITS GIVEN	258	14	-	-	-	-	-	17	258	31
SWAL Corporation Limited	90	14	-	-	-	-	-	-	90	14
Advanta Holdings BV Netherlands	168	-	-	-	-	-	-	-	168	-
Tatva Global Environment Private Limited	-	-	-	-	-	-	-	17	-	17
(B) INTEREST RECEIVED	57	51	-	-	-	-	0	3	57	54
UPL Corporation Ltd.	32	35	-	-	-	-	-	-	32	35
SWAL Corporation Limited	12	5	-	-	-	-	-	-	12	5
Advanta Holdings BV Netherland	13	11	-	-	-	-	-	-	13	11
Others		0	-	-	-	-	0	3	0	3
(C) BUYBACK OF SHARES BY SUBSIDIARY	-	494	-	-	-	-	-	-	-	494
UPL Corporation Ltd.	-	494	-	-	-	-	-	-	-	494
(D) ALLOTMENT/ PURCHASE OF BONDS	-	-	-	-	-	-	2	4	2	4
Tatva Global Environment Private Limited	-	-	-	-	-	-	2	4	2	4
(E) ALLOTMENT/ PURCHASE OF SHARES	-	-	10	-	-	-	-	-	10	-
Weather Risk Management Services Private Limited	-	-	10	-	-	-	-	-	10	-
(F) SALE/REDEMPTION OF SHARES/NCD/COMMERCIAL PAPERS	9	-	-	-	-	-	-	-	9	-
Swal Corporation Ltd.	7	-	-	-	-	-	-	-	7	-
UPL Corporation Ltd.	2	-	-	-	-	-	-	-	2	-

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
(G) **REPAYMENT AGAINST LOAN GIVEN**	**659**	**223**	**-**	**-**	**-**	**-**	**4**	**20**	**663**	**243**
UPL Corporation Ltd.	220	208	-	-	-	-	-	-	220	208
SWAL Corporation Limited	49	15	-	-	-	-	-	-	49	15
Advanta Holdings BV Netherland	390	-	-	-	-	-	-	-	390	-
Others	-	-	-	-	-	-	4	20	4	20
4 (A) **REIMBURSMENTS RECEIVED**	**15**	**18**	**-**	**-**	**-**	**-**	**0**	**0**	**15**	**18**
Swal Corporation Limited	4	3	-	-	-	-	-	-	4	3
UPL Management DMCC	1	2	-	-	-	-	-	-	1	2
United Phosphorus (India) LLP	3	-	-	-	-	-	-	-	3	-
Advanta Netherlands Holdings BV	3	6	-	-	-	-	-	-	3	6
Advanta Seeds International	2	5	-	-	-	-	-	-	2	5
Others	2	2	-	-	-	-	0	0	2	2
(B) **REIMBURSEMENTS MADE**	**2**	**1**	**-**	**-**	**-**	**-**	**0**	**-**	**2**	**1**
UPL Ltd. Japan	-	0	-	-	-	-	-	-	-	0
Cerexagri B.V.	0	-	-	-	-	-	-	-	0	-
Advanta Seeds International Mauritius	0	-	-	-	-	-	-	-	0	-
Swal Corporation Ltd.	1	0	-	-	-	-	-	-	1	0
Others	1	1	-	-	-	-	0	-	1	1

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES			ASSOCIATES			JOINT VENTURE			ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE			GRAND TOTAL		
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
5 OUTSTANDING AT THE YEAR END															
(A) **PAYABLES**	**231**	**297**	**280**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**4**	**7**	**238**	**301**	**287**
UPL Corporation Ltd.	121	130	177	-	-	-	-	-	-	-	-	-	121	130	177
UPL Ltd, Hong Kong	88	111	64	-	-	-	-	-	-	-	-	-	88	111	64
Others	22	56	39	-	-	-	-	-	-	7	4	7	29	60	46
(B) **RECEIVABLE**	**1,061**	**1,116**	**673**	**0**	**1**	**-**	**1**	**0**	**1**	**1**	**3**	**7**	**1,063**	**1,120**	**681**
UPL Corporation Ltd.	218	272	141	-	-	-	-	-	-	-	-	-	218	272	141
UPL Limited.- Gibraltar	97	470	268	-	-	-	-	-	-	-	-	-	97	470	268
Swal Corporation Ltd.	110	41	143	-	-	-	-	-	-	-	-	-	110	41	143
UPL Ltd. - Mauritius	-	177	2	-	-	-	-	-	-	-	-	-	-	177	2
United Phosphorus (India) LLP	430	2	-	-	-	-	-	-	-	-	-	-	430	2	-
Others	206	154	119	0	1	-	1	0	1	1	3	7	208	158	127
(C) **LOANS AND ADVANCES GIVEN**	**985**	**1,408**	**1,563**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**5**	**8**	**986**	**1,413**	**1,571**
UPL Corporation Ltd.	903	1,150	1,287	-	-	-	-	-	-	-	-	-	903	1,150	1,287
Advanta Holdings BV Netherland	-	217	205	-	-	-	-	-	-	-	-	-	-	217	205
Others	82	41	71	-	-	-	-	-	-	1	5	8	83	46	79
(D) **INTEREST RECEIVABLE**	**5**	**5**	**23**	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**0**	**-**	**5**	**5**	**23**
UPL Corporation Ltd.	5	5	20	-	-	-	-	-	-	-	-	-	5	5	20
Others	-	-	3	-	-	-	-	-	-	0	0	-	0	0	3

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

(b) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDIARIES			ASSOCIATES			JOINT VENTURE			ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE			GRAND TOTAL		
NATURE OF TRANSACTIONS:	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
(E) MANAGEMENT FEES RECEIVABLE	-	-	-	-	-	-	-	-	-	8	5	5	8	5	5
Tatva Global Environment Private Limited	-	-	-	-	-	-	-	-	-	4	1	3	4	1	3
Bharuch Enviro Infrasturcture Ltd.	-	-	-	-	-	-	-	-	-	0	1	1	0	1	1
Gharpure Engineering and Construction Private Limited	-	-	-	-	-	-	-	-	-	4	3	1	4	3	1
Others	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0
(F) GUARANTEES GIVEN ON BEHALF OF COMPANIES	865	1,710	3,110	-	-	-	-	-	-	-	-	-	865	1,710	3,110
UPL Corporation Ltd.	-	331	1,969	-	-	-	-	-	-	-	-	-	-	331	1,969
UPL Europe Ltd.	291	327	307	-	-	-	-	-	-	-	-	-	291	327	307
Advanta Seeds Pty Ltd	-	112	-	-	-	-	-	-	-	-	-	-	-	112	-
Cerexagri BV	159	174	-	-	-	-	-	-	-	-	-	-	159	174	-
Advanta Seeds International-Mauritius	-	86	-	-	-	-	-	-	-	-	-	-	-	86	-
UPL Italia SRL	114	124	-	-	-	-	-	-	-	-	-	-	114	124	-
Cerexagri SAS	153	166	-	-	-	-	-	-	-	-	-	-	153	166	-
UPL Argentina SA	130	133	-	-	-	-	-	-	-	-	-	-	130	133	-
Others	18	257	834	-	-	-	-	-	-	-	-	-	18	257	834
(G) DEPOSIT GIVEN	-	-	-	-	-	-	-	-	-	5	5	5	5	5	5
Bloom Packaging Pvt Ltd	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1
Daman Ganga Pulp And Papers	-	-	-	-	-	-	-	-	-	4	4	4	4	4	4
Others	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0

Notes to financial statements for the year ended 31 March, 2017

36. Related party transactions (contd.)

c. Transactions with Key Management Personnel and their relatives

INR Crores

Particulars	31-Mar-17	31-Mar-16
Remuneration		
Mr. Rajnikant.D. Shroff	15	12
Mr. Arun C. Ashar	3	3
Others	4	3
Total	**22**	**18**
Rent Paid		
Mr. Rajnikant.D. Shroff	0	0
Mrs. Sandra R. Shroff	0	0
Mr. Vikram R Shroff	0	0
Mr. Jai R Shroff	1	1
Total	**1**	**1**
Loan given during the year		
Mr. Anand Vora	0	-
Professional Fees (Navin Ashar)	0	0
Deposit given during the year		
Mr. Jai R Shroff	-	2
Refund of Sundry Deposit		
Mrs. Asha Ashar	-	0
Outstandings as at the Balance Sheet Date:		
Commission payable to director*	11	8
Sundry Deposits given	2	2
Professional Fees Payable/(Receivable)	-	0
Loan outstanding	0	-
Rent Payable	-	0

* Subject to shareholders approval.

36.1. Details of loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested

INR Crores

Nature of Relationship	31-Mar-17		31-Mar-16	
	Amount outstanding at the year end (**)	Maximum amount of loan outstanding during the year	Amount outstanding at the year end (**)	Maximum amount of loan outstanding during the year
Subsidiaries and Associates				
UPL Corporation Limited	903	1,170	1,150	1,287
SWAL Corporation Limited	82	117	41	42
Advanta Holdings BV Netherland	-	390	217	217

(**) There is no repayment schedule in respect of these loans.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to financial statements for the year ended 31 March, 2017

37. Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

INR Crores

	31-Mar-17	31-Mar-16
Employee cost & other expenses	22	18
Finance costs	-	10
Total	**22**	**28**

38. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses full currency interest rate swap and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

			31-Mar-17 (In. '000)	31-Mar-17 (INR Crores)	31-Mar-16 (In. '000)	31-Mar-16 (INR Crores)	
Nature of Instrument		Currency	Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding	Purpose - Hedging/ Speculation
1)	Forward contract - Sell	EUR	-	-	22,315	168	Hedging
	Forward contract - Buy	USD	23,856	155	34,206	227	Hedging
2)	Derivative contracts						
	Full Currency Interest Rate Swap contracts - payable	USD	1,11,179	550	1,44,259	700	Hedging (refer note below)
	Full Currency Interest Rate Swap contracts - payable	EURO	25,667	210	25,667	210	Hedging (refer note below)
	Note:						
	Hedging against the underlying INR borrowings by which:						
	- Company will receive principal in INR and pay in foreign currency						
	- Company will receive fixed interest in INR and pay fixed / floating interest in foreign currency						
3)	Un-hedged Foreign Currency balances:						
	(i) Payable	USD	2,78,940	1,809	3,47,687	2,304	
		EUR	27,804	193	29,730	224	
		GBP	195	2	197	2	
		JPY	97	0	278	0	
		THB	-	-	300	0	
		AUD	2	0	2	0	
		CHF	1	0	-	-	
	(ii) Receivable	USD	2,52,573	1,638	3,60,749	2,390	
		EUR	24,408	169	23,327	176	
		AUD	782	4	1,765	9	
		GBP	35	0	12	0	
		JPY	968	0	968	0	

Notes to financial statements for the year ended 31 March, 2017

39. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

INR Crores

	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets						
Loans	1,069	1,489	1,608	1,069	1,489	1,608
FVTOCI financial investments	3	2	1	3	2	1
FVTPL financial investments	90	98	89	90	98	89
Total	**1,162**	**1,589**	**1,698**	**1,162**	**1,589**	**1,698**
Financial liabilities						
Borrowings						
Floating rate borrowings	16	618	372	16	618	372
Fixed rate borrowings	808	1,031	1,135	792	1,025	1,129
Convertible preference shares	24	-	-	24	-	-
Total	**848**	**1,649**	**1,507**	**832**	**1,643**	**1,501**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets: INR Crores

	Total
As at 1 April 2015	**-**
Re-measurement recognised in OCI	1
As at 1 April 2016	**1**
Re-measurement recognised in OCI	1
As at 31 March 2017	**1**

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets: INR Crores

	31-Mar-17	31-Mar-16
Gujarat State Financial Corporation	0	0
Nivi Trading Limited	0	0
Transpek Industry Limited	1	1
IDFC Limited	0	0
IDFC Bank Limited	0	0
Bank of Baroda Limited	0	0
	1	1

Notes to financial statements for the year ended 31 March, 2017

40. Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

INR Crores

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Quoted equity shares	31-Mar-17	3	3	-	-
FVTPL financial investments (Note 5):					
Unquoted equity shares	31-Mar-17	7	-	-	7
Unquoted debt securities	31-Mar-17	83	-	-	83
Loans	31-Mar-17	986	-	986	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

INR Crores

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 15):					
Derivative contracts	31-Mar-17	142	-	142	-
Liabilities for which fair values are disclosed (Note 39):					
Borrowings (Note 14):					
Floating rate borrowings	31-Mar-17	16	-	-	16
Convertible preference shares	31-Mar-17	24	-	-	24
Fixed rate borrowing	31-Mar-17	792	-	-	792

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

INR Crores

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Quoted equity shares	31-Mar-16	2	2	-	-
FVTPL financial investments (Note 5):					
Unquoted equity shares	31-Mar-16	7	-	-	7
Unquoted debt securities	31-Mar-16	91	-	-	91
Loans	31-Mar-16	1414	-	1,414	-

There have been no transfers between Level 1 and Level 2 during the period.

Notes to financial statements for the year ended 31 March, 2017

40. Fair Value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

INR Crores

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 5):					
Derivative contracts	31-Mar-16	267	-	267	-
Liabilities for which fair values are disclosed (Note 7):					
Borrowings (Note 14):					
Floating rate borrowings	31-Mar-16	618	-	-	618
Convertible preference shares	31-Mar-16	-	-	-	-
Fixed rate borrowing	31-Mar-16	1,025	-	-	1,025

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

INR Crores

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Derivative financial assets (Note 7):					
Foreign exchange forward contracts	01-Apr-15	5	-	5	-
FVTOCI financial investments (Note 5):					
Quoted equity shares	01-Apr-15	1	1	-	-
FVTPL financial investments (Note 5):					
Unquoted equity shares	01-Apr-15	7	-	-	7
Unquoted debt securities	01-Apr-15	82	-	-	82
Loans	01-Apr-15	1542	-	1542	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1 April 2015:

INR Crores

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 15):					
Derivative contracts	01-Apr-15	233	-	233	-
Liabilities for which fair values are disclosed (Note 39):					
Borrowings (Note 14):					
Floating rate borrowings	01-Apr-15	372	-	-	372
Convertible preference shares	01-Apr-15	-	-	-	-
Fixed rate borrowing	01-Apr-15	1,129	-	-	1,129

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to financial statements for the year ended 31 March, 2017

41. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to its subsidiaries to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

INR Crores

Total	Increase/decrease in basis points	Effect on profit or loss	Effect on equity
31-Mar-17	+100	(0)	(0)
	-100	0	0
31-Mar-16	+100	(6)	(4)
	-100	6	4

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the foreign currency loan by using foreign currency swaps and forwards.

At 31 March 2017, the Company's hedge position is stated in Note 38. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Notes to financial statements for the year ended 31 March, 2017

41. Financial risk management objectives and policies (contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

INR Crores

Total	Change in USD rate	Effect on profit or loss	Effect on equity
31-Mar-17	1%	(2)	(1)
	-1%	2	1
31-Mar-16	1%	1	1
	-1%	(1)	(1)

INR Crores

Total	Change in EURO rate	Effect on profit or loss	Effect on equity
31-Mar-17	1%	0	0
	-1%	0	0
31-Mar-16	1%	0	0
	-1%	0	0

The movement in the pre-tax effect is a result of a change in the fair value of of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017, 31 March 2016 and 01 April 2015 is the carrying amounts as illustrated in Note 10 except for financial guarantees and derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to financial statements for the year ended 31 March, 2017

41. Financial risk management objectives and policies (contd.)

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

INR Crores

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended				
31-Mar-17				
Borrowings (other than convertible preference shares)	16	344	412	772
Convertible preference shares	24	-	-	24
Other financial liabilities	148	4	-	152
Trade and other payables	2,188	9	-	2,197
Derivatives and embedded derivatives	-	117	25	142
	2,376	**474**	**437**	**3,287**
Year ended				
31-Mar-16				
Borrowings (other than convertible preference shares)	678	266	489	1,433
Convertible preference shares	-	-	-	-
Trade and other payables	1,750	8	-	1,758
Other financial liabilities	334	4	-	338
Derivatives and embedded derivatives	70	60	137	267
	2,832	**338**	**626**	**3,796**
As at 1 April 2015				
Borrowings (other than convertible preference shares)	372	416	488	1,276
Convertible preference shares	-	-	-	-
Trade and other payables	1,712	6	-	1,718
Other financial liabilities	401	4	-	405
Derivatives and embedded derivatives	48	85	100	233
	2,533	**511**	**588**	**3,632**

Notes to financial statements for the year ended 31 March, 2017

42. Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Borrowings other than convertible preference shares (Note 14)	824	1,650	1,507
Less: cash and cash equivalents (Note 11)	(59)	(65)	(86)
Net debt	765	1,585	1,421
Optionally Convertible preference shares (Note 14)	24	-	-
Equity	**7,750**	**7,747**	**7,722**
Total capital	7,774	7,747	7,722
Capital and net debt	**8,539**	**9,332**	**9,143**
Gearing ratio	9%	17%	16%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

43. Exceptional items

INR Crores

	31-Mar-17	31-Mar-16
Amount payable on settlement of a contract in respect of earlier years	14	-
Provision of Stamp duty on merger of Advanta	32	-
	46	**-**

44. Foreign Exchange Management Act

In January 2013, the Company has received a show cause notice from the Directorate of Enforcement, alleging that the Company has contravened certain provisions of Foreign Exchange Management Act, 1999 with regard to foreign direct investment made and utilisation of proceeds of FCCB / ECB.

The management has replied to the show cause notice and has had personal hearings to represent their matter and has filed written submissions. The matter is pending before the authority and based on internal assessment, the management believes that no liability would arise in respect of the aforesaid matter.

45. Amalgamation with Advanta Limited

The Hon'ble High Court of Gujarat vide its order dated 23rd June, 2016 has sanctioned the Scheme of Amalgamation of Advanta Limited, a subsidiary as per Ind AS, with the Company with an appointed date of 1st April, 2015. The Scheme has become effective on 20th July, 2016,pursuant to its filing with Registrar of Companies.

In accordance with the provisions of the aforesaid scheme -

a. The approved share swap ratio for 1 equity share of Advanta of the face value of ₹2 each fully paid up held by the shareholders on the Record date following shares shall be allotted:

Notes to financial statements for the year ended 31 March, 2017

45. Amalgamation with Advanta Limited (contd.)

(i) 1 equity share of the Company of the face value of ₹2 each fully paid up; and

(ii) 3 preference shares of the Company of ₹10 each fully paid up, issued in the following manner:

(a) In case of shareholder is a person resident outside India, 3 compulsorily convertible preference shares of the Company of ₹10 each fully paid up, subject to terms specified in the scheme.

(b) In case of shareholder is a person resident in India, 3 optionally convertible preference shares of the Company of ₹10 each fully paid up, subject to terms specified in the scheme.

(iii) In case of global depository receipts (GDRs) for eveny 100 GDRs held would be entitled to 106 Company's new GDRs.

b. In accordance with the scheme, the amalgamation has been accounted under the "Purchase Method" as prescribed by Accounting Standard 14 - Accounting for Amalgamations which is different from Ind AS 103 "Business Combinations". Accordingly, the accounting treatment has been given as under:-

(i) The assets and liabilities of Advanta Limited as at 1 April 2015 have been incorporated at their book values in the financial statements of the Company.

(ii) All inter-corporate balances and obligations (including investments held by the Company in Advanta Limited, deposits, loans and advances, outstanding balances or other obligations) between the Company and Advanta Limited stands cancelled.

c. The excess of fair value of equity shares and preference shares over the book value of assets and liabilities transferred and cancellation of Investments in Advanta held by the Company amounting to ₹3,697 crores has been recorded as goodwill arising on amalgamation.

d. Consideration for amalgamation discharged by way of issuance of new Equity Shares has been recorded at fair value and Preferance Shares has been recorded at face value. As the shares have been allotted subsequent to the March 31, 2016, the same has been disclosed under Share Capital Suspense account till the date of allottment.

e. In the month of September 2016, the Company has issued and allotted fresh 78,313,422 equity shares of ₹2 each and 108,628,440 preference shares of ₹10 each to the shareholders of erstwhile Advanta Limited pursuant to approved share swap ratio.

f. In accordance with scheme, the goodwill recorded on amalgamation has been amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹370 crores (31 March, 2016: ₹370 Crores) has been recognised in the statement of profit and loss.

	INR Crores
Assets	
Non Current Assets	645
Current Assets	81
Total Assets (A)	**726**
Liabilities	
Non-Current Liabilites	6
Current Liabilities	86
Total Liabilities (B)	**92**
Net Assets taken over (C)=(A-B)	**634**
Cancellation of Investments in Advanta Limited held by the Company (D)	539
Purchase consideration (E)	**3,797**
Less: Other adjustments (F)	**(5)**
Goodwill on amalgamation (G)=(E-F-C+D)	**3,697**

Notes to financial statements for the year ended 31 March, 2017

46. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and subsequent amendments thereafter.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Certain items of plant and equipment have been measured at fair value at the date of transition to Ind AS. Other items of property, plant and equipment are carried at cost measured in accordance with Ind AS 16.
- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

INR Crores

	Footnotes	Indian GAAP	Impact of Amalgamation (Refer note 45)	Adjustments	Ind AS
Assets					
Non-current assets					
Property, plant and equipment	1, 2	1,208	17	(49)	1,176
Capital work-in-progress		291	-	-	291
Goodwill	14	-	3,704	-	3,704
Other Intangible assets		441	17	-	458
Intangible assets under development		79	-	-	79
Financial assets					
Investments	3,4,5	873	(15)	23	881
Loans	6	947	191	(8)	1,130
Non Current tax assets (net)		31	18	-	49
Other non current assets		164	2	7	173
		4,034	**3,934**	**(27)**	**7,941**
Current assets					
Inventories		1,174	17	-	1,191
Financial assets					
Trade receivables	7	1,423	6	1	1,430

Notes to financial statements for the year ended 31 March, 2017

46. First-time adoption of Ind AS (contd.)

INR Crores

	Footnotes	Indian GAAP	Impact of Amalgamation (Refer note 45)	Adjustments	Ind AS
Cash and cash equivalents		85	1	-	86
Bank balance other than cash and cash equivalents		39	16	-	55
Loans		478	-	-	478
Other receivables		34	39	-	73
Other current assets		290	4	-	294
		3,523	**83**	**1**	**3,607**
Total assets		**7,557**	**4,017**	**(26)**	**11,548**
Equity and liabilities					
Equity					
Share capital		86	-	-	86
Share Suspense Account		-	3,942	-	3,942
Other equity					
Share Premium	8	811	-	11	822
Retained Earnings		508	-	242	750
Other Reserves	3	2,119	-	3	2,122
Total equity		**3,524**	**3,942**	**256**	**7,722**
Non-current liabilities					
Financial liabilities					
Borrowings	8	910	1	(7)	904
Trade payables		6	-	-	6
Other financial liabilities	2	185	-	4	189
Deferred tax liabilities (net)	11	45	1	(13)	33
		1,146	**2**	**(16)**	**1,132**
Current liabilities					
Financial liabilities					
Borrowings	7	317	48	7	372
Trade payables	10	1,722	9	(19)	1,712
Other current financial liabilities	8	436	9	4	449
Provisions	9	297	3	(258)	42
Other current liabilities		108	3	-	111
Net employee defined benefit liabilities		7	1	-	8
		2,887	**73**	**(266)**	**2,694**
Total liabilities		**4,033**	**75**	**(282)**	**3,826**
Total equity and liabilities		**7,557**	**4,017**	**(26)**	**11,548**

Reconciliation of equity as at 31 March 2016

INR Crores

	Footnotes	Indian GAAP	Impact of Amalgamation (Refer note 45)	Adjustments	Ind AS
Assets					
Non-current assets					
Property, plant and equipment	1, 2	1,614	15	(44)	1,585
Capital work-in-progress		190	-	-	190
Goodwill	14	-	3,334	-	3,334
Other intangible assets		469	9	-	478

Notes to financial statements for the year ended 31 March, 2017

46. First-time adoption of Ind AS (contd.)

INR Crores

	Footnotes	Indian GAAP	Impact of Amalgamation (Refer note 45)	Adjustments	Ind AS
Intangible asset under development		19	-	-	19
Financial assets					
Investments	3,4,5	718	(160)	30	588
Loans	6	988	219	(7)	1,200
Current tax assets (net)		25	77	35	137
Other non-current assets		186	2	5	193
		4,209	**3,496**	**19**	**7,724**
Current assets					
Inventories		1,270	14	-	1,284
Financial assets					
Trade receivables	7	1,873	6	(13)	1,866
Cash and cash equivalents		62	3	-	65
Bank balance other than cash and cash equivalents		10	-	-	10
Loans		289	-	(0)	289
Other receivables		33	44	-	77
Other current assets		440	4	-	444
		3,977	**71**	**(13)**	**4,035**
Total assets		**8,186**	**3,567**	**6**	**11,759**
Equity and liabilities					
Equity					
Equity share capital		86	-	0	86
Share Suspense Account		-	3,797	-	3,797
Other equity					
Share Premium	8	811	-	11	822
Retained Earnings		1,010	(352)	271	929
Other Reserves		2,109	-	4	2,113
Total equity		**4,016**	**3,445**	**286**	**7,747**
Non-current liabilities					
Financial liabilities					
Borrowings	8	760	-	(5)	755
Trade payables		8	-	-	8
Other financial liabilities	2	197	-	4	201
Deferred tax liabilities (net)	11	5	43	1	49
		970	**43**	**(0)**	**1,013**
Current liabilities					
Financial liabilities					
Borrowings	7	618	59	1	678
Trade payables	10	1,769	34	(23)	1,750
Other current financial liabilities	8	402	6	(3)	405
Provisions	9	306	3	(258)	51
Other current liabilities		93	8	1	102
Net employee defined benefit liabilities		12	(1)	2	13
		3,200	**79**	**(280)**	**2,999**
Total liabilities		**4,170**	**122**	**(280)**	**4,012**
Total equity and liabilities		**8,186**	**3,567**	**6**	**11,759**

Notes to financial statements for the year ended 31 March, 2017

46. First-time adoption of Ind AS (contd.)

Reconciliation of profit or loss for the year ended 31 March 2016

INR Crores

	Footnotes	Indian GAAP	Impact of Amalgamation (Refer note 45)	Adjustments	Ind AS
Continuing operations					
Revenue from operations	12	5,983	27	267	6,277
Other income	2,4	459	14	8	481
Total Income		6,442	41	275	6,758
Cost of raw material and components consumed		2,833	(18)	(29)	2,786
Purchase of traded goods		280	-	-	280
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		(66)	9	-	(57)
Excise duty on sale of goods	12	-	-	296	296
Employee benefits expense		391	11	(3)	399
Finance costs	8,12,10	193	2	(3)	192
Depreciation and amortization expense	1,2,14	244	380	(5)	619
Other expenses	7	1,721	8	6	1,735
Total expense		**5,596**	**392**	**262**	**6,250**
Profit before exceptional items and tax		**846**	**(351)**	**13**	**508**
Exceptional items					
Profit before tax		**846**	**(351)**	**13**	**508**
(1) Current tax		181	(74)	-	107
(2) Deferred tax		(41)	53	4	16
Income tax expense		**140**	**(21)**	**4**	**123**
PROFIT FOR THE YEAR		**706**	**(330)**	**9**	**385**
Other comprehensive income					
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss		-	-	(2)	(2)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	1	1
Total Comprehensive Income for the period		**706**	**(330)**	**8**	**384**

Notes to financial statements for the year ended 31 March, 2017

46. First-time adoption of Ind AS (contd.)

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and statement of profit and loss for the year ended March 31, 2016.

