UPL OpenAg™

UPL Limited | Annual Report 2018-19

# Values

## Live new UPL

### Always human

We are all about connecting with people, in a human way – showing respect, demonstrating trust, celebrating diversity. For us, technology is an enabler, not the endgame. We see the value in human connectivity and how it creates new opportunities for everyone. With this, comes our promise to protect people's safety in every way we can.

### Nothing's impossible

There isn't any limit to our ambition or our ability to grow. We are not afraid to run with new ideas, work with new partners, anticipate new needs, push ourselves beyond our comfort zones or simply ask 'Why not?'. We dare to change the game and create a new food economy for the world.

### Win-Win-Win

We serve a cause bigger than ourselves – sustainability of global food systems. We win when we create sustainable solutions based on responsible choices, when everyone we serve and partner with grows too, and when together we achieve sustainable growth for society as a whole - the biggest win of all.

## Work new UPL

### One team, one focus

We are one team, for maximum impact. One team with shared goals. We all play for the team and no one plays against the team. We have a laser-like focus on what our customers need and want, on anticipating their future needs and how we can create innovative solutions and experiences for them.

### Agile

No one is faster or more efficient. We thrive on targets and challenges that, while possibly daunting at first glance, only excite and energise us. Wherever we operate, speed and agility are in our DNA. The world needs our urgency.

### Keep it simple, make it fun

Food systems are highly complex and present huge challenges. We cut through this by keeping it simple. People value simplicity, customers especially. And everyone likes fun, so let's have some, doing what we love to do.

# UPL in numbers

| | |
|---|---|
| 22,077<br>Revenues in FY2019 (₹ in crore) | 4,111<br>EBITDA in FY2019 (₹ in crore) |
| 1,447<br>Net Profit in FY2019 (₹ in crore) | 48<br>Manufacturing Facility locations |
| 1,023<br>Patents granted | >12,400<br>Registrations |
| >138<br>Countries of presence | 5th<br>Rank among global crop protection product players (trailing twelve months basis) |
| 10,300+<br>Number of employees | 75<br>Number of countries, workforce representation |

## Contents

# ‘OpenAg’
## A new UPL

An open agriculture
network for the world
that feeds sustainable
growth for all.

No limits, no borders.

# Modern agriculture faces multiple challenges

## Population

The challenge of feeding a growing global population in the midst of growing resource scarcity.

## Resilient

The challenge of making agriculture climate-smart and farming more resilient to global warming.

## Affordability

The challenge of making new agro technologies affordable for every single farmer, strengthening profitability while reducing environment impact.

## Productivity

The challenge of enhancing farmer productivity with relevant inputs; minimizing risks associated with traditional farming practices.

## Model

Addressing challenges with a new model that converges different players across the value-chain.

## Purpose

Connecting farmers to food processors to supermarkets to consumers around a new purpose.

## Vision

Our vision is to be an icon for growth, technology and innovation. We only have one vision and it is not highlighted by the year.

## Mission

Change the game – to make every single food product more sustainable.

# How OpenAg is equipped to address

The only way the challenge of growing more food for the world in a declining quantum of land area can be met is through a new model - one that brings together different stakeholders together across the food value chain.

From farmers to food processors to supermarkets to consumers – around a new purpose.

A purpose we call ‘OpenAg’.

A purpose where we play a new role by creating a network that changes the way the food system thinks and works - exposing it to new ideas, new possibilities and new solutions.

## OpenAg will change the game

At UPL Limited, OpenAg, will change the game by creating a society where agriculture is valued, outputs are sustainable and farmers are able to prosper.

The acquisition of Arysta LifeScience, has helped by the foundation for ‘OpenAg’.

Eight things you need to know about UPL Limited.

The world's fifth largest post-patent crop protection products company.

And the world's fastest growing in this space.

## 01 Pedigree

UPL Limited is a global crop protection company of Indian origin. Founded in 1969 by Mr. R. D. Shroff (Chairman), the Company is backed by a team of motivated and experienced industry professionals. The Company is listed on the National Stock Exchange and Bombay Stock Exchange in India. The Company's market capitalisation as on 31st March 2019 stood at ₹48,693 crore.

## 02 Leading

UPL acquired Arysta LifeScience, a global provider of innovative crop protection solutions, in early 2019. The acquisition will enhance UPL's position as a global leader in agricultural