1. **Property, Plant and Equipment**

   Company has elected to measure certain items of property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the transition date, a decrease of ₹53 crores was recognised in property, plant and equipment. This amount has been recognised against retained earnings. Accordingly, the Company has also reversed depreciation of ₹5 crores excess recorded under Indian GAAP for the Year ended March 31, 2016.

2. **Government Grant**

   The Company imports capital goods without payment of duty under Export Promotion on Capital Goods (EPCG) scheme and assumes an export obligation to be fulfilled over a period of 6 - 8 years which is treated as asset related government grant as per Ind AS 20 - Accounting for Government Grants and disclosure of government assistance. Such grants outstanding on the date of transition and received during the year ended March 31, 2016, are fair valued and treated as deferred income with the corresponding adjustments to property, plant and equipment's amounting to ₹4 crores net of depreciation respectively.

   Grant set up as deferred income has been recognised in the statement of profit and loss account for the year ended March 31, 2016 amounting to ₹0.22 crores on a systematic basis over the useful life of the asset.

3. **FVTOCI financial assets**

   Under Indian GAAP, UPL recognised long-term investments in equity shares at cost less provision for diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI and measured them at fair value through Other comprehensive income. On the transition date, an increase of ₹0.44 crores between the instruments' fair value and Indian GAAP carrying amount has been recognised in Other Comprehensive Income. Further for the year ended March 31, 2016 an additional gain of ₹1 crores has been recorded in Other Comprehensive income.

4. **FVTPL financial assets**

   Under Indian GAAP, Company recognised long-term investments in convertible debt securities at cost less provision for diminution in the value of investments. Under Ind AS, Company recognised such convertible debt investments as at FVTPL and measured them at fair value through profit or loss. On the transition date, an increase of ₹5 crores between the instruments fair value and amortised cost has been recognised in retained earnings.Further for the year ended March 31, 2016 an increase of ₹8 crores between the instruments fair value and amortised cost has been recognised in the statement of profit and loss.

5. **Corporate guarantee obligations**

   Company has issued corporate guarantees to banks on behalf of its subsidiaries which, under Indian GAAP, was disclosed as contingent liabilities. Under Ind AS, financial guarantee contracts are financial liabilities measured at fair value on initial recognition. Subsequently, guarantee commission income is recognized in profit or loss over the tenure of the loan for which guarantee was provided. At the transition date, an increase of ₹18 crores was recognized in retained earnings. Further for the year ended March 31, 2016 unwinding of corporate guarantee obligations recognised in statement of profit and loss is ₹4 crores.

6. **Amortized Cost financial assets**

   Under Indian GAAP, Company accounted for interest free deposits paid at cost i.e. the amount actually paid. Under Ind AS, such deposits are recognised at fair value on initial recognition and at amortised costs on subsequent measurement. Accordingly, on the date of transition, a decrease of ₹2 crores between the deposits' carrying amount and amortized cost has been recognized in retained earnings.

7. **Trade receivables**

   Under Indian GAAP, Company has recognised specific amount towards impairment of Trade receivables on the basis of incurred losses. Under Ind AS, impairment allowance has been recognised based on Expected Credit Loss basis (ECL). Accordingly, additional allowance for impairment amounting to ₹9 crores has been recognised with the corresponding adjustment to retained earnings.

Notes to financial statements for the year ended 31 March, 2017

46. First-time adoption of Ind AS (contd.)

Under Indian GAAP, Debtors discounting with the recourse to the Company was derecognised and treated as a contingent liability, however under Ind AS such arrangement does not qualify for derecognition and considered as borrowings. Accordingly, ₹8 crores and ₹1 crores has been recognised as borrowings with corresponding increase in trade receivables as on April 01, 2015 and March 31, 2016 respectively.

8. **Amortized cost financial liabilities**

Non-convertible debentures ('NCDs') issued by the Company are carried at the outstanding principal amount under Indian GAAP and debenture issue expenses were adjusted against securities premium. Under Ind AS, NCDs are to be measured at amortized cost by applying the effective interest rate method which adjusts the effective interest rate for the debenture issue expenses. Accordingly, the borrowings are restated as per Ind AS and the transition cost amounting to ₹11 Crs earlier debited to the Securities premium has now been reversed. The amount of transition cost debited to retained earnings on date of transition is ₹4 Crs.

9. **Dividends**

In Indian GAAP, dividend payable is recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognized as a liability in the period in which the obligation to pay is established. Accordingly, proposed dividends and the related tax have increased the retained earnings by ₹258 Crs, at the transition date and as on March 31, 2016.

10. **Net Present Value of Trade Payables**

In Indian GAAP, discounting of long term trade payables was not allowed. However, under Ind AS, discounting of long term trade payables with extended credit period is mandatory if the impact of discounting is material. Accordingly the Company has discounted trade payables with extended credit period and accordingly reduced trade payables by ₹19 crores as on the transition date with corresponding increase in retained earnings.

11. **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments has led to temporary differences. Accordingly, Company has accounted for deferred tax on such differences in retained earnings at the transition date, thereby reducing deferred tax liabilities by ₹13 crores and increasing retained earnings by the same amount.

12. **Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by ₹296 crores with a corresponding increase in other expense. Cash discount was accounted under Finance Cost under Indian GAAP, however, under Ind AS, the same shall be reduced from Sale of goods.

13 **Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

14. **Amalgamation with Advanta Limited**

Pursuant to scheme of amalgamation of Advanta Limited (Advanta) with the Company [Refer Note 45], the balance sheet as at March 31, 2016 includes impact of assets acquired and liabilities takenover of Advanta along with Goodwill generated on amalgamtaion, accordingly the profit and loss statement includes impact of income and expenses of Advanta for the year ended on March 31, 2016 along with amortisation of goodwill of ₹3697 crores over the useful life of 10 years. The adjustments also give effect to elimination of intercompany transactions and balances.

15 **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Notes to financial statements for the year ended 31 March, 2017

47. Segment information

1. Information about Operating Business Segments

(INR Crores)

Particulars	31-Mar-17				31-Mar-16			
	Agro Activity	Non Agro Activity	Unallocated	Total	Agro Activity	Non Agro Activity	Unallocated	Total
Revenue								
External	6,794	465	18	7,277	5,905	364	8	6,277
Inter segment	(183)	183	-	-	(373)	373	-	-
Total revenue	6,611	648	18	7,277	5,532	737	8	6,277
Segment Results								
Contribution	725	55	-	780	588	33	-	621
Add: Inter segment profit	(37)	37	-	-	(75)	75	-	-
Total segment results	688	92	-	780	513	108	-	621
Unallocated expenses net of unallocated income	-	-	-	167	-	-	-	(79)
Finance costs	-	-	-	149	-	-	-	192
Exceptional items (refer note 43)	-	-	-	46	-	-	-	-
Profit before taxation	-	-	-	418	-	-	-	508
Provision for:								
Current tax	-	-	-	89	-	-	-	107
Deferred tax	-	-	-	84	-	-	-	16
Net profit after tax	-	-	-	245	-	-	-	385
Other information								
Segment assets	8,691	623	2,032	11,347	8,712	598	2,449	11,759
Segment liabilities	2,295	152	1,149	3,597	1,929	100	1,984	4,012
Capital expenditure	424	21	21	466	501	32	1	534
Depreciation	153	39	14	205	130	32	9	171
Amortisation	402	0	48	450	444	0	4	448
Non cash expenses other than depreciation	9	1	0	10	5	1	0	6

Notes to financial statements for the year ended 31 March, 2017

47. Segment information (contd.)

2. Information about Geographical Business Segments INR Crores

Particulars	31-Mar-17			31-Mar-16		
	India	Outside India	Total	India	Outside India	Total
Revenue by Geographical Market						
External	3,114	4,163	7,277	2,578	3,699	6,277
Carrying amount of Segment Assets	8,761	2,586	11,347	8,306	3,453	11,759
Carrying amount of Non Current Operating Assets (Non Current Assets for this purpose consists of property, plant & equipment, intangible assets and other non current assets)	5,067	324	5,391	5,225	365	5,590

3. Notes

(1) The business of the Company is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:

a) Agro activity – This is the main area of the Company's operation and includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products.

b) Non-agro activity – Non agro activities includes manufacture and marketing of industrial chemical and other non agricultural related products.

(2) Segment Revenue in the above segments includes sales of products net of taxes.

(3) Inter Segment Revenue is taken as comparable third party average selling price for the year.

(4) Segment Revenue in the geographical segments considered for disclosure are as follows:

a) Revenue within India includes sales to customers located within India.

b) Revenue outside India includes sales to customers located outside India

(5) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(6) The Company does not have any customer (other than related parties), with whom revenue from transactions is more than 10% of Company's total revenue.

(7) Based on the "management approach" defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

48. Disclosure on specified bank notes (SBN)

(Amount in ₹)

Particulars	SBN	Other denomination	Total
Closing cash balance as on 08.11.2016	73,82,500	12,46,120	86,28,620
Add: Permitted receipts			
Amount withdrawn from Banks	-	61,25,495	61,25,495
Less: Permitted payments	(2,54,500)	-	(2,54,500)
Less: Amount deposited in banks	(71,28,000)	-	(71,28,000)
Expenditure incurred	-	(48,38,173)	(48,38,173)
Closing cash balance as on 30.12.2016	-	25,33,442	25,33,442

Notes to financial statements for the year ended 31 March, 2017

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

INR Crores

Particulars	31-Mar-17	31-Mar-16
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	1	0
Interest due on above, current year ₹ Nil (31 March, 2016: ₹ Nil)	-	-
Total	1	0
"The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, current year ₹ Nil (31 March, 2016: ₹ Nil)	-	-
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of MSMED Act, 2006.	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as Micro, and Small enterprises on the basis of information available with the Company.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Independent Auditor's Report

To the Members of UPL Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of UPL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures 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 of its associates and joint ventures 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 controls, 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 sub-paragraph (a) of 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS 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, its associates and joint ventures as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph 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 Ind AS 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 including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and associate companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company,its subsidiary companies and associate companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures – Refer Note 37 (c) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 16 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and (b) the Group's share of net loss in respect of its associates and joint ventures;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies incorporated in India during the year ended March 31, 2017;

iv. The Holding Company, subsidiaries and associates incorporated in India, have provided requisite disclosures in Note 40 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associates and as produced to us by the Management of the Holding Company.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 81 subsidiaries, whose financial statements include total assets of ₹25,533 Crores and net assets of ₹3,485 Crores as at March 31, 2017, and total revenues of ₹24,562 Crores for the year ended on that date, before giving effect to elimination of intra-group transactions. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹19 Crores for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of 5 associates and 2 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose 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, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries, associates and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to Indian Accounting Standards. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS 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 B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870

Place of signature: Mumbai
Date: April 28, 2017

Annexure to the Independent Auditor's report of even date on the Consolidated Ind AS Financial Statements of UPL Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of UPL Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of UPL Limited (hereinafter referred to as the "Holding Company") its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 4 subsidiary companies, and 2 associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate companies incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership Number: 41870

Place of signature: Mumbai
Date: April 28, 2017

Consolidated Balance Sheet as at 31 March 2017

INR Crores

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	3	2,483	2,288	1,814
Capital work-in-progress	3	633	312	368
Goodwill	4	419	417	413
Other Intangible assets	4	1,169	1,157	1,173
Intangible assets under development	4	159	172	237
Investments accounted for using the Equity method	5	174	175	46
Financial assets				
(i) Investments	5	204	160	223
(ii) Loans	6	225	186	140
(iii) Trade receivables	10	-	1	6
(iv) Other Financial Assets	7	-	1	3
Non Current tax assets (net)		212	170	65
Deferred tax assets (net)	18	670	509	305
Other non-current assets	8	335	233	212
		6,683	**5,781**	**5,005**
Current assets				
Inventories	9	4,156	3,787	3,429
Financial assets				
(i) Investments	5	0	-	-
(ii) Trade receivables	10	5,656	5,100	4,142
(iii) Cash and cash equivalents	11	2,880	1,177	1,046
(iv) Bank balance other than cash and cash equivalents	11A	15	12	56
(v) Loans	6	119	270	9
(vi) Other Financial Asset	7	78	56	122
Current tax assets		12	31	27
Other current assets	8	742	750	643
		13,658	11,183	9,474
Assets classified as held for sale		40	24	26
Total Assets		**20,381**	**16,988**	**14,505**
Equity and liabilities				
Equity				
Equity Share capital	12	101	86	86
Compulsorily Convertible Preference share capital	12A	82	-	-
Share capital suspense	12B	-	3,797	3,942
Other equity	13			
(i) Securities Premium		4,498	822	822
(ii) Retained Earnings		4,303	2,779	2,046
(iii) Other Reserves		(1,587)	(1,595)	(1,539)
Equity attributable to equity holders of the parent		7,397	5,889	5,357
Non-controlling interests		**33**	**44**	**48**
Total Equity		**7,430**	**5,933**	**5,405**
Liabilities				
Non-current liabilities:				
Financial liabilities				
(i) Borrowings	15	5,350	2,266	1,793
(ii) Trade payables	19	10	8	6
(iii) Other financial liabilities	16	378	473	611
Long term provisions	17	16	21	18
Deferred tax liabilities (net)	18	169	119	98
		5,923	**2,887**	**2,526**
Current liabilities:				
Financial liabilities				
(i) Borrowings	15	708	2,505	1,563
(ii) Trade payables	19	4,875	3,954	3,395
(iii) Other current financial liabilities	16	802	919	1,045
Provisions	17	93	83	67
Other current liabilities	20	414	558	375
Net employee defined benefit liabilities	35	60	53	41
Current tax liabilities (net)		76	96	88
		7,028	**8,168**	**6,574**
Total liabilities		**12,951**	**11,055**	**9,100**
Total equity and liabilities		**20,381**	**16,988**	**14,505**
Summary of significant accounting policies	2.3			

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Consolidated Statement of Profit and Loss for the year ended 31 March, 2017

INR Crores

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from operations	21	16,680	14,344
Other income	22	444	316
TOTAL INCOME		**17,124**	**14,660**
EXPENSES			
Cost of materials and components consumed (including (increase)/decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock-in-trade)		7,816	6,780
Excise Duty on sale of goods		368	296
Employee benefits expenses	23	1,627	1,434
Finance costs	24	735	704
Depreciation and amortisation expenses	25	672	676
Other expenses	26	3,884	3,439
TOTAL EXPENSES		**15,102**	**13,329**
Profit before share of loss of associate and joint venture, exceptional items and tax		**2,022**	**1,331**
Share of loss of associates and joint ventures	33 & 34	19	85
Profit before exceptional items and tax		**2,003**	**1,246**
Exceptional items	27	81	129
Profit before tax		**1,922**	**1,117**
Tax expenses		**189**	**165**
Current tax	18	298	342
Deferred tax	18	(109)	(177)
PROFIT FOR THE YEAR		**1,733**	**952**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	28	23	(30)
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	0	1
B (i) Items that will be reclassified to profit or loss	28	0	(24)
(ii) Income tax relating to items that will be reclassified to profit or loss	28	-	-
Other Comprehensive Income for the year, net of tax		**23**	**(53)**
Total Comprehensive Income for the year		**1,756**	**899**
Profit for the year		**1,733**	**952**
Attributable to:			
Equity holders of the parent		1,727	940
Non-controlling interests		6	12
Total comprehensive income for the year		**1,756**	**899**
Attributable to:			
Equity holders of the parent		1,750	887
Non-controlling interests		6	12
Earnings per equity share (in Rupees)	**29**		
Basic (Face value of ₹2 each)		34.06	18.54
Diluted (Face value of ₹2 each)		33.91	18.44
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Consolidated Cash Flows Statement for the year ended 31 March, 2017

INR Crores

Sr. No	Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
A	**Cash Flow from Operating Activities**				
	Profit before exceptional items and tax		2,022		1,331
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation & Amortization expense	672		676	
	Finance Costs	735		704	
	Allowance for doubtful debts and advances (net)	(4)		44	
	Assets written off	5		5	
	Bad Debts Written Off	16		19	
	Gain on disposal of property, plant and equipment	(13)		(1)	
	Fair value gain on financial instruments at fair value through profit or loss	(12)		(4)	
	Interest Income	(150)		(69)	
	Manufacturing Expenses Capitalised	(23)		(18)	
	Excess Provisions in respect of earlier years written back (net)	(40)		(36)	
	Sundry credit balances written back (net)	(2)		(1)	
	Gain on sale of current and non current investments (net)	(12)		(47)	
			1,172		1,272
	Operating Profit before Working Capital Changes		**3,194**		**2,603**
	Working capital adjustments				
	Decrease / (increase) in inventories	(387)		(397)	
	Decrease / (increase) in non current and current trade receivables	(565)		(1,043)	
	Decrease / (increase) in other non current and current assets	(79)		(144)	
	Decrease / (increase) in other non current and current financial assets	5		37	
	(Decrease) / increase in non current and current trade payables	925		562	
	(Decrease) / increase in non current and current provisions and net employee defined benefit liabilities	12		31	
	(Decrease) / increase in other current liabilities	(144)		183	
	(Decrease) / increase in other current and non-current financial liability	112		67	
			(121)		(704)
	Cash Generated from Operations		**3,073**		**1,899**
	Taxes Paid		(341)		(442)
	Cash Flow Before Exceptional items		2,732		1,457
	Exceptional Items		(63)		(61)
	Net Cash flow from Operating Activities		**2,669**		**1,396**
B	**Cash flow from Investing Activities**				
	Purchase of Tangible assets including Capital-work-in-progress and capital advances		(883)		(695)
	Purchase of Intangible assets including assets under development		(376)		(319)
	Proceeds from sale of fixed assets		56		2
	Payment for acqusition of additional shares of Advanta Limited		-		(145)
	Payment of contingent consideration		(31)		(194)
	Purchase of equity shares of associates		(10)		(248)
	Proceeds from sale of non current investments and subsidiary		-		33
	Sundry loans given		(134)		(354)
	Sundry loans repayment received		247		55
	Fixed deposit, margin money and dividend accounts (net)		(3)		44
	Profit on sale of investment in mutual funds/bonds		12		47
	Interest Income		123		55
	Net cash flow used in Investing activities		**(999)**		**(1,719)**

Cash Flows Statement (contd.) for the year ended 31 March, 2017

INR Crores

Sr. No	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
C	**Cash Flow from Financing Activities**		
	Proceeds from long term borrowings	3,455	1,549
	Repayment of long term borrowings	(555)	(1,195)
	Short term borrowings (net)	(1,821)	930
	Interest paid and other financial charges	(795)	(586)
	Dividend paid to minority shareholders by subsidiaries	(16)	(16)
	Dividends Paid	(212)	(213)
	Net Cash flow from Financing Activities	**56**	**469**
D	**Exchange Difference arising on conversion debited to Foreign Currency Translation Reserve**	(23)	(15)
	Net Increase/(decrease) in Cash and Cash Equivalents (A +B + C+D)	**1,703**	**131**
	Cash and Cash Equivalents as at the beginning of the year (Refer Note 11)	1,177	1,046
	Cash and Cash Equivalents as at the end of the year (Refer Note 11)	**2,880**	**1,177**

Notes:

(i) Cash and cash equivalents include Fixed deposit of ₹ Nil (March 31 2016: ₹23 Crores, April 01, 2015: ₹23 Crores) earmarked towards redemption of debentures.

(ii) The amalgamation of Advanta Limited with the Company (Refer Note 30) is a non cash transaction and hence, has no impact on the Group's cash flows for the year.

(iii) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash flows.

(iv) Figures in brackets represent cash outflow

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Consolidated Statement of Changes in Equity for the year ended 31 March, 2017

A. Equity Share Capital

INR Crores

	Equity shares of INR 2 each		Compulsorily Convertible Preference Shares (CCPS)	
	Nos.	INR Crores	Nos.	INR Crores
Issued, subscribed and fully paid				
At 1 April 2015	42,86,04,274	86	-	-
Changes during the period	-	-	-	-
At 31 March 2016	42,86,04,274	86	-	-
Changes during the period	7,84,12,844	15	8,19,40,125	82
At 31 March 2017	50,70,17,118	101	8,19,40,125	82

A1. Share Capital Suspense (Refer note 30)

INR Crores

	Nos.	INR Crores	Nos.	INR Crores
At 1 April 2015		3,942		
Changes during the period		(145)		
At 31 March 2016		3,797		
Changes during the period		(3,797)		
At 31 March 2017		-		

B. Statement of Changes in Equity for the year ended 31 March, 2017

INR Crores

	Attributable to the equity holders of the parent													
	Reserves & surplus									Items of OCI				
	Equity Component of convertible preference shares	Capital redemption reserve	Capital reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Share-based payment reserve	Non-controlling interest reserve	Retained earnings	Equity Instruments through Other	Exchange differences on translating the financial statements of a foreign operation	Total	Non-controlling interest	Total equity
As at 1st April 2016	**-**	**36**	**172**	**822**	**140**	**1,848**	**2**	**(3,693)**	**2,779**	**(76)**	**(24)**	**2,006**	**44**	**2,050**
Profit for the year	-	-	-	-	-	-	-	-	1,727	-	-	1,727	6	1,733
Other comprehensive income	-	-	-	-	-	-	-	-	1	22	0	23	-	23
Total comprehensive income														
Dividends paid during the year	-	-	-	-	-	-	-	-	(214)	-	-	(214)	(16)	(230)
Dividend distribution tax on Preference Dividend	-	-	-	-	-	-	-	-	(3)	-	-	(3)	-	(3)
Allotment of shares pursuant to scheme of Amalgamation with Advanta Limited (Refer Note 30)	0	-	-	3,673	-	-	-	-	-	-	-	3,673	-	3,673
Conversion of Optionally convertible preference shares and Compulsorily convertible preference shares	-		-	2	-	-	-	-	-	-	-	2	-	2
Transfer to retained earnings	-	-	-	-	(15)	-	-	-	15	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	2	-	-	-	(2)	-	-	-	-	-
Receipt on exercise of share options	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Share based compensation	-	-	-	-	-	-	0	-	-	-	-	0	-	0
Foreign exchange impact	-	-	(1)	-	-	-	-	-	-	-	-	(1)	(1)	(2)
As at 31 March 2017	**0**	**36**	**171**	**4,498**	**127**	**1,848**	**2**	**(3,693)**	**4,303**	**(54)**	**(24)**	**7,214**	**33**	**7,247**

Consolidated Statement of Changes in Equity for the year ended 31 March, 2017

B. Statement of Changes in Equity for the year ended 31 March, 2016

INR Crores

	Attributable to the equity holders of the parent													
	Reserves & surplus									Items of OCI				
	Equity Component of convertible preference shares	Capital redemption reserve	Capital reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Share-based payment reserve	Non-controlling interest reserve	Retained earnings	Equity Instruments through Other	Exchange differences on translating the financial statements of a foreign operation	Total	Non-controlling interest	Total equity
As at 1st April 2015	**-**	**36**	**168**	**822**	**150**	**1,848**	**2**	**(3,693)**	**2,046**	**(50)**	**-**	**1,329**	**48**	**1,377**
Profit for the year	-	-	-	-	-	-	-	-	940	-	-	940	12	952
Other comprehensive income	-	-	-	-	-	-	-	-	(3)	(26)	(24)	(53)	-	(53)
Total comprehensive income														
Dividends paid during the year	-	-	-	-	-	-	-	-	(214)	-	-	(214)	(16)	(230)
Transfer to retained earnings	-	-	-	-	(39)	-	-	-	39	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	29	-	-	-	(29)	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	0	-	-	-	-	0	-	0
Foreign exchange impact	-	-	4	-	-	-	-	-	-	-	-	4	0	4
As at 31 March 2016	**-**	**36**	**172**	**822**	**140**	**1,848**	**2**	**(3,693)**	**2,779**	**(76)**	**(24)**	**2,006**	**44**	**2,050**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Notes to consolidated financial statements for the year ended 31 March, 2017

1. Corporate Information

The consolidated financial statements comprise financial statements of UPL Limited ('the Company' or 'the holding Company') and its subsidiaries (collectively, 'the Group'), its associates and Joint ventures for the year ended 31 March 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 3-11, G.I.D.C., Vapi, Dist- Valsad, Gujarat.

The Group is principally engaged in the business of agrochemicals, industrial chemicals, chemical intermediates, speciality chemicals and production and sale of field crops and vegetable seeds. Information on the Group's structure is provided in Note 31. Information on other related party relationships of the Group is provided in Note 38.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on April 28, 2017.

2 Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Group has prepared in accordance with Ind AS. Refer to Note 49 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Contingent consideration.

The consolidated financial statements are presented in Indian Rupee (INR) or (₹) and all values are rounded to the nearest Crores, except when otherwise indicated. Wherever the amount represents ₹ '0' (zero), value construes less than Rupees fifty lakhs.

Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will

Notes to consolidated financial statements for the year ended 31 March, 2017

be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 35 for details of the key assumptions used in determining the accounting for these plans.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 45 and 46 for further disclosures.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates and joint venture as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated

Notes to consolidated financial statements for the year ended 31 March, 2017

financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of each of the subsidiaries, associates and Joint venture, other than Polycoat Technologies 2010 Limited, Sinagro Produtos Agropecuarios SA. Group and 3SB Produtos Agricolas SA. used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. The audited consolidated financial statements of Sinagro Produtos Agropecuarios SA. Group and audited financial statements of 3SB Produtos Agricolas SA. and Polycoat Tecnologies 2010 Limited for the year ended 31st December 2016 have been considered for the purpose of consolidation after making necessary adjustments for the effects of significant transactions or events, if any, that occur till the reporting date of the group i.e. March 31.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any realted non controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.3 Summary of significant accounting policies

a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations retrospectively from 1st June 2005. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustments (refer note 49). The same first time adoption exemption is also used for associates and joint ventures.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit and loss. If the

Notes to consolidated financial statements for the year ended 31 March, 2017

contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Investment in associates and joint ventures

The groups interest in equity accounted in investees comprise interests in associates and joint ventures.

An associate is an entity in which the group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control and has right to the net assets of the arrangement, rather than the right to its assets and obligations for its liabilities.

Interest in associate and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to intial recognition the consolidated financial statements include the groups share of profit and loss and OCI of equity accounted investee until the date on which significant influence or joint control ceases.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to consolidated financial statements for the year ended 31 March, 2017

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue stated inclusive of excise duty and excludes sales tax/value added tax (VAT).

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Rendering of services

Income from services are recognized as and when the services are rendered.

Royalty Income

Income for Royalty is recognised on accrual basis in accordance with the substance of relevant agreement. Royalties accrue in accordance with the terms of relevant agreement and are recognised on that basis, unless having regard to the substance of the agreement, it is more appropriate to recognise revenue on some other systematic and rational basis.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal company to be highly probable when:

Notes to consolidated financial statements for the year ended 31 March, 2017

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

f. Property, plant and equipment

Items of Property, plant and equipment including Capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprisess the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the Assets.

Depreciation:

(i) Leasehold Land:

UPL Limited

No depreciation is provided for leasehold land since as per the lease agreements, the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without /with marginal payment of further premium.

United Phosphorus Vietnam Limited:

Lease Rentals and other costs incurred in conjunction with securing the land use rights of leased land are recognised on a straight line basis over 37 years in accordance with the term of the lease.

(ii) Other Assets:

The Group uses depreciation on a straight line method based on following useful life of assets.

Sr. No.	Name of the Company and Description of Assets	Useful Life of Assets/ Depreciation rates
1.	UPL Limited	
	Plant & Equipments	3 - 25 years
	Building	30 - 60 years
	Laboratory Equipments	10 years
	Offfice Equipments	5 years
	Furniture, Fixtures & Equipments	10 years
	Vechiles	8 years
	Leasehold improvements	over the period of lease
2.	Cerexagri B.V., Netherlands	
	Buildings	18–30 Years
	Machinery and Equipment	10–15 Years
	Other Assets	3–10 Years

Notes to consolidated financial statements for the year ended 31 March, 2017

Sr. No.	Name of the Company and Description of Assets	Useful Life of Assets/ Depreciation rates
3.	Cerexagri S.A.S., France	
	Buildings	20 Years
	Plant and Machinery	10 Years
	Motor Vehicles	5 Years
	Office Materials	3 - 5 Years
4	UP Aviation Limited	
	Aircraft	8 Years
5	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	
	Buildings	33 Years
	Machinery and Equipment	11 Years
	Vehicles	5 Years
	Furniture and Fixtures	10 Years
	Computers and Peripherals	5 Years
	Leasehold Improvements	10 Years
	Communication Equipment	10 Years
	Facilities	10 Years
6	UPL Europe Ltd.(Formerly known as United Phosphorus Limited, U.K.)	
	Freehold Buildings	50 Years
	Plant and Machinery	4–16 Years
	Fixtures and fittings	5–20 Years
	Motor Vehicles	4 Years
	Leasehold Land and Buildings	50 years or 0 year or Term of Lease if shorter
7	United Phosphorus Inc.	
	Equipment	3 - 15 Years
8	UPL Benelux B.V.(Formerly Known as AgriChem B.V.)	
	Buildings	25 Years
	Machinery and Equipments	5 - 10 Years
	Other Assets	5 years
9	Decco Iberica Postcosecha, S.A.U.	
	Buildings	35 Years
	Hardware	4 Years
	Vehicles	6 Years
	Machinery, Technical and other installations, Tools, Furnitures and other fixed assets	10 Years
10	Safepack Products Limited	
	Plant, Equipment & Laboratory equipments.	7-20 years
	Office Equipments and computers	7-33 years
	Leasehold improvements	6-10 years
	Motor Vehicles	15 years
11	Decco US Post-Harvest Inc (US)	

Notes to consolidated financial statements for the year ended 31 March, 2017

Sr. No.	Name of the Company and Description of Assets	Useful Life of Assets/ Depreciation rates
	Building	20 years
	Plant & Equipment	3-10 years
	Vehicles	3-10 years
12	United Phosphorus Cayman Limited	
	Buildings	20 years
	Machinery and Equipments	10 years
	Furniture, Communication and computer equipment, Vehicles	5 years
13	Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd)	
	Freehold Buildings	20 years
	Plant and Equipment	3-10 years
14	Pacific Seeds (Thai) Limited	
	Building and Building improvements	20 years
	Machinery and Equipments	5 years
	Furniture fixtueres and Office Equipments	3-10 years
	Motor Vehicles	5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

i) Goodwill

- Goodwill is initially measured at cost, being the excess of the aggregate of consideration transferred over net identifiable assets acquired and liabilities assumed. (Refer 2.3(a) - Accounting policy for Business Combination and Goodwill)
- Subsequent measurement is at cost less accumulated impairment losses.
- Goodwill is not amortised and is tested for impairment annually.

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Notes to consolidated financial statements for the year ended 31 March, 2017

A summary of the policies applied to the Group's intangible assets is as follows

Intangible assets	Useful lives	Amortisation method used
Product Acquisitions	Fifteen years	Amortised on straight-line basis from the month of additions to match their future economic benefits
Germplasm	Ten to fifteen years	Amortised on straight-line basis
Other Intangible assets	Three to Five years	Amortised on straight-line basis

h. **Borrowing costs**

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. **Foreign currencies**

The Group's consolidated financial statements are presented in Indian Rupee (INR), which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. 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 transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss except for exchange differences arising on a monetary item which, in substance, forms part of the Group's net investment in a non-integral foreign operation which is accumulated in a Foreign Currency Translation Reserve until the disposal of the net investment. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Exchange difference on such contracts are recognized in the statements of profit and loss in the year in which the exchange rate changes. Any profit and loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

Foreign exchange differences on foreign currency borrowings, loans given/taken, settlement gain/loss and fair value gain/losses on derivative contracts relating to borrowings are accounted and disclosed under 'finance cost'.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also reclassified in OCI or statement of profit and loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses a monthly average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in statement of profit and loss.

Notes to consolidated financial statements for the year ended 31 March, 2017

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

j. **Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Contingent consideration (note 42)
- Quantitative disclosures of fair value measurement hierarchy (note 46)
- Financial instruments (including those carried at amortised cost) (note 5, 6, 7, 10, 11, 11A, 15, 16, 19, 44, 45, 46, 47)

k. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Notes to consolidated financial statements for the year ended 31 March, 2017

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.1.l). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l. **Inventories**

(i) Stocks of stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. Cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi—finished products, finished products and by—products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are capitalized into inventory.

(iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m. **Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

n. **Provisions**

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

o. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying

Notes to consolidated financial statements for the year ended 31 March, 2017

transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

Notes to consolidated financial statements for the year ended 31 March, 2017

p. Retirement and other employee benefits

1 UPL Limited and SWAL Corporation Limited

i) Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employees rendered related services.

ii) Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

iii) The companies have a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the company. The aforesaid liability is provided for on the basis of an actuarial valuation made on projected unit credit method at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

iv) The Group has other long term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made on projected unit credit method at the end of the financial year. The aforesaid leave encashment is funded with an insurance company in the form of a qualifying insurance policy.

v) Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

2 All Other subsidiaries:

The Companies contribute to a defined contribution plan which are charged to the statement of profit and loss as incurred.

q. Share-based payments

Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102, "Share based payments". The Group measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Notes to consolidated financial statements for the year ended 31 March, 2017

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to consolidated financial statements for the year ended 31 March, 2017

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements)

e) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

s. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to consolidated financial statements for the year ended 31 March, 2017

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

u. Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Notes to consolidated financial statements for the year ended 31 March, 2017

v. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

w. Cash dividend

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

x. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

y. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

z. Segment Reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

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

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. Common allocable costs are allocated to each segment on an appropriate basis.

aa. Contingent Liability and Contingent Asset:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

ab. Biological Assets:

Sinagro Produtos Agropecua'rios S.A. and 3SB Produtos Agricolas S.A.

Biological assets of the group consists of harvest of soybean, corn, cotton and beans. Such biological assets are recognised at fair value, less cost to sell, when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the enterprise, and the fair value or cost of the asset can be measured reliably. Any changes to fair value are recognised in the statement of profit and loss.

ac. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments)

Notes to consolidated financial statements for the year ended 31 March, 2017

Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Notes to consolidated financial statements for the year ended 31 March, 2017

3. Property, plant and equipment

INR Crores

	Land-Freehold	Land-Leasehold	Building	Building-Leasehold	Plant & Equipment	Laboratory Equipments	Furniture Fixtures & Equipments	Office Equipment	Vehicles	Assets Taken on Lease: Furniture, Fixtures and Equipments	Assets Taken on Lease: Vehicles	Land Improvements	Building Improvements	Aircraft	Capital Work in Progress	Total
Cost or valuation																
At 1 April 2015	**243**	**136**	**422**	**22**	**2,585**	**40**	**75**	**58**	**72**	**1**	**2**	**17**	**51**	**72**	**368**	**4,164**
Additions during the year	0	14	33	-	589	11	15	19	16	-	0	1	34	-	498	1,230
Disposals during the year	(0)	-	(1)	-	(20)	(1)	(1)	(2)	(3)	-	-	-	(1)	-	-	(29)
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(560)	(560)
Exchange differences	1	0	2	3	57	3	(2)	2	(2)	1	0	2	1	4	6	78
At 31 March 2016	**244**	**150**	**456**	**25**	**3,211**	**53**	**87**	**77**	**83**	**2**	**2**	**20**	**85**	**76**	**312**	**4,883**
Additions during the year	2	12	55	0	416	14	9	9	38	-	0	1	3	-	682	1,241
Disposals during the year	(22)	(0)	(33)	-	(66)	(4)	(1)	(6)	(10)	-	-	(4)	(0)	-	-	(146)
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(369)	(369)
Exchange differences	3	-	(7)	(2)	(50)	(2)	(0)	(1)	1	0	(0)	(2)	1	(3)	8	(54)
At 31 March 2017	**227**	**162**	**471**	**23**	**3,511**	**61**	**95**	**79**	**112**	**2**	**2**	**15**	**89**	**73**	**633**	**5,555**
Depreciation																
At 1 April 2015	**-**	**1**	**197**	**14**	**1,566**	**23**	**47**	**45**	**42**	**0**	**0**	**17**	**30**	**-**	**-**	**1,982**
Depreciation charge for the year (Note 25)	-	0	12	1	197	3	7	9	11	0	1	0	4	10	-	255
Disposals during the year	-	-	(0)	-	(15)	(1)	(1)	(2)	(2)	-	-	-	(1)	-	-	(22)
Exchange differences	-	0	12	2	51	3	(1)	1	(2)	(0)	0	2	(0)	-	-	68
At 31 March 2016	**-**	**1**	**221**	**17**	**1,799**	**28**	**52**	**53**	**49**	**0**	**1**	**19**	**33**	**10**	**-**	**2,283**
Depreciation charge for the year (Note 25)	-	0	14	1	236	5	11	12	17	0	0	0	6	10	-	312
Disposals during the year	-	-	(26)	-	(52)	(4)	0	(6)	(7)	-	-	(3)	-	-	-	(98)
Exchange differences	-	-	(8)	(1)	(41)	(4)	0	(1)	0	0	(0)	(2)	0	(1)	-	(58)
At 31 March 2017	**-**	**1**	**201**	**17**	**1,942**	**25**	**63**	**58**	**59**	**0**	**1**	**14**	**39**	**19**	**-**	**2,439**
Net book value																
At 31 March 2017	227	161	270	6	1,569	36	32	21	53	2	1	1	50	54	633	3,116
At 31 March 2016	244	149	235	8	1,412	25	35	24	34	2	1	1	52	66	312	2,600
At 1 April 2015	243	135	225	8	1,019	17	28	13	30	1	2	0	21	72	368	2,182

Net book value

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Plant, property and equipment	2,483	2,288	1,814
Capital work in progress	633	312	368
Total	**3,116**	**2,600**	**2,182**

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2017 was Nil (31 March 2016: ₹10 crs; 1 April, 2015: ₹14 crs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 10.39%, which is the effective interest rate of the specific borrowing.

Capital Work in Progress

Capital work in progress as at 31 March 2017 comprises expenditure for the plant and building in the course of construction.

Notes to consolidated financial statements for the year ended 31 March, 2017

4. Intangible assets

INR Crores

	Goodwill*	Other Intangible Assets										Intangible asset under development	Total (Excl. Goodwill)
		Data Access Fees	Product Registrations	Product Acquisitions	Task Force Expenses	Software/ Licence Fees	Customer Contracts	Brands/ Trademarks	Non-compete agreements	Trade Secrets	Germ Plasm		
Cost													
At 1 April 2015	413	200	2,349	639	8	46	417	300	21	17	256	237	4,490
Additions during the year	-	3	352	5	15	8	-	-	-	-	-	79	462
Deductions during the year	-	-	(16)	-	-	(0)	-	-	-	-	-	-	(16)
Transfer/Capitalised	-	-	-	-	-	-	-	-	-	-	-	(143)	(143)
Foreign Exchange Adjustment	4	6	110	1	(1)	2	3	1	1	1	-	(1)	123
At 31 March 2016	**417**	**209**	**2,795**	**645**	**22**	**56**	**420**	**301**	**22**	**18**	**256**	**172**	**4,916**
Additions during the year	-	-	280	99	-	7	-	2	-	-	-	156	544
Deductions during the year	-	(91)	(287)	-	-	-	-	-	-	-	-	-	(378)
Transfer/Capitalised	-	-	-	-	-	-	-	-	-	-	-	(174)	(174)
Foreign Exchange Adjustment	2	(2)	(79)	(2)	-	(1)	16	(2)	(0)	(0)	-	5	(65)
At 31 March 2017	**419**	**116**	**2,709**	**742**	**22**	**62**	**436**	**301**	**22**	**18**	**256**	**159**	**4,843**
Amortisation													
At 1 April 2015	-	200	1,831	214	8	37	324	240	19	9	198	-	3,080
Amortisation for the year (Note 25)	-	3	268	43	3	4	58	27	3	2	13	-	424
Amortisation on disposals	-	-	(15)	-	-	-	-	-	-	-	-	-	(15)
Foreign Exchange Adjustment	-	5	87	0	-	4	3	2	(1)	-	2	-	98
At 31 March 2016	**-**	**208**	**2,171**	**257**	**11**	**45**	**385**	**269**	**21**	**11**	**209**	**-**	**3,590**
Amortisation for the year (Note 25)	-	1	250	44	3	5	28	13	-	2	12	-	358
Amortisation on disposals	-	(91)	(285)	-	-	-	-	-	-	-	-	-	(376)
Foreign Exchange Adjustment	-	(3)	(65)	(1)	-	(1)	15	(1)	1	(0)	1	-	(54)
At 31 March 2017	**-**	**115**	**2,071**	**300**	**14**	**49**	**428**	**281**	**22**	**13**	**222**	**-**	**3,515**
Net book value													
At 31 March 2017	419	1	638	442	8	13	8	20	0	5	34	159	1,328
At 31 March 2016	417	1	624	388	11	11	35	32	1	7	47	172	1,329
At 1 April 2015	413	-	518	425	-	9	93	60	2	8	58	237	1,410

Net book value

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Goodwill	419	417	413
Other intangible assets	1,169	1,157	1,173
Intangible assets under development	159	172	237
Total	**1,747**	**1,746**	**1,823**

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

The Group generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements's best estimate about future developments.

Notes to consolidated financial statements for the year ended 31 March, 2017

5. Investments

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
Non Current				
Investments accounted for using the Equity Method				
Investment stated at Cost				
(A)	Investments in Equity Instruments			
a.	Investment in Associates			
(i)	4,000 [March 2016: 4,000, April 2015: Nil] Equity Shares fully paid—up in 3SB Produtos Agricolas SA [includes goodwill of ₹64 Crores [March 2016 ₹58 Crores; April 2015: Nil]]	76	101	-
(ii)	4,39,07,621 [March 2016: 4,39,07,261; April 2015: Nil] Equity Shares fully paid—up in Sinagro Produtos Agropecuarios SA. [includes goodwill of ₹24 Crores, [March 2016: ₹21 Crores ; April 2015:Nil]]	36	20	-
(iii)	9,21,000 [March 2016: 9,21,000; April 2015: 9,21,000] Equity Shares of ₹10 each fully paid—up in Chemisynth [Vapi] Limited (refer Note (a) below)	0	0	0
(iv)	18,130 [March 2016: 18,130; April 2015: 18,130] Equity shares of ₹100 each of Universal Pestochem [Industries] Pvt. Ltd. (refer Note (a) below)	0	0	0
(v)	33,50,000 [March 2016: 33,50,000; April 2015: 33,50,000] Equity Shares of ₹10 each fully paid—up in Kerala Enviro Infrastructure Limited	3	4	4
(vi)	200 [March 2016: 200; April 2015: 200] Equity shares of Polycoat Technologies 2010 Limited [Face Value: Nil [March 2016: Nil; April 2015 : Nil]] (refer Note (a) below)	0	0	0
(vii)	37,681 [March 2016: Nil; April 2015: Nil] equity shares of ₹10 each, fully paid-up in Weather Risk Management Services Pvt Ltd	10	-	-
b.	Investment in Joint Ventures			
(i)	1,627 [March 2016: 1,627; April 2015: 1,627] Equity Shares of Tk.1,000 each fully paid—up in United Phosphorus [Bangladesh] Limited	0	0	0
(ii)	200 [March 2016: 200, April 2015: 200] Equity shares fully paid up in Hodogaya UPL Co. Ltd	18	17	14
(iii)	88,223 [March 2016: 88223 , April 2015: 88,223] Equity shares of ₹1 AUD each fully paid up in Longreach Plant Breeders Management Private Limited	31	33	28
	Total Non-Current Investments accounted for using the Equity Method	**174**	**175**	**46**
Financial Assets				
Other investments				
Investments stated at Fair Value through OCI				
(A)	Investments in Equity Instruments (Quoted)	78	55	72
Investments stated at Fair Value through P&L				
(A)	Investments in optionally Convertible Bonds (Unquoted)	118	92	137
(B)	Investments in Equity Instruments (Unquoted)	8	13	14
Investments stated at amortised cost				
(A)	Investments in Goverment or trust securities (Unquoted)	0	0	0

Notes to consolidated financial statements for the year ended 31 March, 2017

5. Investments contd.

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Total Other Non-Current Investments	204	160	223
Total Non-Current Investments	378	335	269
Current			
Investments stated at Fair Value through P&L			
(A) Investments in Equity Instruments (Unquoted)	0	-	-
Total Current Investments	0	-	-
Total Investments	378	335	269
Aggregate amount and market value quoted investments	78	55	72
Aggregate amount of unquoted investments	300	280	197
Impairment of investments	-	-	-
Investments at fair value through Profit and loss (fully paid) reflect investment in debt instruments . Refer note 45 for determination of their fair values.			
Investments at fair value through OCI (fully paid) reflect investment in quoted equity securities. Refer note 45 for determination of their fair values.			

Note:

a. Share of losses has been restricted to the carrying value of the investment

Financial Assets

6. Loans

INR Crores

		Non-current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
(A)	Security Deposit						
a.	Unsecured, Considered good	95	81	75	0	9	1
b.	Doubtful	2	2	2	-	-	-
	Less: Allowance for doubtful security deposit	(2)	(2)	(2)	-	-	-
		95	81	75	0	9	1
(B)	Loans and Advances to related parties (refer note 38)						
a.	Unsecured, Considered good	128	104	64	50	138	(0)
		128	104	64	50	138	(0)
(C)	Loans to employees						
a.	Unsecured, Considered good	2	1	1	11	2	2
		2	1	1	11	2	2
(D)	Sundry loans						
a.	Unsecured, Considered good	-	-	-	58	121	6
b.	Doubtful	2	2	2	-	-	-
	Less: Allowance for doubtful sundry deposit	(2)	(2)	(2)	-	-	-
		-	-	-	58	121	6
	Total loans	225	186	140	119	270	9

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group.

Notes to consolidated financial statements for the year ended 31 March, 2017

7. Other Financial Assets

INR Crores

		Non-current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
(A)	Interest receivable						
a.	Unsecured, Considered good	-	-	-	57	30	15
b.	Doubtful	-	-	-	0	0	0
	Less: Allowance for doubtful Interest receivable	-	-	-	(0)	(0)	(0)
		-	-	-	57	30	15
(B)	Derivative instruments at fair value through profit or loss						
	Derivative contracts (net)	-	-	-	-	-	78
		-	-	-	-	-	78
(C)	Others						
a.	Unsecured, Considered good	-	1	3	21	26	29
b.	Doubtful	2	2	2	-	-	-
	Less: Allowance for doubtful other financial assets	(2)	(2)	(2)	-	-	-
		-	1	3	21	26	29
	Total Other Financial Assets	-	1	3	78	56	122

8. Other Assets

INR Crores

		Non-current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
(i)	Capital Advance	32	19	35	-	-	-
(ii)	Export Benefits Receivable	60	-	-	87	109	75
(iii)	Deposits with the Collectorate of Central Excise and Customs	41	30	20	154	127	101
(iv)	Statutory receivables	196	152	121	242	209	130
(v)	Other Advances	6	32	36	259	305	337
	Total Other Assets	335	233	212	742	750	643

9. Inventories (Valued at lower of cost and net realisable value)

INR Crores

		31-Mar-17	31-Mar-16	01-Apr-15
a.	Raw materials and components	856	878	708
b.	Work in progress	355	269	249
c.	Finished goods	2,330	2,168	2,037
d.	Traded goods	459	342	308
e.	Store and spares [including fuel]	62	42	43
f.	Packing Material	87	78	73
g.	By products	7	10	11
	Total inventories at the lower of cost and net realisable value	4,156	3,787	3,429

Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is ₹56 Crs (31 March 2016: ₹44 Crs, 1 April 2015: ₹1 Crs).

Notes to consolidated financial statements for the year ended 31 March, 2017

Financial Assets

10. Trade receivables

INR Crores

	Non-current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Trade receivables						
Unsecured, Considered good	-	1	6	5,656	5,100	4,142
Doubtful	-	-	-	360	393	327
Less: Allowance for doubtful Trade receivables	-	-	-	(360)	(393)	(327)
Total Trade receivables	**-**	**1**	**6**	**5,656**	**5,100**	**4,142**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 45 to 270 days.

For explanations on Group's Credit risk management process. (Refer note 47)

The Group has entered into an agreement to sell and assign its receivables on a non recourse basis with various banks. This is treated as a "true sale" for both legal and financial reporting purposes. As such, the assets once transferred are not reflected on the balance sheet date. At March 31, 2017, the Group sold receivables which have been recognised of ₹2,043 Crs. (₹1,619 Crs. at March 31, 2016 and ₹1,428 Crs. at April 1, 2015).

11. Cash and cash equivalents

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Balances with banks (of the nature of cash and cash equivalents):			
- Current accounts	117	50	80
- Foreign Currency accounts	1	2	6
- Current Accounts outside India	1,481	648	426
Fixed Deposit accounts*			
- Deposits with original maturity for less than 3 months	1	27	38
- Fixed Deposits outside India	1,241	426	474
Cheques/Drafts on hand	33	22	20
Cash on Hand	6	2	2
	2,880	**1,177**	**1,046**

11A. Other Bank Balances

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
- Deposits with original maturity for more than 3 months but less than 12 months	1	2	31
- Margin money deposit **	8	6	22
-Unclaimed Dividend accounts	6	4	3
	15	**12**	**56**

* Fixed deposit of ₹ Nil [31st March 2016: ₹23 Crs, 1st April 2015: ₹23 Crs] earmarked towards redemption of debentures.

** Margin money deposits given as security against Bank Guarantees.

Notes to consolidated financial statements for the year ended 31 March, 2017

11A. Other Bank Balances (contd.)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Balances with banks:			
- Current accounts	117	50	80
- Foreign Currency accounts	1	2	6
- Current Accounts outside India	1,481	648	426
Fixed Deposit accounts*	1,241	426	474
- Deposits with original maturity for less than 3 months	1	27	38
Cheques/Drafts on hand	33	22	20
Cash on Hand	6	2	2
	2,880	**1,177**	**1,046**

Break up of financial assets carried at amortised cost INR Crores

	Non-current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Loans (note 6)	97	82	76	69	132	9
Trade receivable (note 10)	-	1	6	5,656	5,100	4,142
Cash and cash equivalents (note 11)	-	-	-	2,880	1,177	1,046
Other Bank balance (note 11A)	-	-	-	15	12	56
Total financial assets carried at amortised cost	**97**	**83**	**82**	**8,620**	**6,421**	**5,253**

12. Share Capital

Authorised Share Capital

Equity Shares of INR 2 each	**No.**	**INR Crores**
At 1 April 2015	1,27,50,00,000	255
Increase/(decrease) during the year	-	-
At 31 March 2016	1,27,50,00,000	255
Increase/(decrease) during the year	(3,75,00,000)	(7)
At 31 March 2017	**1,23,75,00,000**	**248**

Issued equity capital

Equity shares of INR 2 each issued, subscribed and fully paid	**No.**	**INR Crores**
At 1 April 2015	42,86,04,274	86
Increase/(decrease) during the year	-	-
At 31 March 2016	42,86,04,274	86
Increase/(decrease) during the year	7,84,12,844	15
At 31 March 2017	**50,70,17,118**	**101**

Terms/ rights attached to equity shares

The Company has one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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 the 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.

During the year ended 31st March, 2017, the amount of per share dividend proposed as distributions to equity sharehorders is ₹7 (31st March, 2016: ₹5)

Notes to consolidated financial statements for the year ended 31 March, 2017

12. Share Capital (contd.)

Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity shares of INR 2 each fully paid						
Nerka Chemicals Private Limited	10	19.98%	10	23.01%	10	23.01%
Uniphos Enterprises Limited	3	5.03%	3	5.91%	3	5.91%

As per 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 ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Equity shares bought back by the Company.	3	3	3

There are 42,361,062 shares (31 March, 2016: 257,120; 1 April, 2015:307,120) underlying equity shares of the Company in respect of GDRs traded on Luxemburg Stock Exchange and against conversion of each GDR ten equity shares were issued.

During the year 42,103,942 underlying equity shares of the company in respect of GDRs listed on Singapore Stock Exchange were issued pursuant to the scheme of amalgamation of Advanta Limited with the company (Refer Note 30).

12A. Preference Share Capital

Authorised Share Capital

	Preference Shares of INR 100 each		Preference Shares of INR 10 each	
	No.	INR Crores	No.	INR Crores
At 1 April 2015	1,40,00,000	140	50,00,000	5
Increase/(decrease) during the year	-	-	-	-
At 31 March 2016	1,40,00,000	140	50,00,000	5
Increase/(decrease) during the year	(1,40,00,000)	(140)	22,45,00,000	225
At 31 March 2017	**0**	**-**	**22,95,00,000**	**230**

Issued Preference Share Capital

Preference shares of INR 10 each issued, subscribed and fully paid	Optionally Convertible Preference Shares (OCPS)		Compulsorily Convertible Preference Shares (CCPS)	
	No.	INR Crores	No.	INR Crores
At 1 April 2015	-	-	-	-
Increase/(decrease) during the year	-	-	-	-
At 31 March 2016	-	-	-	-
Increase/(decrease) during the year	2,46,42,786	25	8,19,40,125	82
At 31 March 2017	**2,46,42,786**	**25**	**8,19,40,125**	**82**
Debt portion of OCPS considered as part of Short term borrowings		24		
Equity portion of OCPS considered as part of other Equity		1		

Notes to consolidated financial statements for the year ended 31 March, 2017

12A. Preference Share Capital (contd.)

Terms/ rights attached to preference shares

Each Compulsory convertible preference share (CCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Group starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one CCPS held. If the CCPS are not converted within 18 months from the date of allotment, then the CCPS shall be automatically converted into equity shares of the Group at the end of 18 months from the date of allotment. The CCPS carry a dividend of 5% per annum, payable annually, subject to deduction of taxes at source, if applicable. The CCPS shall be non-cumulative and non-participating in nature. The holder of CCPS shall have right to vote in accordance with Section 47 of the Companies Act, 2013.

Each Optionally convertible preference share (OCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Group starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one OCPS held. If the OCPS are not converted within 18 months from the date of allotment, then the OCPS shall be automatically redeemed at par. The OCPS carry a dividend of 5% per annum, payable annualy, subject to deduction of taxes at source, if applicable. The OCPS shall be non-cumulative and non-participating in nature. The holder of OCPS shall have right to vote in accordance with Section 47 of the Companies Act, 2013. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

12B. Share Capital Suspense

During the year, the Group has allotted Equity Shares, Compulsorily Convertible Preference Shares and Optionally Convertible Preference Shares to the share holders of erstwhile Advanta Limited, pursuant to Scheme of Amalgamation as described in detail in Note 30. Accordingly during the year, the balance lying in Share Capital Suspense Account has been transferred to respective Equity / Liability Account.

13. Other equity

INR Crores

		31-Mar-17
i)	**Securities Premium Reserve**	
	At 1 April 2015	**822**
	Additions during the period (Additions during the year)	-
	At 31 March 2016	**822**
	Additions during the period	3,676
	At 31 March 2017	**4,498**
(ii)	**Retained earnings**	
	Balance as at 1 April 2015	2,046
	Add: Profit for the year	940
	Add: Transfer from Debenture redemption reserve	39
	Less: Remeasurement gains/(losses) of defined benefit plans	(3)
	Less: Appropriations:	
	Proposed dividend on Equity Shares	(214)
	Transfer to Debenture redemption reserve	(29)
	Transfer to General reserve	-
	Total appropriations	**(243)**
	At 31 March 2016	**2,779**
	Add: Profit for the year	1,727
	Add: Transfer from Debenture redemption reserve	15

Notes to consolidated financial statements for the year ended 31 March, 2017

13. Other equity (contd.)

INR Crores

		31-Mar-17
	Add: Remeasurement gains/(losses) of defined benefit plans	1
	Less: Appropriations:	
	Dividend on Equity shares paid during the year	(214)
	Dividend Proposed on Optionally Convertible Preference Share	(3)
	Transfer to Debenture redemption reserve	(2)
	Total appropriations	**(219)**
	At 31 March 2017	**4,303**
(iii)	**Other reserves**	
	Capital redemption reserve	
	At 1 April 2015	**36**
	Changes during the period	-
	At 31 March 2016	**36**
	Changes during the period	-
	At 31 March 2017	**36**
	Capital reserve	
	At 1 April 2015	**168**
	Changes during the period	4
	At 31 March 2016	**172**
	Changes during the period	(1)
	At 31 March 2017	**171**
	Debenture Redemption Reserve	
	At 1 April 2015	**150**
	Add: Amount transferred from retained earnings	29
	Less: Amount transferred to retained earnings	(39)
	At 31 March 2016	**140**
	Add: Amount transferred from retained earnings	2
	Less: Amount transferred to retained earnings	(15)
	At 31 March 2017	**127**
	General reserve	
	At 1 April 2015	**1,848**
	Changes during the period	-
	At 31 March 2016	**1,848**
	Changes during the period	-
	At 31 March 2017	**1,848**
	Share based payment reserve	
	At 1 April 2015	**2**
	Changes during the period	0
	At 31 March 2016	**2**
	Changes during the period	0
	At 31 March 2017	**2**
	Non-controlling interest reserve	
	At 1 April 2015	**(3,693)**
	Changes during the period	-
	At 31 March 2016	**(3,693)**

Notes to consolidated financial statements for the year ended 31 March, 2017

13. Other equity (contd.)

INR Crores

	31-Mar-17
Changes during the period	-
At 31 March 2017	**(3,693)**
FVTOCI Reserve	
At 1 April 2015	**(50)**
Changes during the period	(26)
At 31 March 2016	**(76)**
Changes during the period	22
At 31 March 2017	**(54)**
Foreign Currency Translation Reserve	
At 1 April 2015	**-**
Changes during the period	(24)
At 31 March 2016	**(24)**
Changes during the period	0
At 31 March 2017	**(24)**

Securities Premium Reserve - Where the Holding Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Holding Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and can use this reserve for buy-back of shares.

Share Based Payment Reserve - Pursuant to amalgamation of Advanta Limited with effect from April 1, 2015 the Holding Company has taken over share based payments obligation towards its employees as per the original terms and conditions. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to the key employees and directors as part of their remuneration. Refer to Note 36 for further details of the scheme.

Capital Redemption Reserve - Capital Redemption Reserve was created for buy-back of shares.

General Reserve - General Reserve is created out of the profits earned by the Holding Company by way of transfer from surplus in the statement of profit and loss. The Holding Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

Capital Reserve - The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

Debenture Redemption Reserve (DRR) - The Holding Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

Other reserves INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Capital redemption reserve	36	36	36
Capital reserve	171	172	168
Debenture Redemption Reserve	127	140	150
General reserve	1,848	1,848	1,848
Share based payment reserve	2	2	2
Non-controlling interest reserve	(3,693)	(3,693)	(3,693)
FVTOCI Reserve	(54)	(76)	(50)
Foreign Currency Translation Reserve	(24)	(24)	-
Total other reserves	**(1,587)**	**(1,595)**	**(1,539)**

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 28.

Notes to consolidated financial statements for the year ended 31 March, 2017

14. Distribution made and proposed

INR Crores

	31-Mar-17	31-Mar-16
Cash dividends on Equity shares declared and paid:		
Final dividend for 31 March 2016: ₹5 per share (31 March 2015: ₹5 per share)	214	214
	214	**214**
Proposed dividends on Equity shares:		
Final cash dividend for 31 March 2017: ₹7 per share (31 March 2016: ₹5 per share)	355	214
	355	**214**

Note

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2017.

15. Borrowings

INR Crores

	Effective interest rate (%)	Maturity	31-Mar-17	31-Mar-16	01-Apr-15
Non-current Borrowings					
Debentures					
Redeemable Non convertible Debentures (NCDs) (Unsecured) (refer note a below)	10.44% to 10.85%	2018-2026	756	755	903
			756	**755**	**903**
Bonds (Unsecured) (Refer Note b below)	3.25%	13th October 2021	3,210	-	-
Term Loan					
From Bank					
Foreign currency loan (Unsecured)	Libor+1.5% and Prime + 2%	2018-2021	1,380	1,408	787
Foreign currency loan (Secured) (Refer Note c below)	6.00% to 17.60%	2018-2021	4	6	8
Loan from Biotechnology Industry Research Assistance (BIRAC) (Secured)	2 to 3%	2020	0	1	1
From others (Unsecured)	1%	2017	-	96	94
			5,350	2,266	1,793
Current maturities of long term borrowings					
Debentures					
Unsecured Redeemable Non convertible Debentures			53	216	231
			53	**216**	**231**
Term loans					
Foreign currency loan from banks (Unsecured)	Libor+1.5% and Prime + 2%	2018	243	212	380
Foreign currency loan (Secured) (Refer Note c below)	6.00% to 17.60%	2018	5	59	5
From Loan from Biotechnology Industry Research Assistance (BIRAC) (Secured)	2 to 3%	2017-2018	-	0	0
From others (Unsecured)	5.79%	2017-2018	2	-	2
			250	**271**	**387**
Total Non-current Borrowings			**5,653**	**2,753**	**2,412**
Less: Amount clubbed under "other current financial liabilities" (Refer Note 16)			**(303)**	**(487)**	**(618)**
Net Non-current Borrowings			**5,350**	**2,266**	**1,793**

Notes to consolidated financial statements for the year ended 31 March, 2017

15. Borrowings

INR Crores

	Effective interest rate (%)	Maturity	31-Mar-17	31-Mar-16	01-Apr-15
Aggregate Secured loans			4	7	9
Aggregate Unsecured loans			**5,346**	**2,259**	**1,784**
Current Borrowings					
Loan From Banks					
Secured (Refer Note d below)	MCLR + upto 195bps & 15.25% to 23.50%	2017-2018	8	699	697
Unsecured:					
Working Capital Loan repayable on demand from Banks:	LIBOR + 10 bps, CDI + 2.5% to 2.66%, PRIME + 2%, 3.17% to 16.58%	2017-2018	587	1,677	708
Short Term Buyers Credit	LIBOR + 4.95%	2017-2018	46	66	62
			641	2,442	1,467
Liability component of compound financial instrument					
Optionally Convertible preference shares (unsecured) (Refer note 12A)			24	-	-
Others (Unsecured)			(0)	3	4
			24	3	4
Discounted Trade Receivables (Unsecured)	16.08%	2017-2018	43	60	92
			43	60	92
Total current Borrowings			**708**	**2,505**	**1,563**
Aggregate Secured loans			8	699	697
Aggregate Unsecured loans			700	1,806	866

a. **Unsecured Redeemable Non-Convertible Debentures (NCD's)**

The Borrowings and Current maturities include ₹48 crs (₹62 crs 31st March 2016, ₹75 crs 1st April 2015) pertaining to interest accrued but not due on account of recognition of Debentures at amortised cost as per EIR method.

NCDs of face value amounting to ₹300 crs (₹300 crs 31st March 2016, ₹300 crs 1st April 2015) have been issued under two series and are redeemable at par at the end of 10th year ₹150 crs i.e June, 2022 and 7th year ₹150 crs i.e June, 2019 from the date of allotment. Out of the above, NCDs amounting to ₹90 crs have been bought back by the Company.

NCDs of face value amounting to ₹250 crs (₹250 crs 31st March 2016, ₹250 crs 1st April 2015) are redeemable at par at the end of 15th year i.e July 2026 from the date of allotment . The NCDs carry a call option at the end of 10th year from the date of allotment.

NCDs of face value aggregating to ₹300 crs (₹300 crs 31st March 2016, ₹300 crs 1st April 2015) have been issued under four series and are redeemable at par of ₹75 crs each at the end of 12th year, 11th year, 9th year and 8th year i.e. October 2022, October 2021, October 2019 and October 2018 respectively from the date of allotment.

NCD's mentioned above carry a coupon rate ranging from 9.95% to 10.70%

b. **Bonds (Unsecured)**

Bonds are listed on Singapore Stock exchange and are recorded at amortised cost.

c. **Foreign currency loan from banks (secured)**

Foreign Currency loans from Banks is pledged against accounts receivables as collateral for credit assignments with recourse and has machinery, equipment and vehicles collateralized under financing and finance lease.

d. **Loan repayable on demand from Banks (Secured)**

Outstanding loan is secured by hypothecation of inventories, bills receivables, book debts and all movable assets of the Company both present and future, wherever situated.

Notes to consolidated financial statements for the year ended 31 March, 2017

16. Other financial liabilities

INR Crores

	Non-current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Financial liabilities at fair value through profit or loss						
Derivative contracts (net)	142	197	187	37	117	50
Other financial liabilities carried at amortised Cost						
Current maturities of long term borrowings	-	-	-	303	487	618
Payable towards acquisition of additional stake in UPL Do Brasil (Refer note: 42)	232	272	420	14	5	50
Capital goods creditors	-	-	-	38	51	105
Interest accrued and not due on borrowings	-	-	-	103	26	22
Investor Education and Protection Fund will be credited by following amounts (as and when due) - Unpaid dividend	-	-	-	6	4	3
Trade Deposits	-	-	-	70	68	57
Others	4	4	4	231	161	140
Total other financial liabilities	**378**	**473**	**611**	**802**	**919**	**1,045**

Break up of financial liabilities carried at amortised cost

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Borrowings (non-current) (note 15)	5,350	2,266	1,793
Borrowings (current) (note 15)	708	2,505	1,563
Current maturity of long term loans (note 15)	303	487	618
Payable towards acquisition of additional stake in UPL Do Brasil (Refer note: 42)	246	277	470
Capital goods creditors	38	51	105
Interest accrued and not due on borrowings	103	26	22
Investor Education and Protection Fund will be credited by following amounts (as and when due) - Unpaid dividend	6	4	3
Trade Deposits	70	68	57
Others	231	161	140
Total financial liabilities carried at amortised cost	**7,055**	**5,845**	**4,771**

17. Provisions

Long term Provision

INR Crores

	Jubilee	Leave benefits	Environ-mental	Reorganisa-tion	Labour claim	Total
At 1 April 2015	1	3	11	-	3	18
Arising during the year	0	0	3	1	-	4
utilised	-	-	(0)	-	-	(0)
Foreign currency translation effect	-	-	(1)	-	(0)	(1)
At 31 March 2016	**1**	**3**	**13**	**1**	**3**	**21**
Arising during the year	-	-	-	-	-	-
utilised	-	(3)	(1)	(1)	-	(5)
Foreign currency translation effect	(0)	-	0	-	0	0
At 31 March 2017	**1**	**-**	**12**	**-**	**3**	**16**

Notes to consolidated financial statements for the year ended 31 March, 2017

17. Provisions (contd.)

Short term Provision

INR Crores

	Leave benefits	Dividend on CCPS	Contingen-cies	Reorganisa-tion	Total
At 1 April 2015	53	-	10	4	67
Arising during the year	17	-	7	-	24
utilised	(3)	-	(5)	(2)	(10)
Foreign currency translation effect	1	-	1	0	2
At 31 March 2016	**68**	**-**	**13**	**2**	**83**
Arising during the year	24	2	-	-	26
utilised	(6)	-	(7)	(1)	(14)
Foreign currency translation effect	(2)		0	0	(2)
At 31 March 2017	**84**	**2**	**6**	**1**	**93**

i) **Environmental Provision:**
The Group's operations are subject to environmental laws and regulations in the jurisdictions in which group operates. Some of these laws restrict the amount and type of emissions that group's operations can release into the environment. Group has made necessary provision required by respective local laws. The out flow of which would depend on the cessation of the respective events.

ii) **Reorganization Provision:**
Due to a downward trend and a stronger competition, management has announced a cost reduction plan in some of the geographies which includes a decrease in headcounts and other costs. The Group made provision in respect of the same and outflow is expected on cessations of the respective events.

iii) **Labour / Employee Claim Provision:**
Companies in the Group are parties to various lawsuits that are at administrative or judicial level or in their initial stages, involving labour, tax and civil matters. The Group contest in court all claims and based on the assessment of their legal counsel, record a provision when the risk of loss is considered probable. The outflow is expected on cessations of the respective events.

iv) **Provision for Contingencies :**
The Group has considered provision for contingencies based on the best estimate of management of possible outflow relating to customs assessment on imports.

18. Income Tax

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

Consolidated statement of profit and loss:

Profit or loss section

INR Crores

	31-Mar-17	31-Mar-16
Current income tax:		
Current income tax charge	298	342
Deferred tax:		
Relating to origination and reversal of temporary differences	(109)	(177)
Income tax expense reported in the statement of profit or loss	**189**	**165**

OCI section

Deferred tax related to items recognised in OCI during the year:

INR Crores

	31-Mar-17	31-Mar-16
Net loss/(gain) on remeasurements of defined benefit plans	0	1
Income tax charged to OCI	**0**	**1**

Notes to consolidated financial statements for the year ended 31 March, 2017

18. Income Tax (contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

INR Crores

	31-Mar-17	31-Mar-16
Accounting profit before tax	1,922	1,117
Accounting profit before income tax	**1,922**	**1,117**
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	665	387
Profit taxable at higher/lower/nil tax rates in certain jurisdictions	(416)	(289)
Investment Allowance on new Plant & Machinery	(16)	(25)
Additional deduction on expenditure on Research & Development	(15)	(17)
Other tax credits and allowances	(27)	(26)
Income exempt for tax purpose	(35)	(21)
Utilisation of previously unrecognised tax losses	(15)	(9)
Share of results of associates and joint ventures	6	29
Other non-deductible expenses	7	0
Profit on sale of subsidiary	-	(12)
Unrecognised Deferred tax asset on carry forward losses	24	135
Others	11	13
At the effective income tax rate of 9.81% (31 March 2016: 14.80%)	**189**	**165**
Income tax expense reported in the statement of profit and loss	189	165
	9.81%	14.80%

Deferred tax

INR Crores

Deferred tax relates to the following:	Balance Sheet			Statement of profit and loss	
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16
Accelerated depreciation for tax purposes	(270)	(582)	(299)	(312)	283
Fair value of derivatives	-	(3)	-	(3)	3
Unrealised profits on intercompany transactions	233	151	90	(82)	(61)
Financial assets impairment - Expected Credit loss	146	127	87	(19)	(40)
Carry forward of Tax Losses and Unabsorbed depreciation	131	52	41	(79)	(11)
Leave Encashment	23	18	14	(5)	(4)
Minimum alternative tax credit	12	92	87	80	(5)
Defined Benefits obligation - Gratuity	7	4	2	(5)	(4)
Provisions and Others	219	531	185	316	(338)
Deferred tax expense/(income)				**(109)**	**(177)**
Net deferred tax assets/(liabilities)	**501**	**390**	**207**		

Reflected in the balance sheet as follows:

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Deferred tax assets	670	509	305
Deferred tax liabilities:	(169)	(119)	(98)
Deferred tax Assets, net	**501**	**390**	**207**

Notes to consolidated financial statements for the year ended 31 March, 2017

18. Income Tax (contd.)

Reconciliation of deferred tax assets (net):

INR Crores

	31-Mar-17	31-Mar-16
Opening balance as of 1 April	**390**	**207**
Tax income/(expense) during the period recognised in profit or loss	109	177
Tax income/(expense) during the period recognised in OCI	0	1
Exchange impact	2	5
Closing balance as at 31 March	**501**	**390**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has tax losses of ₹375 Crs (31 March 2016: ₹507 Crs, 1 April 2015: ₹577 Crs) that are available for offsetting for period upto ten years against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets of current year, the profit would increase by ₹24 crores.

The Group has not recognized deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries and joint ventures where the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future.

The temporary differences associated with investments in subsidiaries, associate and joint venture, for which a deferred tax liability has not been recognised, aggregate to ₹569 Crs (31 March 2016: ₹425 Crs, 1 April 2015: ₹346 Crs)..

19. Trade payables

INR Crores

	Non Current		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables	10	8	6
	10	**8**	**6**

INR Crores

	Current		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables	4,875	3,954	3,395
	4,875	**3,954**	**3,395**

Terms and conditions of the above financial liabilities:

-Trade payables are non-interest bearing and are normally settled on 90-360 days terms

-For explanations on Group's Credit risk management process. Refer note 47

Notes to consolidated financial statements for the year ended 31 March, 2017

20. Other current liabilities

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Advances against Orders	284	431	264
Statutory Liabilities	130	127	111
Total other current liabilities	**414**	**558**	**375**

21. Revenue from operations

INR Crores

	31-Mar-17	31-Mar-16
Sale of products (including excise duty)	16,422	14,097
Sale / rendering of services		
Job-Work / Service Income	21	33
Other operating revenues		
Export Incentives	100	98
Refund of Excise Duty	49	37
Royalty Income	17	14
Excess Provisions in respect of earlier years written back (net)	40	36
Miscellaneous Receipts	31	29
Total	16,680	14,344

22. Other income

INR Crores

	31-Mar-17	31-Mar-16
Interest income on		
Bank deposits	2	4
Loans and others	148	66
Unwinding of interest on Trade receivables	249	188
Other non-operating income		
Profit on sale of current and non current investments (net)	12	47
Fair value gain on financial instruments at fair value through profit or loss	12	4
Rent received	2	2
Profit on sale of assets (net)	13	1
Sundry Credit Balances written back (net)	2	1
Miscellaneous Income	4	3
Total	444	316

23. Employee benefits expense

INR Crores

	31-Mar-17	31-Mar-16
Salaries, wages and bonus	1,493	1,309
Contribution to provident and other funds	30	31
Share based compensation	0	0
Gratuity and other retirement benefits	11	5
Staff welfare expenses	93	89
Total	1,627	1,434

Notes to consolidated financial statements for the year ended 31 March, 2017

24. Finance costs

INR Crores

	31-Mar-17	31-Mar-16
Interest:		
- On Debentures	81	86
- On Term Loans	163	104
- On Cash Credit and Working Capital Demand Loan Accounts	175	186
- On Fixed Deposits and Fixed Loans	5	2
- On Others	79	66
Exchange Difference (net)	109	64
Unwinding of interest on Trade Payables	84	86
Loss on Derivatives Instruments	(47)	17
Other Financial Charges	86	93
Total	**735**	**704**

25. Depreciation and amortization expense

INR Crores

	31-Mar-17	31-Mar-16
Depreciation of tangible assets	306	255
Amortization of intangible assets	366	421
	672	676

26. Other expense

INR Crores

	31-Mar-17	31-Mar-16
Power and fuel	339	359
Transport Charges	636	524
Sub-contracting expenses	533	465
Travelling and conveyance	254	227
Exchange Difference (net)	238	223
Advertising and sales promotion	276	222
Legal and professional fees	243	188
Sales Commission	130	155
Rent (Refer note: 37)	142	142
Labour charges	121	106
Repairs and maintenance		
Plant and machinery	78	62
Buildings	11	13
Others	93	80
Effluent Disposal Charges	104	95
Consumption of stores and spares	84	73
Rates and taxes	77	68
Warehousing costs	90	62
Insurance	66	54
Registration Charges	66	50
Allowances for doubtful debts and advances (net)	(4)	44
Communication Costs	37	31
Royalty Charges	22	19
Bad debts / advances written off	16	19
Charity and Donations	53	15
Assets written off	5	5
Research and development expenses	23	10
Other Expenses	151	128
Total	**3,884**	**3,439**

Notes to consolidated financial statements for the year ended 31 March, 2017

27. Exceptional items

INR Crores

	31-Mar-17	31-Mar-16
Restructuring/reorganisation Cost (Refer note a below)	37	48
Product contamination and counterfeiting (Refer note b below)	7	13
Inventory provision (Refer note c below)	18	38
Amount payable as Stamp duty on merger with Advanta	32	-
Amount payable on settlement of a contract in respect of earlier years	14	-
Profit on Sale of Subsidiary	(27)	-
Others	-	30
Total	**81**	**129**

a) Restructuring/reorganisation costs incurred by the Group are for European and Latin American regions.

b) During the year, the Group incurred an amount of ₹7 Crs (March 31, 2016: ₹13 Crs) towards legal expenses for pursuing legal actions against companies and individuals alleged to be counterfeiting its products and agricultural pesticide's financial fines.

c) During the year, one of the subsidiaries of Group has recognised provision for inventory for an amount of ₹18 Crs (March 31, 2016: 38 crs) due to uncertainty and unfavourable market conditions.

28. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2017

INR Crores

	FVTOCI reserve	Foreign currency translation reserve	Retained earnings	Total
Foreign exchange translation differences	-	0	-	0
Gain/(loss) on FVTOCI financial assets	22	-	-	22
Re-measurement gains / (losses) on defined benefit plans	-	-	1	1
Total	**22**	**0**	**1**	**23**

During the year ended 31 March 2016

INR Crores

	FVTOCI reserve	Foreign currency translation reserve	Retained earnings	Total
Foreign exchange translation differences	-	(24)	-	(24)
Gain/(loss) on FVTOCI financial assets	(26)	-	-	(26)
Re-measurement gains / (losses) on defined benefit plans	-	-	(3)	(3)
Total	**(26)**	**(24)**	**(3)**	**(53)**

Notes to consolidated financial statements for the year ended 31 March, 2017

29. Earnings per share (EPS)

INR Crores

	31-Mar-17	31-Mar-16
Profit attributable to Equity holders of the parent:	1,727	940
Profit attributable to Equity holders of the parent for basic earnings	**1,727**	**940**
Interest on convertible preference shares	0	0
Profit attributable to Equity holders of the parent adjusted for the effect of dilution	**1,727**	**940**
Weighted average number of Equity shares for basic EPS*	50,70,17,118	50,69,17,696
Effect of dilution:		
Employee stock options	75,973	6,03,847
Convertible preference shares	22,62,904	23,06,336
Weighted average number of Equity shares adjusted for the effect of dilution *	**50,93,55,995**	**50,98,27,879**
Earnings per Equity share (in Rupees)		
Basic (face value of ₹2 each)	34.06	18.54
Diluted (face value of ₹2 each)	33.91	18.44

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

30. Amalgamation with Advanta Limited

The Honorable High Court of Gujarat vide its order dated 23rd June, 2016 has sanctioned the Scheme of Amalgamation of Advanta Limited, a subsidiary as per Ind AS, with the Company with an appointed date of 1st April, 2015. The Scheme has become effective on 20th July, 2016, pursuant to its filing with Registrar of Companies.

In accordance with the provisions of the aforesaid scheme -

The approved share swap ratio for 1 equity share of Advanta of the face value of ₹2 each fully paid up held by the shareholders on the Record date following shares shall be allotted:

(i) 1 equity share of the Company of the face value of ₹2 each fully paid up; and

(ii) 3 preference shares of the Company of ₹10 each fully paid up, issued in the following manner:

(a) In case of shareholder is a person resident outside India, 3 compulsorily convertible preference shares of the Company of ₹10 each fully paid up, subject to terms specified in the scheme.

(b) In case of shareholder is a person resident in India, 3 optionally convertible preference shares of the Company of ₹10 each fully paid up, subject to terms specified in the scheme.

(iii) In case of global depository receipts (GDRs) for every 100 GDRs, 106 new GDR's would be issued.

Accordingly, the Group has acquired entire non-controlling interest of Advanta Limited through a Court Scheme w.e.f. 1st April, 2015 and issued consideration in the form of equity shares and preferance shares as described above.

Excess of fair value of equity shares and preference shares over the carrying value of non-controlling interests of Advanta Limited as at 1st April, 2015 amounting to ₹3,693 Crs has been recognised directly in equity and disclosed as separate item within equity as "Non-controlling interest Reserve".

Consideration for amalgamation discharged by way of issuance of new Equity Shares has been recorded at fair value and Preference Shares has been recorded at face value. As the shares have been allotted subsequent to the March 31, 2016, the same has been disclosed under Share Capital Suspense account till the date of allotment.

In the month of September 2016, the Company has issued and allotted fresh 78,313,422 equity shares of ₹2 each and 108,628,440 preference shares of ₹10 each to the shareholders of erstwhile Advanta Limited pursuant to approved share swap ratio.

Notes to consolidated financial statements for the year ended 31 March, 2017

31. Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Sr No	Name	Principal activities	Country of incorporation/ Principal place of business	% equity interest		
				31-Mar-17	31-Mar-16	01-Apr-15
1	Shroffs United Chemicals Limited	Crop protection	India	100%	100%	100%
2	SWAL Corporation Limited	Crop protection	India	100%	100%	100%
3	United Phosphorus (India) LLP	Crop protection	India	100%	100%	100%
4	United Phosphorus Global LLP	Crop protection	India	100%	100%	100%
5	Optima Farm Solutions Limited	Crop protection	India	100%	100%	100%
6	UPL Europe Limited	Crop protection	United Kingdom	100%	100%	100%
7	UPL Deutschland GmbH	Crop protection	Germany	100%	100%	100%
8	UPL Polska Sp z.o.o.	Crop protection	Poland	100%	100%	100%
9	UPL Benelux B.V.	Crop protection	Netherlands	100%	100%	100%
10	Cerexagri B.V.	Crop protection	Netherlands	100%	100%	100%
11	Blue Star B.V.	Crop protection	Netherlands	100%	100%	100%
12	United Phosphorus Holdings Cooperatief U.A.	Crop protection	Netherlands	100%	100%	100%
13	United Phosphorus Holdings B.V.	Crop protection	Netherlands	100%	100%	100%
14	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Crop protection	Netherlands	100%	100%	100%
15	Decco Worldwide Post-Harvest Holdings B.V.	Crop protection	Netherlands	100%	100%	100%
16	United Phosphorus Holding, Brazil B.V.	Crop protection	Netherlands	100%	100%	100%
17	UPL Italia S.R.L. (formerly known as Cerexagri Italia S.R.L.)	Crop protection	Italy	100%	100%	100%
18	UPL Iberia, S.A. (formerly known as Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain)	Crop protection	Spain	100%	100%	100%
19	Phosfonia, S.L.	Crop protection	Spain #3	-	100%	100%
20	Decco Iberica Postcosecha, S.A.U.	Crop protection	Spain	100%	100%	100%
21	Transterra Invest, S. L. U.	Crop protection	Spain	100%	100%	100%
22	Cerexagri S.A.S.	Crop protection	France	100%	100%	100%
23	Neo-Fog S.A.	Crop protection	France	100%	100%	100%
24	UPL France (formerly known as Aspen SAS)	Crop protection	France	100%	100%	100%
25	United Phosphorus Switzerland Limited	Crop protection	Switzerland	100%	100%	100%
26	Agrodan, ApS	Crop protection	Denmark	100%	100%	100%
27	Decco Italia SRL	Crop protection	Italy	100%	100%	100%
28	Limited Liability Company "UPL" (formerly known as JSC United Phosphorus Limited)	Crop protection	Russia	100%	100%	100%
29	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	Crop protection	Portugal	100%	100%	100%
30	United Phosphorus Inc.	Crop protection	USA	100%	100%	100%
31	UPI Finance LLC	Crop protection	USA	100%	100%	100%
32	Cerexagri, Inc. (PA)	Crop protection	USA	100%	100%	100%
33	UPL Delaware, Inc.(formerly known as Cerexagri Delaware, Inc.)	Crop protection	USA	100%	100%	100%
34	Canegrass LLC	Crop protection	USA	70%	70%	70%
35	Decco US Post-Harvest Inc	Crop protection	USA	100%	100%	100%

Notes to consolidated financial statements for the year ended 31 March, 2017

31. Group information (contd.)

Sr No	Name	Principal activities	Country of incorporation/ Principal place of business	% equity interest		
				31-Mar-17	31-Mar-16	01-Apr-15
36	RiceCo LLC	Crop protection	USA	100%	100%	100%
37	Riceco International, Inc.	Crop protection	Bahamas	100%	100%	100%
38	UPL Corporation Limited (Formerly known as Bio-win Corporation Limited, Mauritius)	Crop protection	Mauritius	100%	100%	100%
39	UPL Limited, (formerly known as Uniphos Limited)	Crop protection	Mauritius	100%	100%	100%
40	UPL Management DMCC	Crop protection	United Arab Emirates	100%	100%	100%
41	United Phosphorus Limited	Crop protection	Gibraltar #1	-	100%	100%
42	UPL Limited, (formerly known as Uniphos Limited)	Crop protection	Gibraltar	100%	100%	100%
43	UPL Agro S.A. de C.V.(formerly known as United Phosphorus de Mexico, S.A. de C.V.)	Crop protection	Mexico	100%	100%	100%
44	Decco Jifkins Mexico Sapi	Crop protection	Mexico	100%	100%	100%
45	United Phosphorus do Brasil Ltda	Crop protection	Brazil #	100%	100%	100%
46	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	Crop protection	Brazil	100%	100%	100%
47	United Phosphorus Indústria E Comércio de Produtos Quimicos Ltda.	Crop protection	Brazil #4	-	100%	100%
48	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	Crop protection	Brazil	100%	100%	100%
49	UPL Costa Rica S.A (formerly known as Cerexagri Costa Rica, S.A.)	Crop protection	Costa Rica	100%	100%	100%
50	UPL Bolivia S.R.L (formerly known as United Phosphorus Bolivia S.R.L)	Crop protection	Bolivia	100%	100%	100%
51	UPL Paraguay S.A.	Crop protection	Paraguay	100%	100%	100%
52	Icona Sanluis S. A.	Crop protection	Argentina	100%	100%	100%
53	DVA Technology Argentina S.A.	Crop protection	Argentina	100%	100%	100%
54	UPL Argentina S. A. (Formerly known as Icona S. A.)	Crop protection	Argentina	100%	100%	100%
55	Decco Chile SpA	Crop protection	Chile	100%	100%	100%
56	UPL Colombia SAS	Crop protection	Colombia	100%	100%	100%
57	United Phosphorus Cayman Limited	Crop protection	Cayman Islands	100%	100%	100%
58	UP Aviation Limited	Crop protection	Cayman Islands	100%	100%	100%
59	UPL Australia Limited (formerly known as United Phosphorus Limited)	Crop protection	Australia	100%	100%	100%
60	UPL New Zealand Limited (formerly known as United Phosphorus Limited)	Crop protection	New Zealand	100%	100%	100%
61	UPL Shanghai Limited (formerly known as United Phosphorus (Shanghai) Company Limited)	Crop protection	China	100%	100%	100%
62	UPL Limited (Korea) (formerly known as United Phosphorus (Korea) Limited)	Crop protection	Korea	100%	100%	100%
63	UPL (Taiwan) Limited (formerly known as United Phosphorus (Taiwan) Limited)	Crop protection	Taiwan #5	-	-	100%
64	PT.UPL Indonesia (formerly known as PT. United Phosphorus Indonesia)	Crop protection	Indonesia	100%	100%	100%
65	PT Catur Agrodaya Mandiri	Crop protection	Indonesia	100%	100%	100%

Notes to consolidated financial statements for the year ended 31 March, 2017

31. Group information (contd.)

Sr No	Name	Principal activities	Country of incorporation/ Principal place of business	% equity interest 31-Mar-17	31-Mar-16	01-Apr-15
66	UPL Limited (formerly known as United Phosphorus Limited)	Crop protection	Hong Kong	100%	100%	100%
67	UPL Philippines Inc.(formerly known as United Phosphorus Corp.)	Crop protection	Philippines	100%	100%	100%
68	UPL Vietnam Co. Limited (formerly known as United Phosphorus Vietnam Co., Limited)	Crop protection	Vietnam	100%	100%	100%
69	UPL Limited, Japan (formerly known as United Phosphorus Limited, Japan)	Crop protection	Japan	100%	100%	100%
70	Anning Decco Fine Chemical Co. Limited	Crop protection	China	55%	55%	55%
71	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi (formerly known as Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey)	Crop protection	Turkey	100%	100%	100%
72	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Crop protection	Turkey	51%	51%	51%
73	Safepack Products Limited	Crop protection	Israel	100%	100%	100%
74	Citrashine (Pty) Ltd	Crop protection	South Africa	100%	100%	100%
75	UPL Africa SARL	Crop protection	Senegal	100%	100%	100%
76	Prolong Limited	Crop protection	Israel	50%	50%	50%
77	Perrey Participações S.A	Crop protection	Brazil #6	100%	100%	-
78	Agrinet Solutions Limited	Crop protection	India	50%	50%	50%
79	Advanta Netherlands Holding B.V.	Seed Business	Netherlands	100%	100%	100%
80	Advanta Semillas SAIC	Seed Business	Argentina	100%	100%	100%
81	Advanta Holdings B.V.	Seed Business	Netherlands	100%	100%	100%
82	Advanta Seeds International	Seed Business	Mauritius	100%	100%	100%
83	Pacific Seeds Holdings (Thailand) Limited	Seed Business	Thailand	100%	100%	100%
84	Pacific Seeds (Thai) Limited	Seed Business	Thailand	100%	100%	100%
85	Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd)	Seed Business	Australia	100%	100%	100%
86	Advanta US Inc.	Seed Business	USA	100%	100%	100%
87	Advanta Comercio De Sementes LTDA.	Seed Business	Brazil	100%	100%	100%
88	PT Advanta Seeds Indonesia	Seed Business	Indonesia	100%	100%	100%
89	Advanta (B.V.I) Ltd	Seed Business	British Virgin Islands #2	-	100%	100%
90	Advanta Seeds DMCC (formerly known as Advanta Seeds JLT)	Seed Business	United Arab Emirates	100%	100%	100%
91	Essentiv LCC	Crop protection	USA @	50%	-	-
92	Advanta Seeds Ukraine LLC	Seed Business	Ukraine @	100%	-	-

@ Subsidiary formed during the year

During the previous year United Phosphorus do Brasil Ltda was merged in Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.

#1 Subsidiary divested during the year.

#2 Subsidiary disolved during the year.

#3 During previous year ended 31st March'16, Phosphonia S.L., was merged in UPL Iberia S.A.

#4 During previous year ended 31st March'16, United Phosphorus Indústria E Comércio de Produtos Químicos Ltda was merged in Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.

#5 During previous year ended 31st March'16, Subsidiary divested.

#6 Subsidiary formed during Previous year

Notes to consolidated financial statements for the year ended 31 March, 2017

31. Group information (contd.)

Associate

The group has respective interest in following companies during the year 2016-2017

Sr No	Name	Country of incorporation/ Principal place of business	% equity interest 31-Mar-17	31-Mar-16	01-Apr-15
1	Weather Risk Management Private Ltd	India $	27%	-	-
2	Ingen Technologies Private Limited	India $	*	-	-
3	Kerala Enviro Infrastructure Limited	India	28%	28%	28%
4	Polycoat Technologies 2010 Limited	Israel	20%	20%	20%
5	3SB Produtos Agricolas S.A.	Brazil $$	40%	40%	-
6	Sinagro Produtos Agropecuarios S.A.	Brazil	40%	40%	-
7	Seara Comercial Agricola Ltda.	Brazil	**	**	-
8	Serra Bonita Sementes S.A.	Brazil	***	***	-
9	Bioplanta Nutricao Vegetal,Industria e Comercio S.A.	Brazil	***	***	-
10	Chemisynth (Vapi) Limited	India	30%	30%	30%
11	Universal Pestochem (Industries) Limited	India	44%	44%	44%

$ Investment during the year

* This is 100% step-down subsidiary of Weather Risk Management Pvt. Ltd.

** This is 51% step-down subsidiary of Sinagro Produtos Agropecuarios S.A.

*** These are 33.33% Joint ventures of Sinagro Produtos Agropecuarios S.A.

$$ Investment made during the previous year ended 2015-2016

Joint arrangement in which the group is a joint venturer

The group has respective interest in following companies

Sr No	Name	Country of incorporation/ Principal place of business	% equity interest 31-Mar-17	31-Mar-16	01-Apr-15
1	Hodagaya UPL Co. Limited	Japan	40%	40%	40%
2	Longreach Plant Breeders Management Pty Limited	Australia	70%	70%	70%
3	United Phosphorus (Bangladesh) Limited	Bangladesh	50%	50%	50%

32. Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation/ Principal place of business	31-Mar-17	31-Mar-16	01-Apr-15
Canegrass LLC (Canegrass)	USA	30%	30%	30%
Anning Decco Fine Chemical Co. Limited (Anning Decco)	China	45%	45%	45%
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S. (UPL Agromed)	Turkey	49%	49%	49%

Information regarding non-controlling interest INR Crores

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Accumulated balances of material non-controlling interest:			
Canegrass LLC	12	12	13
Anning Decco Fine Chemical Co. Limited	10	10	11
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	13	20	22

Notes to consolidated financial statements for the year ended 31 March, 2017

32. Material partly owned subsidiaries (contd.)

INR Crores

Particulars	31-Mar-17	31-Mar-16
Profit/(loss) allocated to material non-controlling interest:		
Canegrass LLC	12	12
Anning Decco Fine Chemical Co. Limited	2	1
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	(3)	(1)

The summarised information of these subsidiaries are provided below. The information is based on amounts before inter company eliminations

Summarised statement of profit or loss for the year ended 31 March 2017:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Revenue	79	25	89
Cost of raw material and components consumed	(40)	15	(66)
Other expenses	(0)	(36)	(29)
Finance costs	(0)	1	(1)
Profit before tax	**39**	**5**	**(7)**
Income tax	-	(1)	1
Profit for the year from continuing operations	**39**	**4**	**(6)**
Total comprehensive income	39	4	(6)
Attributable to non-controlling interests	12	2	(3)
Dividends paid to non-controlling interests	12	-	-

Summarised statement of profit or loss for the year ended 31 March 2016:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Revenue	82	26	82
Cost of raw material and components consumed	(42)	(21)	(59)
Other expenses	(0)	(4)	(24)
Finance costs	(0)	1	(1)
Profit before tax	**40**	**2**	**(2)**
Income tax	-	(0)	0
Profit for the year from continuing operations	**40**	**2**	**(2)**
Total comprehensive income	40	2	(2)
Attributable to non-controlling interests	12	1	(1)
Dividends paid to non-controlling interests	13	2	0

Summarised balance sheet as at 31 March 2017:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Current Assets	70	23	114
Non-current Assets	-	2	7
Current Liabilities	(32)	(2)	(95)
Non-current Liabilities	-	-	(0)
Total equity	**38**	**23**	**26**
Attributable to:			
Equity holders of parent	26	13	13
Non-controlling interest	12	10	13

Notes to consolidated financial statements for the year ended 31 March, 2017

32. Material partly owned subsidiaries (contd.)

Summarised balance sheet as at 31 March 2016:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Current Assets	80	21	123
Non-current Assets	-	3	5
Current Liabilities	(40)	(2)	(87)
Non-current Liabilities	-	-	(0)
Total equity	**40**	**22**	**41**
Attributable to:			
Equity holders of parent	28	12	21
Non-controlling interest	12	10	20

Summarised balance sheet as at 1 April 2015:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Current Assets	73	24	89
Non-current Assets	-	2	6
Current Liabilities	(31)	(1)	(51)
Non-current Liabilities	-	-	(0)
Total equity	**42**	**25**	**44**
Attributable to:			
Equity holders of parent	29	14	22
Non-controlling interest	13	11	22

Summarised statement of cash flows for the year ended 31 March 2017:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Operating	42	(0)	(6)
Investing	-	(0)	(1)
Financing	(40)	-	6
Net increase/(decrease) in cash and cash equivalents	**2**	**(0)**	**(1)**

Summarised statement of cash flows for the year ended 31 March 2016:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Operating	43	8	4
Investing	-	(1)	(0)
Financing	(45)	(5)	(2)
Net increase/(decrease) in cash and cash equivalents	**(2)**	**2**	**2**

Notes to consolidated financial statements for the year ended 31 March, 2017

33. Investment in Joint Venture

a) The Group has a 40% interest in Hodogaya UPL Co. Limited, a joint venture incorporated in Japan. Hodogaya UPL Co. Limited is involved in the manufacture, Trading & distribution of crop protection chemicals . The Group's interest in Hodogaya UPL Co. Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

INR Crores

Summarised balance sheet	31-Mar-17	31-Mar-16	01-Apr-15
Current assets, including cash and cash equivalents INR 32 Crs. (31st March 2016: INR 15 Crs., 1st April 2015: INR 18 Crs).	123	109	105
Non-current assets	2	0	0
Current liabilities, including tax payable INR 2 Crs. (31 March 2016: INR Nil, 1st April 2015: INR 4 Crs)	(79)	(65)	(70)
Non-current liabilities	-	-	-
Equity	**46**	**44**	**35**
Proportion of the Group's ownership	40%	40%	40%
Carrying amount of the investment	18	17	14

INR Crores

Summarised statement of profit and loss	31-Mar-17	31-Mar-16
Revenue	201	168
Cost of raw material and components consumed	(171)	(144)
Depreciation & amortization	(0)	(0)
Interest Income	0	0
Finance cost	(0)	(0)
Employee benefit	(9)	(8)
Other expense	(17)	(13)
Profit before tax	4	3
Income tax expense	(1)	(1)
Profit for the year	3	2
Total comprehensive income for the year	3	2
Group's share of profit for the year	1	1

The group had no contingent liabilities or capital commitments relating to its interest in Hodogaya UPL Co. Limited as at 31 March 2017, 31 March 2016 and 1 April 2015. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2017, 31 March 2016 and 1 April 2015.

b) The Group has a 70 % interest in Longreach Plant Breeders Management Pty Limited, a joint venture incorporated in Australia. Longreach Plant Breeders Management Pty Limited is involved in the development of wheat seeds. The Group's interest in Longreach Plant Breeders Management Pty Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

INR Crores

Summarised balance sheet	31-Mar-17	31-Mar-16	01-Apr-15
Current assets including cash and cash equivalents INR 5 Crs. (31st March 2016: INR 2 Crs., 1st April 2015: INR 5 Crs.).	72	71	51
Non-current assets	43	52	58
Current liabilities	(95)	(102)	(94)
Non-current liabilities	(1)	(1)	(1)

Notes to consolidated financial statements for the year ended 31 March, 2017

33. Investment in Joint Venture (contd.)

INR Crores

Summarised balance sheet	31-Mar-17	31-Mar-16	01-Apr-15
Equity	**19**	**20**	**14**
Proportion of the Group's ownership	70%	70%	70%
Carrying amount of the investment before Goodwill	13	14	10
Add: Goodwill	18	19	18
Carrying amount of the investment	31	33	28

INR Crores

Summarised statement of profit and loss	31-Mar-17	31-Mar-16
Revenue	32	43
Cost of raw material and components consumed	-	-
Depreciation & amortization	(12)	(4)
Finance cost	(5)	(5)
Employee benefit	(5)	(3)
Other expense	(11)	(22)
Profit before tax	(1)	9
Income tax expense	2	(5)
Profit for the year	1	4
Total comprehensive income for the year	1	4
Group's share of profit for the year	1	3

The group had no contingent liabilities or capital commitments relating to its interest in Longreach Plant Breeders Management Pty Limited as at 31 March 2017, 31 March 2016 and 1 April 2015. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2017, 31 March 2016 and 1 April 2015.

34. Investment in Associate

a) The Group has a 27.52% interest in Kerala Enviro Infrastructure Limited, which is involved in the business of management of hazardous waste. Kerala Enviro Infrastructure Limited is a private entity that is not listed on any public exchange. The Group's interest in Kerala Enviro Infrastructure Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Kerala Enviro Infrastructure Limited:

INR Crores

Summarised balance sheet	31-Mar-17	31-Mar-16	01-Apr-15
Current assets	10	11	10
Non-current assets	11	9	10
Current liabilities	(1)	(1)	(1)
Non-current liabilities	(10)	(6)	(6)
Equity	**10**	**13**	**13**
Proportion of the Group's ownership	28%	28%	28%
Carrying amount of the investment	3	4	4

Notes to consolidated financial statements for the year ended 31 March, 2017

34. Investment in Associate (contd.)

INR Crores

Summarised statement of profit and loss	31-Mar-17	31-Mar-16
Revenue	9	6
Increase/(decrease) in inventory	(1)	(0)
Cost of raw material and components consumed	(0)	(0)
Depreciation & amortization	(1)	(1)
Finance cost	-	(0)
Employee benefit	(1)	(1)
Other expense	(10)	(4)
Profit before tax	**(4)**	**(0)**
Income tax expense	0	0
Profit for the year	**(4)**	**(0)**
Total comprehensive income for the year	**(4)**	**(0)**
Group's share of profit for the year	**(1)**	**(0)**

The associate had no contingent liabilities or capital commitments as at 1 April 2015, 31 March 2016 and 31 March 2017.

b) The Group has a 40 % interest in 3SB Produtos Agropecuarios S.A. , which is involved in the business of planting,cultivation and commericialization of agriculture products. 3SB Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in 3SB Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in 3SB Produtos Agropecuarios S.A.:

INR Crores

Summarised balance sheet	31-Mar-17	31-Mar-16
Current assets	268	208
Non-current assets	216	214
Current liabilities	(342)	(184)
Non-current liabilities	(111)	(129)
Equity	**31**	**109**
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment excluding Goodwill	**12**	**43**
Goodwill	64	58
Carrying amount of the investment	**76**	**101**

INR Crores

Summarised statement of profit and loss	31-Mar-17	31-Mar-16
Revenue	325	35
Increase/(decrease) in inventory	-	-
Cost of raw material and components consumed	(382)	(1)
Depreciation & amortization	-	-
Finance cost	(7)	7
Employee benefit	(5)	(2)
Other expense	(26)	(15)
Profit before tax	**(95)**	**24**
Income tax expense	6	(13)
Profit for the year	**(89)**	**11**
Total comprehensive income for the year	**(89)**	**11**
Group's share of profit for the year	**(36)**	**4**

The associate had no contingent liabilities or capital commitments as at 31 March 2017 and 31 March 2016.

Notes to consolidated financial statements for the year ended 31 March, 2017

34. Investment in Associate (contd.)

c) The Group has a 40% interest in Sinagro Produtos Agropecuarios S.A., which is involved in the business of retail sales and commercial representation of crop protection chemical and seeds. Sinagro Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in Sinagro Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Sinagro Produtos Agropecuarios S.A.:

INR Crores

Summarised balance sheet	31-Mar-17	31-Mar-16
Current assets	1,377	1,172
Non-current assets	782	878
Current liabilities	(1,643)	(1,641)
Non-current liabilities	(467)	(481)
Non-controlling interest	(18)	(9)
Equity	**30**	**(81)**
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment excluding Goodwill	**12**	**(32)**
Goodwill	24	21
Additional investment during Jan-March'16	0	31
Carrying amount of the investment	**36**	**20**

INR Crores

Summarised statement of profit and loss	31-Mar-17	31-Mar-16
Revenue	2,476	1,093
Cost of raw material and components consumed	(2,053)	(970)
Depreciation & amortization	(41)	(18)
Finance cost	(87)	(149)
Employee benefit	(55)	(23)
Other expense	(210)	(103)
Profit before tax	**30**	**(170)**
Non controlling interest	(8)	(7)
Income tax expense	18	(56)
Profit for the year	**40**	**(233)**
Total comprehensive income for the year	**40**	**(233)**
Group's share of profit for the year	**16**	**(93)**

The associate had no contingent liabilities or capital commitments as at 31 March 2017 and 31 March 2016 other than those disclosed in Note 37 of the financials

d) The Group has a 27.37% interest in Weather Risk Management Services Private Limited, which is grown into a comprehensive Climate Risk Management company. The company has its range of patented producs and services

Notes to consolidated financial statements for the year ended 31 March, 2017

34. Investment in Associate (contd.)

delivered in customized formats to clients ranging from large corporate houses to poor peasants in remotest of villages. In order to deliver these products where they are required, the company has developed its own retail network and handy technologies which have found applications in diverse sectors. WRL also provides environmental consulting services to governments, institutions and corporate houses. The Group's interest in Weather Risk Management Services Private Limited, is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Weather Risk Management Services Private Limited.:

INR Crores

Summarised balance sheet	31-Mar-17
Current assets	12
Non-current assets	27
Current liabilities	(5)
Non-current liabilities	(8)
Non-controlling interest	-
Equity	**26**
Proportion of the Group's ownership	27%
Carrying amount of the investment excluding Goodwill	**7**
Goodwill	3
Carrying amount of the investment	**10**

INR Crores

Summarised statement of profit and loss	31-Mar-17
Revenue	15
Cost of raw material and components consumed	(1)
Depreciation & amortization	(3)
Finance cost	(0)
Employee benefit	(4)
Other expense	(7)
Profit before tax	**(0)**
Non controlling interest	-
Income tax expense	(1)
Profit for the year	**(1)**
Total comprehensive income for the year	**(1)**
Group's share of profit for the year	**(0)**

The associate had no contingent liabilities or capital commitments as at 31 March 2017.

Notes to consolidated financial statements for the year ended 31 March, 2017

35. Net employee defined benefit liabilities

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Net employee defined benefit liabilities	**60**	**53**	**41**
- Gratuity Plan (Note 35 (b) to (g))	35	30	21
- Defined benefit pension scheme (Note 35(h))	25	23	20

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) The amounts recognised in the statement of Profit and Loss are as follows:

(i) Defined Benefit Plan INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
Current service cost	11	14
Interest cost on benefit obligation	3	3
Return on plan assets	(2)	(2)
Net actuarial (gain)/loss recognised during the year	(2)	(2)
Amount included under the head Employee Benefit Expense in Note 23	10	13
Actual return on plan assets	2	2

(ii) Defined Contribution Plan INR Crores

	Provident Fund	
	31-Mar-17	31-Mar-16
Current service cost included under the head Employee Benefit Expense in Note 23	17	17

(iii) Defined Contribution Plan INR Crores

	Superannuation Fund	
	31-Mar-17	31-Mar-16
Current service cost included under the head Employee Benefit Expense in Note 23	11	12

(iv) Defined Contribution Plan INR Crores

	Pension Fund	
	31-Mar-17	31-Mar-16
Current service cost included under the head Employee Benefit Expense in Note 23	1	2

b) The amounts recognised in the Balance Sheet are as follows: INR Crores

	Defined Benefit Plan - Gratuity (Funded)		
	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded obligation	63	56	45
Less: Fair value of plan assets	28	26	24
Net Liability	35	30	21

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows: INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
Opening defined benefit obligation	56	45
Interest cost	3	3
Current service cost	11	14
Benefits paid	(5)	(3)
Actuarial changes arising from changes in financial assumption	(2)	(3)
Exchange difference	(0)	(0)
Closing defined benefit obligation	63	56

Notes to consolidated financial statements for the year ended 31 March, 2017

35. Net employee defined benefit liabilities (contd.)

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

INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
Opening fair value of plan assets	25	24
Return on plan assets		
Actuarial changes arising from changes in financial assumption		
Closing fair value of plan assets	28	25

INR Crores

	Gratuity	
	31-Mar-17	31-Mar-16
e) Expected contribution to defined benefit plan for the year 2017-18	17	12

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

	Gratuity	
	31-Mar-17	31-Mar-16
Investments with insurer under:		
Funds managed by insurer	100%	100%

g) The principal actuarial assumptions at the Balance Sheet date.

	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate	2.75 - 7.29%	1.93%-8.06%	1.93-8.00%
Expected rate of return on plan assets	6.85 - 7.29%	8.06 - 9.00%	8.00 - 9.25%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Proportion of employees opting for early retirement	5% at younger ages and reducing to 1% at old age on graduated scale	5% at younger ages and reducing to 1% at old age on graduated scale	5% at younger ages and reducing to 1% at old age on graduated scale

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
	%	%	%	%
Impact on defined benefit obligation	(5)	5	5	(5)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

h) Defined benefit pension scheme

The Group operates unfunded defined benefit pension scheme in its entities located in France which are limited to retirement indemnities as applicable in France. The cost of providing benefits is calculated using project unit credit method. The amount recognised as liability for the year ended 31 March 2017 amounts to ₹25 Crs (31 March 2016: ₹23 Crs and 1 April 2015: ₹20 Crs)

Notes to consolidated financial statements for the year ended 31 March, 2017

36. Share based payment

During the year ended March 31, 2017, the following employee stock option plan (ESOPs) were in existence. The relevant details of the scheme and the grant are as follows:

1a Employees stock option and share plan 2006

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on September 20, 2006 which provides for a grant of 840,000 options (each option convertible into share) to employees.

Particulars	March 31, 2017	March 31, 2016
Number of options granted (net of options lapsed)	5,08,390	5,54,620
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	Spread over 4 years and 6 months	Spread over 4 years and 6 months
Exercise period	10 years	10 years

1b The details of the activity have been summarized below

Particulars	As at March 31, 2017 (No. of equity shares)	As at March 31, 2016 (No. of equity shares)
Outstanding at the beginning of the year	1,88,055	3,87,480
Exercisable at the beginning of the year	1,12,195	2,76,380
Forfeited during the year	6,075	31,455
Exercised during the year	89,575	1,67,970
Vested during the year	69,785	3,785
Expired during the year	40,155	-
Outstanding at the end of the year	52,250	1,88,055
Exercisable at the end of the year*	52,250	1,12,195
Weighted average remaining contractual life (in years)	4.91	3.87

1c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2017	As at March 31, 2016
Weighted average share price/market price	68.75	68.75
Exercise price (₹ per share)	57.00	57.00
Expected volatility	64.49%	64.49%
Life of the options granted (vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected dividends	0.30% per annum	0.30% per annum
Average risk-free interest rate	8.04% per annum	8.04% per annum

2a Employees stock option plan (ESOP) 2013

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on December 03, 2013 which provides for a grant of 1,300,000 options (each option convertible into shares) to employees.

Notes to consolidated financial statements for the year ended 31 March, 2017

36. Share based payment (contd.)

Particulars	31-Mar-17		
Dates of grant	30-Jan-14	27-May-14	25-Jul-14
Dates of board approval	30-Jan-14	27-May-14	25-Jul-14
Date of shareholders approval	3-Dec-13	3-Dec-13	3-Dec-13
Number of options granted	7,11,752	35,000	5,630
Method of settlement (Cash / Equity)	Equity	Equity	Equity
Vesting period		Spread over 4 years	
Exercise period		60 months from the date of grant	

2b The details of the activity have been summarized below

Particulars	As at March 31, 2017 (No. of equity shares)	As at March 31, 2016 (No. of equity shares)
Outstanding at the beginning of the year	4,15,792	7,52,382
Exercisable at the beginning of the year	55,695	-
Granted during the year	-	-
Forfeited during the year	3,19,685	26,250
Exercised during the year	72,384	3,10,340
Vested during the year	19,503	3,66,035
Expired during the year	-	-
Outstanding at the end of the year	23,723	4,15,792
Exercisable at the end of the year*	2,814	55,695
Weighted average remaining contractual life (in years)	1.95	2.84

2c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2017	As at March 31, 2016
Weighted average share price/market price (₹ per share)	112.81	112.81
Exercise price (₹ per share)	Grant 1 ₹103.80	Grant 1 ₹103.80
	Grant 2 ₹262.75	Grant 2 ₹262.75
	Grant 3 ₹319.70	Grant 3 ₹319.70
Expected volatility	49.17%	49.17%
Life of the options granted (vesting and exercise period) in years	Vesting period + 6 months	Vesting period + 6 months
Expected dividends	0%	0%
Average risk-free interest rate	8.71% per annum	8.71% per annum

2d Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

INR Crores

Particulars	March 31, 2017	March 31, 2016
Total employee compensation cost pertaining to stock option plan	0	0
Liability for employee stock option plan outstanding as at the year end	2	2

*Eligible employees holding 1 Option shall be entitled to purchase 1.06 new equity shares as per the scheme of Amalgamation.

Notes to consolidated financial statements for the year ended 31 March, 2017

37. Commitments and contingencies

a. **Leases**

Operating lease commitments — Company as lessee

The Group has entered into operating lease arrangements for its office premises (including utilities).

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Within one year	46	38	26
After one year but not more than five years	123	110	98
More than five years	39	62	84
	208	210	208

There is no contingent rent recognised in the consolidated statement of profit and loss.

Finance lease

The Group has entered into finance lease arrangements for some of its vehicles and certain equipments. These leasing agreements provide for purchase option after 2 to 3 years. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are as follows:

INR Crores

	31-Mar-17		31-Mar-16	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	5	4	7	6
After one year but not more than five years	1	1	5	4
More than five years	-	-	-	-
Total minimum lease payments	6	5	12	10
Less: amounts representing finance charges	(1)	-	(2)	-
Present value of minimum lease payments	5	5	10	10

b. **Commitments**

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	145	163	163

b) The Holding Company has undertaken an export obligation of 6 to 8 times the duty saved on CIF machinery imported by the Company to be fulfilled over a period of 6 to 8 years. The obligation outstanding as on the date of the balance sheet is ₹ Nil (31 March 2016: ₹17 Crs and 1 April 2015: Nil).

c) One of the Subsidiaries has entered into an agreement with Syngenta Seeds, Inc. for the resale and distribution of Syngenta branded Seed Corn. It is a Ten Year agreement expiring on 31st August, 2024, in which they must exclusively sell Syngenta brands during the first five years and are committed to minimum sales percentages during the remainder of the contract. As at the balance sheet date, the effects of this commitment is unknown.

Notes to consolidated financial statements for the year ended 31 March, 2017

37. Commitments and contingencies (contd.)

c. **Contingent liabilities**

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Claims against the company not acknowledged as debts			
Disputed Excise Duty / Service Tax Liability (excluding interest)	173	170	157
Disputed Income-tax Liability (excluding interest)	26	26	26
Disputed Sales-tax Liability	60	54	28
Disputed Custom duty Liability	36	36	36
Disputed Fiscal Penalty for cancellation of licenses	33	33	33
Disputed penalty on water tax	2	2	2
In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.			
Disputed penalty levied by Competition Commission of India for Cartelization of prices*	252	252	252
Guarantees given by the Group on behalf of third parties	13	5	160
Claims against the Group not acknowledged as debts	17	25	23
Earn out fees	5	7	7
Aggregate maximum amount payable to growers.	9	28	9
Group's share of contingent liabilities of associates:-			
a) Claims against the Associates not acknowledged as debts.	22	23	0
In January 2013, the Group has received a show cause notice from the Directorate of Enforcement, alleging that the Group has contravened certain provisions of Foreign Exchange Management Act, 1999 with regard to foreign direct investment made/received and its utilisation of proceeds of FCCB / ECB.			
The management of the Group has replied to the show cause notice and had personal hearings to represent their matter and have filed the written submissions. The matter is pending before the authority and based on internal assessment, the management believes that no liability would arise in respect of the aforesaid matter.			

* The Competition Commission of India (CCI) had levied a penalty of ₹252.44 Crs on the Company for alleged violation of section 3(3) (b) and 3(3) (d) of the Competition Act 2002. The order of the CCI was challenged before the Competition Appellate Tribunal (COMPAT) which by its order dated 29th October, 2013 has reduced the penalty to ₹6.94 Crs. The Company and CCI have challenged the order of COMPAT before the hon'ble Supreme Court.

The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

38. Related Party Disclosures:

a) **Name of related parties and their relationships**

i) **Joint Venture Companies:**
United Phosphorus (Bangladesh) Limited
Hodogaya UPL Co. Limited
Longreach Plant Breeders Management Pty Limited

ii) **Associate Companies:**
Chemisynth (Vapi) Limited
Kerala Enviro Infrastructure Limited
3SB Produtos Agrícolas S.A. (w.e.f. 29th June 2015)
Sinagro Produtos Agropecuários S.A. (w.e.f. 29th June 2015)
Weather Risk Management Pvt. Ltd
Polycoat Technologies 2010 Limited

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related Party Disclosures: (contd.)

Seara Comercial Agricola Ltda.
Serra Bonita Sementes S.A.
Bioplanta Nutricao Vegetal,Industria e Comercio S.A.
Universal Pestochem (Industries) Limited

iii) **Enterprises over which key management personnel and their relatives have significant influence (Other Related Parties):**
Bharuch Enviro Infrastructure Limited
Bloom Packaging Private Limited
Bloom Seal Containers Private Limited
Daman Ganga Pulp and Papers Private Limited
Demuric Holdings Private Limited
Enviro Technology Limited
Gharpure Engineering and Construction Private Limited
Uniphos Envirotronic Private Limited
JRF International
GC Laboratories
Jai Trust
Nerka Chemicals Private Limited
Pot Plants
Sanguine Holdings Private Limited
Tatva Global Environment Private Limited
Tatva Global Environment (Deonar) Limited
Ultima Search
Uniphos International Limited
Uniphos Enterprises Limited
UPL Environmental Engineers Limited
Vikram Farm
Ubania Realty LLP
VJS Investments Limited
Bench Bio Private Limited

iv) **Key Management Personnel and their relatives :**

Whole Time Directors and their relatives
Mr. Rajnikant D. Shroff
Mr. Jaidev R. Shroff *
Mr. Vikram R. Shroff *
Mrs. Sandra R. Shroff *
Mr. Kalyan Banerjee
Mr. Arun C. Ashar
Mrs. Asha Ashar *
Mr. Navin Ashar *
Mr. Hardeep Singh
Mr. Vasant Gandhi
Mr. Pradeep Goyal
Mr. Vinod Sethi
Dr. Reena Ramchandran
Mr. Pradip Madhavji
Mr. P. V. Krishna (upto October 2016)
Mr. Anand Vora - Chief Financial Officer
Mr. M.B Trivedi - Company Secretary
* Relative of key management personnel.

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related party transactions (contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies in the Group, associate companies and joint ventures.

INR Crores

Nature of Transactions	31 March 2017				31 March 2016				01 April 2015			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associate Companies	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
1. INCOME												
a) SALE OF GOODS	52	425	2	479	40	95	2	137				
Sinagro Produtos Agropecuários S.A.	-	386	-	386	-	95	-	95				
Hodogaya UPL Co. Limited	47	-	-	47	36	-	-	36				
Others	5	39	2	46	4	-	2	6				
b) MANAGEMENT FEES	-	-	7	7	-	-	7	7				
Tatva Global Environment Private Limited	-	-	3	3	-	-	4	4				
Gharpure Engineering & Construction Private Limited	-	-	2	2	-	-	1	1				
Uniphos Enterprises Limited	-	-	1	1	-	-	1	1				
Bharuch Enviro Infrastructure Limited	-	-	1	1	-	-	1	1				
Others	-	-	0	0	-	-	0	0				
c) RENT RECEIVED	-	-	0	0	-	-	0	0				
Uniphos Envirotronic Private Limited	-	-	0	0	-		0	0				
d) INTEREST RECEIVED	-	-	0	0	-	-	-	-				
Gharpure Engineering and Constructions	-	-	0	0	-	-	-	-				
e) GROUP RECHARGE	0	-	-	0	0	-	-	0				
Longreach Plant Breeders Management Services Pty Limited	0	-	-	0	0	-	-	0				
2. EXPENSES												
a) PURCHASES OF GOODS	29	63	59	151	17	-	53	70				
Hodogaya UPL Co. Limited	29	-	-	29	17	-	-	17				
Sinagro Produtos Agropecuários S.A.	-	63	-	63	-	-	-	-				
Bloom Seal Containers Private Limited	-	-	35	35	-	-	29	29				
Bloom Packaging Private Limited	-	-	16	16	-	-	12	12				
Others	-	-	8	8	-	-	12	12				
b) FIXED ASSETS	-	-	100	100	-	-	0	0				
UPL Environmental Engineers Limited	-	-	0	0	-	-	0	0				
Uniphos Envirotronic Private Limited	-	-	-	-	-	-	0	0				

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related party transactions (contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies in the Group, associate companies and joint ventures.

INR Crores

Nature of Transactions	31 March 2017				31 March 2016				01 April 2015			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associate Companies	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
Bharuch Enviro Infrastructure Limited	-	-	0	0	-	-	-	-				
VJS Investments Limited	-	-	100	100	-	-	-	-				
c) OTHERS	-	-	0	0	-	-	0	0				
Vikram Farm	-	-	0	0	-	-	0	0				
Pot Plants	-	-	0	0	-	-	-	-				
others	-	-	0	0	-	-	0	0				
d) SERVICES	-	0	84	84	-	-	81	81				
Bharuch Enviro Infrastructure Limited	-	-	82	82	-	-	79	79				
Others	-	0	2	2	-	-	2	2				
e) RENT	-	-	1	1	-	-	1	1				
Sanguine Holdings Private Limited	-	-	1	1	-	-	1	1				
Ultima Search	-	-	0	0	-	-	0	0				
Bloom Packaging Private Limited	-	-	0	0	-	-	0	0				
Jai Trust	-	-	0	0	-	-	0	0				
Others	-	-	0	0	-	-	0	0				
f) ROYALTY	30	-	-	30	15	-	-	15				
Longreach Plant Breeders Management Services Pty Limited	30	-	-	30	15	-	-	15				
g) COMMISSION EXPENSE	-	-	-	-	-	1	-	1				
Sinagro Produtos Agropecuários S.A.					-	1	-	1				
h) PROVISION FOR DOUBTFUL ADVANCES	-	-	-	-	-	4	-	4				
Polycoat Technologies 2010 Limited	-	-	-	-	-	4	-	4				
i) CONTRIBUTION TO CSR	-	-	0	0	-	-	-	-				
Vikram Farm	-	-	0	0	-	-	-	-				
j) GROUP RECHARGE	0	-	-	0	0	-	-	0				
Longreach Plant Breeders Management Services Pty Limited	0	-	-	0	0	-	-	0				

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related party transactions (contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies in the Group, associate companies and joint ventures.

INR Crores

Nature of Transactions	31 March 2017				31 March 2016				01 April 2015			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associate Companies	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
3. FINANCE												
a) INTEREST INCOME	5	58	0	63	5	17	4	26				
Longreach Plant Breeders Management Services Pty Limited	5	-	-	5	5	-		5				
Bharuch Enviro Infrastructure Limited	-	-	0	0	-	-	1	1				
Sinagro Produtos Agropecuários S.A.	-	31	-	31	-	17	-	17				
Tatva Global Environment Private Limited	-	-	0	0	-	-	2	2				
3SB Productos Agricolas S.A.	-	27	-	27	-	-	-	-				
others	-	-	-	-	-	-	1	1				
b) LOAN /INTER CORPORATE DEPOSITS GIVEN	-	-	9	9	-	168	28	196				
Tatva Global Environment Private Limited	-	-	-	-	-	-	17	17				
Sinagro Produtos Agropecuários S.A.	-	-	-	-	-	168	-	168				
Gharpure Engineering and Constructions	-	-	9	9	-	-	11	11				
Others	-	-	-	-	-	-	-	-				
c) PURCHASE/ALLOTMENT OF BONDS	-	10	2	12	-	-	4	4				
Weather Risk Management Services Private Limited	-	10	-	10	-	-	-	-				
Tatva Global Environment Private Limited	-	-	2	2	-	-	4	4				
d) REPAYMENT OF LOAN / INTER CORPORATE DEPOSITS GIVEN	-	-	21	21	-	-	24	24				
Tatva Global Environment Private Limited	-	-	-	-	-		17	17				
Gharpure Engineering and Constructions	-	-	17	17		-	4	4				
Bharuch Enviro Infrastructure Limited	-	-	4	4			3	3				
Others	-	-	-	-	-	-	-	-				
e) ADVANCES GIVEN	-	-	5	5	-	-	-	-				
Urbania Realty LLP	-	-	5	5	-		-	-				

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related party transactions (contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies in the Group, associate companies and joint ventures.

INR Crores

Nature of Transactions	31 March 2017				31 March 2016				01 April 2015			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associate Companies	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
f) SALE/REDEMPTION OF SHARES/NCD	-	-	15	15	-	-	-	-				
UPL Investment India Pvt. Ltd.	-	-	15	15	-		-	-				
4. REIMBURSEMENTS												
a) RECEIVED	-	-	0	0	-	-	0	0				
Uniphos Envirotronic Private Limited	-	-	0	0	-	-	0	0				
Ultima Search	-	-	0	0	-	-	-	-				
Others	-	-	0	0	-	-	0	0				
b) MADE	-	-	0	0	-	-	-	-				
UPL Enviromental Engineering Limited	-	-	0	0	-	-	-	-				
5. OUTSTANDINGS AS AT BALANCE SHEET DATE												
a) PAYABLES	12	108	8	128	9	-	4	13	23	-	5	28
Longreach Plant Breeders Management Services Pty Limited	-	-	-	-	-	-	-	-	12	-	-	12
Sinagro Produtos Agropecuários S.A.	-	108	-	108	-	-	-	-	-	-	-	-
Hodogaya UPL Co. Limited	12	-	-	12	9	-	-	9	11	-	-	11
Others	-	-	8	8	-	-	4	4	-	-	5	5
b) RECEIVABLES	31	315	2	348	13	168	3	184	17	-	7	24
Hodogaya UPL Co. Limited	30	-	-	30	13	-	-	13	16	-	-	16
Bharuch Enviro Infrastructure Limited	-	-	1	1	-	-	3	3	-	-	7	7
3SB Produtos Agricolas S.A.	-	58	-	58	-	22	-	22	-		-	-
Sinagro Produtos Agropecuários S.A.	-	257	-	257	-	141	-	141	-	-	-	-
Longreach Plant Breeders Management Services Pty Limited	-	-	-	-	0	-	-	0	0	-	-	0
Bench Bio Private Limited	-	-	0	0	-	-	0	0			0	0
Others	1	0	1	2	-	5	0	5	1	-	0	1

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related party transactions (contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies in the Group, associate companies and joint ventures.

INR Crores

Nature of Transactions	31 March 2017				31 March 2016				01 April 2015			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associate Companies	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
c) LOANS / INTER CORPORATE DEPOSITS GIVEN	**58**	**116**	**2**	**176**	**60**	**168**	**14**	**242**	**56**	**-**	**8**	**64**
3SB Productos Agricolas S.A.	-	21	-	21	-	-	-	-	-	-	-	-
Longreach Plant Breeders Management Services Pty Limited	58	-	-	58	60	-	-	60	56	-	-	56
Sinagro Produtos Agropecuários S.A.	-	95	-	95	-	168	-	168	-	-	-	-
Bharuch Enviro Infrastructure Limited	-	-	1	1	-	-	5	5	-	-	8	8
Bloom Packaging Private Limited	-	-	1	1	-	-	1	1	-	-	-	-
Others	-	-	0	0	-	-	8	8	-	-	-	-
d) MANAGEMENT FEES RECEIVABLE	**-**	**-**	**8**	**8**	**-**	**-**	**5**	**5**	**-**	**-**	**5**	**5**
Tatva Global Environment Private Limited	-	-	4	4	-	-	1	1	-	-	3	3
Gharpure Engineering and Construction Private Limited	-	-	4	4	-	-	3	3	-	-	1	1
Bharuch Enviro Infrastructure Limited	-	-	0	0	-	-	0	0	-	-	1	1
Others	-	-	0	0	-	-	1	1	-	-	0	0
e) INTEREST RECEIVABLES	**18**	**-**	**-**	**18**	**19**	**10**	**1**	**30**	**17**	**-**	**-**	**17**
Gharpure Engineering and Construction Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Sinagro Produtos Agropecuários S.A.	-	-	-	-	-	10	-	10	-	-	-	-
Longreach Plant Breeders Management Services Pty Limited	18	-	-	18	19	-	-	19	17	-	-	17
Others	-	-	-	-	-	-	1	1	-	-	-	-
f) DEPOSITS GIVEN	**-**	**-**	**5**	**5**	**-**	**-**	**5**	**5**	**-**	**-**	**5**	**5**
Daman Ganga Pulp and Papers Private Limited	-	-	4	4	-	-	4	4	-	-	4	4
Bloom Packaging Private Limited	-	-	1	1	-	-	1	1	-	-	1	1
Others	-	-	-	-	-	-	0	0	-	-	0	0
g) ADVANCES GIVEN	**-**	**-**	**10**	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Urbania reality LLP	-	-	10	10	-	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended 31 March, 2017

38. Related party transactions (contd.)

c. Transactions with Key Management Personnel and their relatives

INR Crores

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Remuneration			
- Mr. Rajnikant D. Shroff	15	12	
- Mr. Jaidev R. Shroff	13	10	
- Mr. Vikram R. Shroff	10	7	
- Mrs. Sandra R. Shroff	6	7	
- Mr. Arun C. Ashar	3	3	
- Others	4	3	
Total	**51**	**42**	
Rent paid			
- Mr. Rajnikant D. Shroff	0	0	
- Mr. Jaidev R. Shroff	1	1	
- Mr. Vikram R. Shroff	0	0	
- Mrs. Sandra R. Shroff	0	0	
Total	**1**	**1**	
Professional fees			
Mr. Navin Ashar	0	0	
Loan given during the year			
Mr. Anand Vora	0	-	
Sundry Deposits Given			
Mr. Jaidev R. Shroff	-	2	
Refund of Sundry Deposits			
Mrs. Asha Ashar	-	0	
Outstandings as at the Balance Sheet Date			
Commission Payable*	11	8	5
Remuneration payable	-	2	-
Sundry deposits given	2	2	1
Rent Payable	-	0	-
Professional fees payable	-	0	2
Loan outstanding	0	-	-

* Subject to shareholders approval.

Notes to consolidated financial statements for the year ended 31 March, 2017

39. Segment information

INR Crores

Sr. No.	Particulars	31-Mar-17 Agro Activity	31-Mar-17 Non Agro Activity	31-Mar-17 Unallocated	31-Mar-17 Total	31-Mar-16 Agro Activity	31-Mar-16 Non Agro Activity	31-Mar-16 Unallocated	31-Mar-16 Total
1	**Income from Operations (net)**								
a	External	16,196	465	19	16,680	13,970	363	11	14,344
c	Intersegment	(183)	183	-	-	(373)	373	-	-
	Total	**16,013**	**648**	**19**	**16,680**	**13,597**	**736**	**11**	**14,344**
2	**Segment Results**								
a	Contribution	3,291	54	-	3,345	2,423	31	-	2,454
	Intersegment profits	(37)	37	-	-	(75)	75	-	-
	Total Segment Results	**3,254**	**91**	**-**	**3,345**	**2,348**	**106**	**-**	**2,454**
	Less :								
	(i) Finance Costs				735				704
	(ii) Unallocable Expenditure / Income (net)				588				419
	(iii) Share of loss of associates and joint ventures				19				85
	(iv) Exceptional items (refer note no. 27)				81				129
	Total Profit before Tax				**1,922**				**1,117**
	Provision for tax								
	Current tax				298				342
	Deferred tax				(109)				(177)
	Profit for the year attributable to				**1,733**				**952**
	Equity holders of the parent				1,727				940
	Non Controlling interest				6				12
	Other Information								
	Segment Assets	15,150	623	4,608	20,381	13,353	635	3,000	16,988
	Segment Liabilities	5,918	154	6,879	12,951	4,871	113	6,071	11,055
	Capital Expenditure	1,218	21	21	1,260	969	32	1	1,003
	Depreciation	243	39	24	306	199	37	19	255
	Amortization	318	0	48	366	417	0	4	421
	Non Cash expenses other than Depreciation	35	1	0	36	136	1	0	137

Notes to consolidated financial statements for the year ended 31 March, 2017

39. Segment information (contd.)

INR Crores

Particulars	31-Mar-17 India	Europe	North America	Latin America	ROW	Total
Revenue by Geographical Market	3,334	2,148	2,888	5,396	2,914	16,680
Carrying amount of Segment Assets	6,059	2,766	1,567	6,277	3,712	20,381
Carrying amount of Non Current Operating Assets (Non Current Assets for this purpose consists of property, plant & equipment and intangible assets and other non current assets)	2,556	503	308	589	450	4,406

INR Crores

Particulars	31-Mar-16 India	Europe	North America	Latin America	ROW	Total
Revenue by Geographical Market	2,992	1,925	2,612	4,273	2,542	14,344
Carrying amount of Segment Assets	5,547	2,647	1,820	4,314	2,660	16,988
Carrying amount of Non Current Operating Assets (Non Current Assets for this purpose consists of property, plant & equipment and intangible assets and other non current assets)	2,361	526	289	445	474	4,095

Notes

(1) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :

a) Agro Activity - This is the main area of the Group's operation and includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products.

b) Non-agro Activity - Non agro activities includes manufacture and marketing of industrial chemical and other non agricultural related products.

(2) Capital expenditure consist of additions of property, plant and equipment and intangible assets.

(3) Segment Revenue in the above segments includes sales of products net of taxes.

(4) Inter Segment Revenue is taken as comparable third party average selling price for the year.

(5) Segment Revenue in the geographical segments considered for disclosure are as follows:

a) Revenue in India includes sales to customers located within India.

b) Revenue in Europe includes sales to customers located within Europe.

c) Revenue in North America includes sales to customers located within North America.

d) Revenue in Latin America includes sales to customers located within Latin America.

e) Revenue in Rest of world includes sales to customers located other than above Geographic segments.

(6) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(7) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

Notes to consolidated financial statements for the year ended 31 March, 2017

40. Details of Specified Bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 for Holding Company and its subsidiaries and associates incorporated in India

Amount (INR.)

Particulars	SBN	Other denomination	Total
Closing cash balance as on 08.11.2016	74,39,500	13,69,870	88,09,370
Add: Permitted receipts	-	61,25,495	61,25,495
Amount withdrawn from Banks	-	4,74,425	4,74,425
Less: Permitted payments	(2,54,500)	-	(2,54,500)
Less: Amount deposited in banks	(71,85,000)	-	(71,85,000)
Expenditure incurred	-	(52,29,181)	(52,29,181)
Closing cash balance as on 30.12.2016	**-**	**27,40,609**	**27,40,609**

41. Research and development costs

INR Crores

Particulars	31-Mar-17	31-Mar-16
Research and Development costs, as certified by the Management.		
a) Revenue expenses debited to appropriate heads in statement of Profit & Loss	313	255
b) Capital Expenditure	73	47

42. Payable towards acquisition of additional stake in UPL Do Brasil

Out of the consideration payable to previous shareholders of UPL Do Brasil Industria E Comercio de insumos Agropecurios SA amounting to ₹277 Crs as on March 31, 2016 (₹466 Crs as on April 1st 2015), UPL group has settled ₹31 Crs during the year (₹189 Crs in the year ended March 31, 2016) with previous shareholders. Out of the amount payable, the amount payable within one year from the balance sheet date amounting to ₹14 Crs (₹5 Crs in March 31, 2016) has been disclosed as current and balance amount of ₹232 Crs (₹272 Crs as on March 31, 2016) has been disclosed as non current.

Notes to consolidated financial statements for the year ended 31 March, 2017

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013 (contd.)

INR Crores

S. No	Particulars	Name of the Entity in the Group	31st March 2017								31st March 2016							
			Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets as a % of consolidated		% of Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1	Parent	UPL Limited, India	56%	4,178	38%	653			37%	653	68%	3,996	51%	481			54%	481
2	Subsidiaries								0%	-							0%	-
	Indian	Shroffs United Chemicals Limited	0%	0	0%	0			0%	0	0%	0	0%	0			0%	0
		SWAL Corporation Limited	1%	64	0%	3			0%	3	1%	65	-1%	(11)			-1%	(11)
		United Phosphorus (India) LLP	0%	9	-2%	(30)			-2%	(30)	0%	1	0%	(0)			0%	(0)
		United Phosphorus Global LLP	0%	0	0%	0			0%	0	0%	0	0%	-			0%	-
		Optima Farm Solutions Limited	0%	7	0%	5			0%	5	0%	3	0%	1			0%	1
		Agrinet Solutions Limited	0%	3	0%	(0)			0%	(0)	0%	0	0%	(0)			0%	(0)
	Foreign	UPL Europe Limited (formerly known as United Phosphorus Limited)	3%	207	3%	45			3%	45	5%	292	-1%	(7)			-1%	(7)
		UPL Deutschland GmbH (formerly known as United Phosphorus GMBH)	0%	9	0%	2			0%	2	0%	(4)	0%	(1)			0%	(1)
		UPL Polska Sp z.o.o. (formerly known as United Phosphorus Polska Sp.z o.o)	0%	(0)	0%	(0)			0%	(0)	0%	(0)	0%	(0)			0%	(0)
		UPL Benelux B.V.(formerly known as AgriChem B.V.)	1%	80	1%	10			1%	10	1%	79	1%	6			1%	6
		Cerexagri B.V.	2%	180	1%	11			1%	11	3%	188	2%	19			2%	19
		Blue Star B.V.	0%	0	0%	(1)			0%	(1)	0%	0	0%	(1)			0%	(1)
		United Phosphorus Holdings Cooperatief U.A.	0%	(16)	1%	12			1%	12	-1%	(30)	0%	(1)			0%	(1)
		United Phosphorus Holdings B.V.	-3%	(254)	1%	14			1%	14	-5%	(290)	9%	87			10%	87
		Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	0%	(0)	0%	(0)			0%	(0)	0%	(0)	0%	(0)			0%	(0)
		Decco Worldwide Post-Harvest Holdings B.V.	-1%	(55)	0%	(0)			0%	(0)	-1%	(59)	1%	9			1%	9
		United Phosphorus Holding, Brazil B.V.	-3%	(247)	-2%	(30)			-2%	(30)	-4%	(255)	-3%	(26)			-3%	(26)
		Advanta Holdings B.V.	-6%	(481)	-1%	(24)			-1%	(24)	-13%	(738)	-11%	(100)			-11%	(100)
		Advanta Netherlands Holding B.V.	7%	507	0%	3			0%	3	5%	313	1%	13			2%	13
		UPL Italia S.R.L. (formerly known as Cerexagri Italia S.R.L.)	0%	33	0%	8			0%	8	1%	31	1%	10			1%	10
		UPL Iberia, S.A. (formerly known as Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain)	1%	73	0%	6			0%	6	1%	72	0%	4			0%	4
		Phosfonia, S.L.	0%	-	0%	-			0%	-	0%	-	0%	-			0%	-
		Decco Iberica Postcosecha, S.A.U.	1%	67	1%	14			1%	14	1%	60	0%	(1)			0%	(1)

Notes to consolidated financial statements for the year ended 31 March, 2017

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013 (contd.)

INR Crores

S. No	Particulars	Name of the Entity in the Group	31st March 2017								31st March 2016							
			Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets as a % of consolidated		% of Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
		Transterra Invest, S. L. U.	-2%	(151)	0%	0			0%	0	-4%	(218)	0%	(3)			0%	(3)
		Cerexagri S.A.S.	3%	220	1%	22			1%	22	4%	218	2%	14			2%	14
		Neo-Fog S.A.	0%	23	0%	2			0%	2	0%	24	0%	2			0%	2
		UPL France (formerly known as Aspen SAS)	1%	76	3%	45			3%	45	1%	36	2%	15			2%	15
		United Phosphorus Limited	0%	(0)	-19%	(333)			-19%	(333)	6%	359	-7%	(64)			-7%	(64)
		United Phosphorus Switzerland Limited	0%	1	-1%	(13)			-1%	(13)	0%	14	1%	13			1%	13
		Agrodan, ApS	0%	6	0%	(4)			0%	(4)	0%	11	0%	(4)			0%	(4)
		Decco Italia SRL	1%	38	0%	3			0%	3	1%	38	0%	2			0%	2
		Limited Liability Company "UPL" (formerly known as JSC United Phosphorus Limited)	0%	9	0%	5			0%	5	0%	(15)	0%	(3)			0%	(3)
		Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	0%	(0)	0%	(0)			0%	(0)	0%	(0)	0%	(0)			0%	(0)
		UPL Management DMCC	1%	96	1%	15			1%	15	1%	83	6%	58			7%	58
		United Phosphorus Inc.	-10%	(740)	3%	50			3%	50	-13%	(771)	10%	94			11%	94
		UPI Finance LLC	0%	0	0%	0			0%	0	0%	0	0%	0			0%	0
		Cerexagri, Inc. (PA)	5%	344	0%	1			0%	1	6%	350	0%	1			0%	1
		UPL Delaware, Inc.(formerly known as Cerexagri Delaware, Inc.)	0%	4	0%	(7)			0%	(7)	0%	11	0%	0			0%	0
		Canegrass LLC	1%	38	1%	12			1%	12	1%	41	1%	12			1%	12
		Decco US Post-Harvest Inc	1%	83	0%	6			0%	6	1%	79	1%	10			1%	10
		Essentiv LCC	0%	(8)	0%	(8)			0%	(8)	0%		0%				0%	-
		RiceCo LLC	1%	70	0%	6			0%	6	1%	81	1%	12			1%	12
		Riceco International, Inc.	3%	198	0%	6			0%	6	3%	175	-1%	(7)			-1%	(7)
		Advanta US Inc.	-1%	(85)	-5%	(85)			-5%	(85)	1%	36	-3%	(30)			-3%	(30)
		UPL Corporation Limited (Formerly known as Bio-win Corporation Limited, Mauritius)	-42%	(3,133)	5%	89			5%	89	-31%	(1,812)	6%	57			6%	57
		UPL Agro S.A. de C.V.(formerly known as United Phosphorus de Mexico, S.A. de C.V.)	-1%	(45)	-1%	(20)			-1%	(20)	-1%	(37)	0%	3			0%	3
		Decco Jifkins Mexico Sapi	0%	(6)	0%	(2)			0%	(2)	0%	(4)	0%	(2)			0%	(2)
		Advanta Comercio De Sementes LTDA.	-2%	(141)	-2%	(26)			-1%	(26)	-2%	(119)	-4%	(40)			-4%	(40)
		Perrey Participações S.A	0%	8	0%	(0)			0%	(0)	0%	7	0%	-			0%	-

Notes to consolidated financial statements for the year ended 31 March, 2017

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013 (contd.)

INR Crores

S. No	Particulars	Name of the Entity in the Group	31st March 2017								31st March 2016							
			Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net Assets as a % of consolidated		% of Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
		United Phosphorus do Brasil Ltda	0%	-	0%	(3)			0%	(3)	0%	2	0%	(0)			0%	(0)
		UPL Limited, (formerly known as Uniphos Limited)	15%	1,091	17%	301			17%	301	12%	685	23%	217			24%	217
		Advanta Seeds International	7%	513	2%	31			2%	31	6%	354	8%	71			8%	71
		Advanta Seeds DMCC (formerly known as Advanta Seeds JLT)	2%	158	5%	84			5%	84	1%	79	5%	46			5%	46
		Uniphos Industria e Comercio de Produtos Quimicos Ltda.	2%	135	1%	9			1%	9	-14%	(807)	-4%	(36)			-4%	(36)
		United Phosphorus Indústria E Comércio de Produtos Químicos Ltda.	0%	(14)	0%	-			0%	-	0%	(0)	0%	(3)			0%	(3)
		Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	15%	1,094	8%	141			8%	141	17%	986	2%	18			2%	18
		UPL Costa Rica S.A (formerly known as Cerexagri Costa Rica, S.A.)	0%	(21)	0%	7			0%	7	0%	(16)	0%	4			0%	4
		UPL Bolivia S.R.L (formerly known as United Phosphorus Bolivia S.R.L)	0%	3	0%	(6)			0%	(6)	0%	(2)	0%	(2)			0%	(2)
		UPL Paraguay S.A.	0%	(1)	0%	(4)			0%	(4)	0%	4	0%	(0)			0%	(0)
		Icona Sanluis S A	0%	(12)	0%	(5)			0%	(5)	0%	(10)	-3%	(29)			-3%	(29)
		DVA Technology Argentina S.A.	0%	0	0%	-			0%	-	0%	0	0%	-			0%	-
		Advanta Semillas SAIC	1%	60	0%	(7)			0%	(7)	2%	103	-4%	(42)			-5%	(42)
		UPL Argentina S A (Formerly known as Icona S A)	1%	44	-2%	(32)			-2%	(32)	0%	16	-4%	(34)			-4%	(34)
		Decco Chile SpA	0%	6	0%	4			0%	4	0%	2	0%	1			0%	1
		UPL Colombia SAS	0%	19	0%	1			0%	1	0%	(1)	-1%	(13)			-1%	(13)
		United Phosphorus Cayman Limited	1%	58	-1%	(12)			-1%	(12)	1%	43	2%	21			2%	21
		UP Aviation Limited	0%	12	2%	33			2%	33	0%	(21)	1%	12			1%	12
		UPL Australia Limited (formerly known as United Phosphorus Limited)	0%	22	1%	13			1%	13	0%	16	1%	9			1%	9
		UPL New Zealand Limited (formerly known as United Phosphorus Limited)	0%	2	0%	1			0%	1	0%	1	0%	0			0%	0
		UPL Limited, (formerly known as Uniphos Limited)	27%	2,017	35%	608			35%	608	25%	1,444	10%	91			10%	91
		UPL Shanghai Limited (formerly known as United Phosphorus (Shanghai) Company Limited)	0%	12	0%	4			0%	4	0%	9	1%	5			1%	5
		Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd)	3%	189	-1%	(15)			-1%	(15)	5%	299	3%	27			3%	27

Notes to consolidated financial statements for the year ended 31 March, 2017

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013 (contd.)

INR Crores

S. No	Particulars	Name of the Entity in the Group	31st March 2017 Net Assets i.e. total assets minus total liabilities %	Amount	Share in profit or loss %	Amount	Share in other comprehensive income %	Amount	Share in total comprehensive income %	Amount	31st March 2016 Net Assets as a % of consolidated %	Amount	% of Share in profit and loss %	Amount	Share in other comprehensive income %	Amount	Share in total comprehensive income %	Amount
		UPL Limited (Korea) (formerly known as United Phosphorus (Korea) Limited)	0%	2	0%	1			0%	1	0%	1	0%	2			0%	2
		Pacific Seeds (Thai) Limited	3%	220	-1%	(26)			-1%	(26)	4%	260	4%	34			4%	34
		Pacific Seeds Holdings (Thailand) Limited	0%	3	6%	100			6%	100	-2%	(107)	0%	(1)			0%	(1)
		UPL(Taiwan) Limited (formerly known as United Phosphorus (Taiwan) Limited)	0%	-	0%	-			0%	-	0%	-	0%	0			0%	0
		PT.UPL Indonesia (formerly known as PT. United Phosphorus Indonesia)	0%	(5)	0%	2			0%	2	0%	(2)	0%	1			0%	1
		PT Catur Agrodaya Mandiri	0%	(15)	0%	3			0%	3	0%	(18)	-1%	(8)			-1%	(8)
		PT Advanta Seeds Indonesia	-1%	(38)	0%	2			0%	2	-1%	(54)	-3%	(31)			-4%	(31)
		UPL Limited (formerly known as United Phosphorus Limited), Hongkong	2%	175	2%	35			2%	35	2%	142	5%	48			5%	48
		UPL Philippines Inc.(formerly known as United Phosphorus Corp.)	0%	1	0%	2			0%	2	0%	5	0%	3			0%	3
		UPL Vietnam Co. Limited (formerly known as United Phosphorus Vietnam Co., Limited)	1%	55	1%	24			1%	24	1%	34	1%	12			1%	12
		UPL Limited, Japan (formerly known as United Phosphorus Limited, Japan)	1%	88	0%	1			0%	1	-1%	(47)	0%	3			0%	3
		Anning Decco Fine Chemical Co. Limited	0%	23	0%	4			0%	4	0%	21	0%	(1)			0%	(1)
		UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi (formerly known as Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey)	0%	24	-1%	(11)			-1%	(11)	0%	22	0%	(3)			0%	(3)
		UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	0%	20	0%	(8)			0%	(8)	1%	38	0%	(2)			0%	(2)
		Safepack Products Limited	1%	42	0%	2			0%	2	1%	39	0%	(4)			0%	(4)
		Citrashine (Pty) Ltd	0%	(4)	0%	(1)			0%	(1)	0%	(2)	0%	(2)			0%	(2)
		UPL Africa SARL	0%	(0)	0%	(0)			0%	(0)	0%	(0)	0%	(0)			0%	(0)

Notes to consolidated financial statements for the year ended 31 March, 2017

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013 (contd.)

INR Crores

S. No	Particulars	Name of the Entity in the Group	31st March 2017 Net Assets i.e. total assets minus total liabilities %	Amount	Share in profit or loss %	Amount	Share in other comprehensive income %	Amount	Share in total comprehensive income %	Amount	31st March 2016 Net Assets as a % of consolidated %	Amount	% of Share in profit and loss %	Amount	Share in other comprehensive income %	Amount	Share in total comprehensive income %	Amount
		Prolong Limited	0%	2	0%	(0)			0%	(0)	0%	3	0%	0			0%	0
		Advanta Seeds Ukraine LLC	0%	-	0%	-			0%	-	0%	-	0%	-			0%	-
		Advanta (B.V.I) Ltd	0%	-	0%	-			0%	-	0%	-	0%	-			0%	-
3	Non-controlling interest		0%	(33)	0%	(6)			0%	(6)	-1%	(44)	-1%	(12)			-1%	(12)
4	Associates																	
	Indian																	
		Kerala Enviro Infrastructure Limited	0%	3	0%	(1)			0%	(1)	0%	4	0%	(0)			0%	(0)
		Chemisynth (Vapi) Limited	0%	-	0%	-			0%	-	0%	-	0%				0%	-
		Universal Pestochem (Industries) Limited	0%	-	0%	-			0%	-	0%	-	0%				0%	-
		Weather Risk Management Private Ltd	0%	10	0%	(0)			0%	(0)	0%		0%				0%	-
	Foreign	Polycoat Technologies 2010 Limited	0%	-	0%				0%	-	0%	-	0%				0%	-
		Sinagro Produtos Agropecuarios S.A.	0%	36	1%	16			1%	16	1%	68	-10%	(94)			-11%	(94)
		3SB Produtos Agricolas S.A.	1%	76	-2%	(36)			-2%	(36)	1%	53	0%	4			0%	4
5	Joint Venture																	
	Foreign	Hodagaya UPL Co. Limited	0%	18	0%	1			0%	1	0%	17	0%	1			0%	1
		Longreach Plant Breeders Management Pty Limited	0%	31	0%	1			0%	1	-1%	(46)	0%	3			0%	3
6	Other Comprehensive Income						100%	23	1%	23					100%	(53)	-6%	(53)
		Total	**100%**	**7,397**	**100%**	**1,727**	**100%**	**23**	**100%**	**1,750**	**100%**	**5,889**	**100%**	**940**	**100%**	**(53)**	**100%**	**887**

Notes to consolidated financial statements for the year ended 31 March, 2017

44. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses full currency interest rate swaps and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Group enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

			31-Mar-17 (In. '000)	31-Mar-17 (INR Crores)	31-Mar-16 (In. '000)	31-Mar-16 (INR Crores)	
Nature of Instrument		Currency	Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding	Purpose - Hedging/ Speculation
(a)	Forward contracts - Sell	USD	14,041	91	16,917	112	Hedging
	Forward contracts - Sell	AUD	-	-	2,141	11	Hedging
	Forward contracts - Sell	EUR	331	2	22,565	170	Hedging
	Forward contracts - Buy	USD	2,05,082	1,330	1,67,290	1,108	Hedging
	Forward contracts - Buy	AUD	-	-	99	1	Hedging
	Forward contracts - Buy	EUR	-	-	127	1	Hedging
(b)	Derivative contracts						
	(i) Full Currency Interest Rate Swap contracts - payable	USD	1,11,179	550	1,44,259	700	Hedging (refer note below)
	Full Currency Interest Rate Swap contracts - payable	EUR	25,667	210	25,667	210	Hedging (refer note below)
	(ii) Interest Rate Swaps on Loans Payable	USD	-		1,59,288	1,055	Hedging
	Note:-						
	Hedging against the underlying INR borrowings by which:						
	- Group will receive principal in INR and pay in foreign currency						
	- Group will receive fixed interest in INR and pay fixed / floating interest in foreign currency.						
(c)	Un-hedged Foreign Currency Exposure on:						
	1 Payable	USD	2,76,975	1,796	3,36,838	2,232	
	(including Foreign Currency payable in respect of	EUR	27,240	189	34,848	263	
	derivative contracts as mentioned in (b) above)	GBP	2,526	20	314	3	
		JPY	-	-	278	0	
		CHF	16	0	7	0	
		DKK	1,310	1	1,402	1	
		PLN	175	0	-	-	
		AED	8	0	392	1	
		CAD	-	-	39	0	
		COP	1,36,60,390	31	-	-	
	2 Receivable	USD	1,33,823	868	1,03,784	688	
		EUR	2,976	21	28,118	212	
		GBP	4,045	33	10,088	96	
		DKK	152	0	386	0	
		JPY	968	0	968	0	
		AUD	-	-	1	0	
		MUR	-	-	6	0	
		PLN	-	-	66	0	
		CAD	5,448	26	4,639	24	
		COP	42,25,403	9	-	-	

Notes to consolidated financial statements for the year ended 31 March, 2017

45. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

INR Crores

	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets						
Loans	344	456	149	344	456	149
FVTOCI financial investments	78	55	72	78	55	72
FVTPL financial investments	126	105	151	126	105	151
Total	**548**	**616**	**372**	**548**	**616**	**372**
Financial liabilities						
Borrowings						
Floating rate borrowings	2,198	3,444	2,738	2,198	3,444	2,738
Fixed rate borrowings	4,139	1,814	1,237	4,123	1,806	1,230
Convertible preference shares	24	-	-	24	-	-
Total	**6,361**	**5,258**	**3,975**	**6,345**	**5,250**	**3,968**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Fair value measurement of equity shares classified as FVTOCI assets:	INR Crores
	Total
As at 1 April 2015	**-**
Re-measurement recognised in OCI	(17)
As at 1 April 2016	**(17)**
Re-measurement recognised in OCI	23
As at 31 March 2017	**6**

Fair value measurement of quoted equity shares classified as FVTOCI assets:		INR Crores
	31-Mar-17	31-Mar-16
Gujurat State Financial Corporation	0	0
Nivi Trading Limited	0	0
Transpek Industry Limited	1	1
IDFC Limited	0	0
IDFC Bank Limited	0	0
Bank of Baroda Limited	0	0
Ishihara Sangyo	22	(18)
	23	(17)

Notes to consolidated financial statements for the year ended 31 March, 2017

46. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Quoted equity shares	31-Mar-17	78	78	-	-
FVTPL financial investments (Note 5):					
Unquoted equity shares	31-Mar-17	8	-	-	8
Unquoted debt securities	31-Mar-17	118	-	-	118
Loans (Note 6)	31-Mar-17	178	-	178	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 16):					
Derivative contracts	31-Mar-17	178	-	178	-
Liabilities for which fair values are disclosed (Note 45):					
Borrowings (Note 15):					
Floating rate borrowings	31-Mar-17	2,198	-	-	2,198
Convertible preference shares	31-Mar-17	24	-	-	24
Fixed rate borrowing	31-Mar-17	4,123	-	-	4,123

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Quoted equity shares	31-Mar-16	55	55	-	-
FVTPL financial investments (Note 5):					
Unquoted equity shares	31-Mar-16	13	-	-	13
Unquoted debt securities	31-Mar-16	92	-	-	92
Loans (Note 6)	31-Mar-16	242	-	242	-

There have been no transfers between Level 1 and Level 2 during the period.

Notes to consolidated financial statements for the year ended 31 March, 2017

46. Fair value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 16):					
Derivative contracts	31-Mar-16	315	-	315	-
Liabilities for which fair values are disclosed (Note 45):					
Borrowings (Note 15):					
Floating rate borrowings	31-Mar-16	3,444	-	-	3,444
Fixed rate borrowing	31-Mar-16	1,806	-	-	1,806

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Quoted equity shares	01-Apr-15	72	72	-	-
FVTPL financial investments (Note 5):					
Unquoted equity shares	01-Apr-15	14	-	-	14
Unquoted debt securities	01-Apr-15	137	-	-	137
FVTPL Derivative instruments(Note 7)	01-Apr-15	78	-	78	-
Loans (Note 6)	01-Apr-15	64	-	64	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1 April 2015:

INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 5):					
Derivative contracts	01-Apr-15	237	-	237	-
Liabilities for which fair values are disclosed (Note 5):					
Borrowings (Note 15):					
Floating rate borrowings	01-Apr-15	2,738	-	-	2,738
Fixed rate borrowing	01-Apr-15	1,230	-	-	1,230

The management assessed that cash and cash equivalents, trade receivables, trade payables other financial assets and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments

Notes to consolidated financial statements for the year ended 31 March, 2017

47. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Groups principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

INR Crores

	Increase/decrease in basis points	Effect on profit or loss	Effect on equity
31-Mar-17			
USD	+50	(8)	(8)
	-50	8	8
Others	+100	(6)	(4)
	-100	6	4
31-Mar-16			
USD	+50	(12)	(11)
	-50	12	11
Others	+100	(11)	(7)
	-100	11	7

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans.

Notes to consolidated financial statements for the year ended 31 March, 2017

47. Financial risk management objectives and policies (contd.)

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the foreign currency loan by using foreign currency swaps and forwards.

At 31 March 2017, the Group hedge position is stated in Note 44. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

INR Crores

	Change in USD rate	Effect on profit or loss	Effect on equity
31-Mar-17	1%	(9)	(6)
	-1%	9	6
31-Mar-16	1%	(15)	(10)
	-1%	15	10

INR Crores

	Change in EURO rate	Effect on profit or loss	Effect on equity
31-Mar-17	1%	(2)	(1)
	-1%	2	1
31-Mar-16	1%	(1)	0
	-1%	1	0

The movement in the pre-tax effect is a result of a change in the fair value of of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to consolidated financial statements for the year ended 31 March, 2017

47. Financial risk management objectives and policies (contd.)

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017, 31 March 2016 and 1 April 2015 is the carrying amounts as illustrated in Note 10 except for derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

INR Crores

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended				
31-Mar-17				
Borrowings (other than convertible preference shares)	684	4,938	412	6,034
Convertible preference shares	24	-	-	24
Other financial liabilities	766	236	-	1,002
Trade and other payables	4,875	10	-	4,885
Derivatives	37	117	25	179
	6,386	**5,301**	**437**	**12,124**
Year ended				
31-Mar-16				
Borrowings (other than convertible preference shares)	2,505	1,777	489	4,771
Convertible preference shares	-	-	-	-
Trade and other payables	3,954	8	-	3,962
Other financial liabilities	802	276	-	1,078
Derivatives	117	60	137	314
	7,378	**2,121**	**626**	**10,125**
As at 1 April 2015				
Borrowings (other than convertible preference shares)	1,563	1,305	488	3,356
Convertible preference shares	-	-	-	-
Trade and other payables	3,395	6	-	3,401
Other financial liabilities	995	424	-	1,419
Derivatives	50	87	100	237
	6,003	**1,822**	**588**	**8,413**

Notes to consolidated financial statements for the year ended 31 March, 2017

48. Capital management

Capital includes equity attributable to the equity holders of the Parent Capital management is to ensure that Group maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

INR Crores

	31-Mar-17	31-Mar-16	01-Apr-15
Borrowings other than convertible preference shares (Note 15)	6,337	5,258	3,975
Less: cash and cash equivalents (Note 11)	(2,880)	(1,177)	(1,046)
Net debt	**3,457**	**4,081**	**2,929**
Optionally Convertible preference shares (Note 15)	24	-	-
Equity	7,430	5,933	5,405
Total capital	7,454	5,933	5,405
Capital and net debt	**10,911**	**10,014**	**8,334**
Gearing ratio	32%	41%	35%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

49. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended thereafter.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

1) The Group is allowed to choose any date in the past from which it wants to account for the business combinations under Ind AS 103, without having to restate business combinations prior to such date. Accordingly, the group has applied the standard for all acquisitions completed after 1st June, 2005.

   For all such acquisitions,

   - Intangible assets previously included within goodwill under IGAAP have been recognized separately in the opening Balance Sheet in accordance with Ind AS 103.
   - Retained earnings has been adjusted to include the amortization on identified intangibles, net of taxes, that would have been recorded from the date of acquisition till the transition date.
   - Deferred taxes have been recorded on intangible assets, wherever applicable.

   Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

for all business combinations prior to 1st June, 2005 (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2015.

The Group has used same exemptions for interest in associates and joint ventures.

2) The Group's investment in Advanta Limited and Agrinet Solutions Limited was considered as an associate under Indian GAAP. These have been treated as subsidiaries in accordance with Ind-AS 110 " Consolidated Financial Statements". These have been accounted retrospectively by applying requirements of Ind-AS 103 "Business Combinations" from the date of acquisition.

3) Certain items of plant and equipment have been measured at fair value at the date of transition to Ind AS.

4) Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2015.

5) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the lease contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place at the date of transition.

6) The group has designated quoted equity instruments held as on the transition date as fair value through Other Comprehensive Income instruments and unquoted debt and equity instruments as fair value through Profit and loss.

7) The Group holds 40% interest in Hodogaya Co Ltd and exercises joint control over the entity. On transition to Ind AS the Group has assessed and determined Hodogaya Co Ltd as its joint venture under Ind AS 111 Joint Arrangements. Under Indian-GAAP Group had proportionately consolidated its interest in the Joint venture in the Consolidated Financial Statement. However, under Ind AS, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the Group had previously proportionately consolidated including any goodwill arising on acquisition.

Estimates

The estimates as at 1 April 2015 and as at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model
- FVTPL - unquoted debt instruments and equity shares.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

INR Crores

	Footnotes	Indian GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1,2,19,22,23	1,736	78	1,814
Capital work-in-progress	22,23	346	22	368
Goodwill	17,19,23	1,449	(1,036)	413
Other Intangible assets	19,23	822	351	1,173
Intangible under development		237	0	237
Investments accounted for using the Equity method	18,23	538	(492)	46
Financial assets				
(i) Investments	3,4	226	(3)	223
(ii) Loans	5,23	87	53	140
(iii) Trade receivables	9	8	(2)	6
(iv) Other Financial Assets	23	-	3	3

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

INR Crores

	Footnotes	Indian GAAP	Adjustments	Ind AS
Non Current tax assets (net)	22,23	35	30	65
Deferred tax assets (net)	10,14	225	80	305
Other non-current assets	5,23	202	10	212
		5,911	**(906)**	**5,005**
Current assets				
Inventories	18,23	2,938	491	3,429
Financial assets				
(i) Trade receivables	6,9,18,23	3,793	349	4,142
(ii) Cash and cash equivalents	18,23	970	76	1,046
(iii) Bank balance other than cash and cash equivalents	23	40	16	56
(iv) Loans	23	42	(33)	9
(v) Other Financial Asset	18,22,23	88	34	122
Current tax assets		27	0	27
Other current assets	22,23	591	52	643
		8,489	**985**	**9,474**
Assets classified as held for sale		**22**	**4**	**26**
Total assets		**14,422**	**83**	**14,505**
Equity and liabilities				
Equity				
Share capital		86	-	86
Share Capital Suspense	23	-	3,942	3,942
Other equity				
(i) Securities Premium	23	783	39	822
(ii) Retained Earnings	1,3,4,5,6,7,8,9,10,14,16 ,18,19,20,21,22,23	2,961	(915)	2,046
(iii) Other Reserves	16,23	2,031	(3,570)	(1,539)
Equity attributable to equity holders of the parent		**5,861**	**(504)**	**5,357**
Non-controlling interests	23	44	4	48
Total equity		**5,905**	**(500)**	**5,405**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	7,23	1,694	99	1,793
(ii) Trade payables		6	-	6
(iii) Other financial liabilities	4	607	4	611
Long term provisions	23	14	4	18
Deferred tax liabilities (net)	10,14	182	(84)	98
		2,503	**23**	**2,526**
Current liabilities				
Financial liabilities				
(i) Borrowings	6,18,23	1,087	476	1,563
(ii) Trade payables	9,18,23	3,212	183	3,395
(iii) Other current financial liabilities	7,22,23,20	985	60	1,045
Provisions	8,23	313	(246)	67
Other current liabilities	23	329	46	375
Net employee defined benefit liabilities	23	27	14	41
Current tax liabilities (net)	23	61	27	88
		6,014	**560**	**6,574**
Total liabilities		**8,517**	**583**	**9,100**
Total equity and liabilities		**14,422**	**83**	**14,505**

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

Group reconciliation of equity as at 31 March 2016

INR Crores

	Footnotes	Indian GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1,2,19,22,23	2,196	92	2,288
Capital work-in-progress	22,23	304	8	312
Goodwill	17,19,23	1,463	(1,046)	417
Other Intangible assets	19,23	970	187	1,157
Intangible under development		172	0	172
Investments accounted for using the Equity method	18,23	865	(690)	175
Financial assets				-
(i) Investments	3,4	201	(41)	160
(ii) Loans	5,23	130	56	186
(iii) Trade receivables		1	(0)	1
(iv) Other Financial Assets	23	-	1	1
Non Current tax assets (net)	22,23	36	134	170
Deferred tax assets (net)	10,14	362	147	509
Other non-current assets	5,23	222	11	233
		6,922	**(1,141)**	**5,781**
Current assets				
Inventories	18,23	3,226	561	3,787
Financial assets				
(i) Investments				-
(ii) Trade receivables	6,9,18,23	4,810	290	5,100
(iii) Cash and cash equivalents	18,23	1,056	121	1,177
(iv) Bank balance other than cash and cash equivalents		12	0	12
(v) Loans	23	268	2	270
(vi) Other Financial Asset	18,22,23	16	40	56
Current tax assets		30	1	31
Other current assets	22,23	650	100	750
		10,068	**1,115**	**11,183**
Assets classified as held for sale		**20**	**4**	**24**
Total assets		**17,010**	**(22)**	**16,988**
Equity and liabilities				
Equity				
Share capital		86	-	86
Share suspense account	23	-	3,797	3,797
Other equity				
(i) Securities Premium	23	835	(13)	822
(ii) Retained Earnings	1,3,4,5,6,7,8,9,10, 14,16,18,19,20,21 ,22,23	4,022	(1,243)	2,779
(iii) Other Reserves	16,23	1,848	(3,443)	(1,595)
Equity attributable to equity holders of the parent		**6,791**	**(902)**	**5,889**

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

INR Crores

	Footnotes	Indian GAAP	Adjustments	Ind AS
Non-controlling interests		42	2	44
Total equity		**6,833**	**(900)**	**5,933**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	7,23	2,186	80	2,266
(ii) Trade payables		8	-	8
(iii) Other financial liabilities		470	3	473
Long term provisions	23	18	3	21
Deferred tax liabilities (net)	10,14	208	(89)	119
		2,890	**(3)**	**2,887**
Current liabilities				
Financial liabilities				
(i) Borrowings	6,18,23	1,674	831	2,505
(ii) Trade payables	9,18,23	3,833	121	3,954
(iii) Other current financial liabilities	7,22,23,20	879	40	919
Provisions	8,23	318	(235)	83
Other current liabilities	23	501	57	558
Net employee defined benefit liabilities	23	33	20	53
Current tax liabilities (net)	23	49	47	96
		7,287	**881**	**8,168**
Total liabilities		**10,177**	**878**	**11,055**
Total equity and liabilities		**17,010**	**(22)**	**16,988**

Group reconciliation of profit or loss for the year ended 31 March 2016

INR Crores

	Footnotes	Indian GAAP	Adjustments	Ind AS
Continuing operations				
Revenue from operations	11	13,216	1,128	14,344
Other income	23	112	204	316
Total Income		**13,328**	**1,332**	**14,660**
EXPENSES				
Cost of materials and components consumed (including (increase)/ decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock-in-trade)	23	6,411	369	6,780
Excise Duty on sales	23	-	296	296
Employee benefits expenses	23	1,224	210	1,434
Finance costs	23	537	167	704
Depreciation and amortisation expenses	23	502	174	676
Other expenses	23	2,950	489	3,439
TOTAL EXPENSES		**11,624**	**1,705**	**13,329**
Profit before share of loss of associate and joint venture, exceptional items and tax		**1,704**	**(373)**	**1,331**
Share of loss of an associate and jointventure	18	31	54	85
Profit before exceptional items and tax		**1,673**	**(427)**	**1,246**

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

INR Crores

	Footnotes	Indian GAAP	Adjustments	Ind AS
Prior period adjustment		14	(14)	-
Exceptional items	23	64	65	129
Profit before tax		**1,595**	**(478)**	**1,117**
Tax expenses		**283**	**(118)**	**165**
Current tax	23	394	(52)	342
Deferred tax	10,14,23	(111)	(66)	(177)
PROFIT FOR THE YEAR		**1,312**	**(360)**	**952**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss		-	(30)	(30)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	1	1
B (i) Items that will be reclassified to profit or loss		-	(24)	(24)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income for the period		**1,312**	**(413)**	**899**
Profit for the year		**1,312**	**(360)**	**952**
Attributable to:				
Equity holders of the parent		1,299	(359)	940
Non-controlling interests		13	(1)	12
Total comprehensive income for the year		**1,312**	**(413)**	**899**
Attributable to:				
Equity holders of the parent		1,299	(412)	887
Non-controlling interests		13	(1)	12

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016.

1. **Property, plant and equipment**

   Group has elected to measure certain items of property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the transition date, a decrease of ₹101 Crs was recognised in property, plant and equipment. This amount has been recognised against retained earnings. Accordingly, the Group has also reversed depreciation of ₹11 Crs excess charged under Indian GAAP for the year ended March 31, 2016.

2. **Government Grants**

   The Group imports capital goods without payment of duty under Export Promotion on Capital Goods (EPCG) scheme and assumes an export obligation to be fulfilled over a period of 6 - 8 years which is treated as asset related government grant as per Ind AS 20 - Accounting for Government Grants and disclosure of government assistance. Such grants outstanding on the date of transition and received during the year ended March 31, 2016, are fair valued and treated as deferred income with the corresponding adjustments to property, plant and equipments amounting to ₹4 Crs and ₹4 Crs net of depreciation respectively.

   Grant set up as deferred income has been recognised in the statement of profit and loss account for the year ended March 31, 2016 amounting to ₹22 lacs on a systematic basis over the useful life of the asset.

3. **FVTOCI financial assets**

   Under Indian GAAP, Group recognised long-term investments in equity shares at cost less provision for diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI and measured them at fair value through Other comprehensive income. On the transition date, decrease of ₹32 Crs between the instruments' fair value and Indian GAAP carrying amount has been recognised in Other Comprehensive Income. Further for the year ended March 31, 2016 an additional loss of ₹19 Crs has been recorded in Other Comprehensive income.

4. **FVTPL financial assets**

   Under Indian GAAP, Group recognised long-term investments in convertible debt securities at cost less provision for diminution in the value of investments. Under Ind AS, Group recognised such convertible debt investments as FVTPL and measured them at fair value through profit and loss. On the transition date, an increase of ₹29 Crs and further increase of ₹10 Crs during the year ended March 31, 2016 between the instruments fair value and amortised cost has been recognised in retained earnings and statement of profit and loss respectively.

5. **Amortized Cost of financial assets**

   Under Indian GAAP, Group accounted for interest free deposits paid at cost i.e. the amount actually paid. Under Ind AS, such deposits are recognised at fair value on initial recognition and at amortised costs on subsequent measurement. Accordingly, on the date of transition, a decrease of ₹2 Crs (net) (₹8 crs reduced from Security deposits and ₹6 Crs recognised as Prepaid Expense) between the deposits' carrying amount and amortized cost has been recognized in retained earnings.

6. **Expected Credit Loss**

   Under Indian GAAP, Group has recognised specific amount towards impairment of Trade receivables on the basis of incurred losses. Under Ind AS, impairment allowance has been recognised based on Expected Credit Loss basis (ECL). Accordingly, additional allowance for impairment amounting to ₹51 Crs as at April 01, 2015 (at the transition date) and INR 71 Crs as at March 31, 2016, which has decreased retained earnings.

7. **Amortised cost of financial liability**

   Non-convertible debentures ('NCDs') issued by Group are carried at the outstanding principal amount under Indian GAAP and debenture issue expenses were adjusted against securities premium. Under Ind AS, NCDs are to be measured at amortized cost by applying the effective interest rate method which adjusts the effective interest rate for the debenture issue expenses. Accordingly, the borrowings are restated as per Ind AS and the transition cost amounting to ₹11 Crs earlier debited to the Securities premium has now been reversed. The amount of transition cost debited to retained earnings on date of transition is ₹4 Crs. Net impact on profits for the year ended March 31, 2016 on account of carrying debentures at amortised cost amounts to ₹1 Cr.

8. **Proposed Dividend**

   In Indian GAAP, dividend payable is recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognized as a liability in the period in which the obligation to pay is established. Accordingly, proposed dividends and the related tax have increased the retained earnings by ₹258 Crs, at the transition date and as on March 31, 2016.

9. **Net Present Value Adjustment**

   Under Indian GAAP, the Group recorded their financial assets and liabilities with expected credit period at book value. However, under Ind AS, trade receivables and trade payables are recorded at their fair value i.e. at net present value if the impact is material based on the discount rate used by the Group for borrowing.

   Thus the impact on account of recording trade payables and receivables at net present value with corresponding deferred tax impact as on April 01, 2015 is ₹17 Crs decrease in retained earnings and further impact of ₹21 Crs recognised as income (net) during the year ended March 31, 2016.

10. **Deferred tax including recognition of Deferred tax Assets on losses**

    Under Indian GAAP, deferred tax assets and liabilities are accounted using the income approach which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Accordingly, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of ₹16 Crs and ₹17 Crs on 31 March 2016.

11. Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by ₹296 Crs with a corresponding increase in other expense.

Also Cash discount was presented under Finance Cost under Indian GAAP. However, under Ind AS, the same has been netted off from Sale of goods.

12. Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

13. Derivative instruments

Under IGAAP derivative contracts were marked to market on portfolio basis and the net loss was charged to statement of profit and loss and net gains were ignored. However, under Ind AS derivative financial instruments are required to be measured at their fair value. Thus, Group has recognised a gain of ₹8 crs in the year ended March 31, 2016 on account of fair value of derivative instruments that was ignored under IGAAP.

14. Deferred Tax Assets on unrealised profits resulting from intra group transactions

Under Indian GAAP, unrealised profits resulting from intragroup transactions are eliminated from the carrying amount of assets, such as inventory or property, plant or equipment, but no equivalent adjustment is made for tax purposes. Under Ind AS, where the carrying amount of the asset in the consolidated financial statements is lower than the tax base of the transferred asset (for the transferee), results in recognition of deductible temporary difference on which a deferred tax asset is recognised. Thus, the Group has recognised deferred tax asset on stock reserve amounting to ₹98 Crs as at April 01, 2015 (the date of transition) and ₹172 Crs as at March 31, 2016.

15. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 2 Crs and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

16. Share-based payments

Under Indian GAAP, the Group recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. Share options totalling ₹2 Crs which were granted before and still vesting at 1 April 2015, have been recognised as a separate component of equity in Share based payments reserve against retained earnings at 1 April 2015.

17. Impact of change in value of Contingent consideration after measurement period

Under Indian GAAP, any change in the value of contingent consideration that the acquirer recognised after the acquisition

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

date was adjusted to Goodwill. However, under Ind AS, the change shall be recognised in statement of profit and loss. Accordingly, the Group has recognised loss amounting to ₹16 Crs in statement of Profit and loss for the year ended 31 March, 2016.

18. Joint Venture

The Group holds 40% interest in Hodogaya Co Ltd and exercises joint control over the entity. On transition to Ind AS the Group has assessed and determined Hodogaya Co Ltd as its Joint Venture under Ind AS 111 Joint Arrangements. Under Indian-GAAP Group had proportionately consolidated its interest in the Joint venture in the Consolidated Financial Statement. However, under Ind AS, it needs to be accounted for using the equity method as against proportionate consolidation. On application of equity method the investment stands increased by INR 14 Crs on 1 April 2015. Derecognition of proportionately consolidation of Joint venture has resulted in change in balance sheet, statement of profit and loss and cash flow statement. For its impact on the financial statement refer note 33.

19. Business Combination

The group has elected to restate past business combinations and has selected to apply Ind-AS 103 retrospectively from 1st June 2005. Hence, in accordance with para C1 of Ind-AS 101, the Group has restated all the business combinations after that data and has also applied Ind AS 110 from that date to all those business combinations. Measurement principle stated under para 18 of Ind AS 103 require that the acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. However, the current Indian GAAP does not permit measurement of assets and liabilities at fair value acquired in a business combination.

On application of the above recognition principle, certain intangible and tangible assets acquired on business combinations were identified and amortised/depreciated over their useful lives by the Group and recognized in the books as under:

INR Crores

	31 Mar 2016	01 Apr 2015
Increase in Intangible Assets	82	197
Increase in Tangible Assets	16	16
Reduction in Goodwill	(1,289)	(1,273)
	(1,191)	**(1,060)**

Depreciation and amortisation of these tangibles and intangibles amounted to ₹111 crores

20. Restatement of prior period error

Under IGAAP, the Group had recorded prior period expense (net) amounting to ₹14 Crores in the statement of Profit and loss for the year ended March 31, 2016. However, in accordance with the requirements of Ind AS the same has been recognised by restating the retained earnings as on April 01, 2015

21. Trade receivables

Under Indian GAAP, Debtors factoring and Bills discounted with recourse was treated as a contingent liability, however under Ind AS the same is recognised as a Obligation with corresponding debit to Trade receivables. Accordingly, ₹92 Crs as at April 01, 2015 and ₹60 Crs as at March 31, 2016 has been recognised as liability under borrowings with corresponding grossing up of debtors.

22. Functional Curency

Under Ind AS, an entity shall determine its functional currency which can be different from its local currency on the basis of primary economic environment in which the entity operates, i.e. primarily generates and expends cash. Once determined, entity translates foreign currency items into its functional currency and reports the effects of such translation from the date of the transaction in accordance with Ind AS 21.

Notes to consolidated financial statements for the year ended 31 March, 2017

49. First-time adoption of Ind AS (contd.)

The net impact on account of change in functional currencies for various assets and liabilities of three subsidiaries of the group as on the transition date is ₹31 Crs that has been adjusted to retained earnings.

23. Unconsolidated Subsidiaries

Under Indian GAAP, Advanta Limited and Agrinet Solutions Limited were treated as associates and accounted by applying equity method in the consolidated financial statements. Under Ind AS, these entities have been treated as subsidiaries in accordance with Ind AS 110 ""Consolidated financial statements"" and accordingly have been retrospectively consolidated using line by line consolidation.

Accordingly, carrying value of investments have been changed which resulted in change in the balance sheet, statement of profit and loss and cash flow statements. The resulting difference of ₹179 Crs has been recognised in the retained earnings.

Further, on account of merger of Advanta Limited with UPL Limited w.e.f. April 1, 2015 as described in Note 30, the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributable it to the owners of the parent has been recognised in Equity as on April 1, 2015."

24. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E300003

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 28th April, 2017

For and on behalf of the Board of Directors
UPL Limited

R.D. Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 28th April, 2017

Notes

Notes

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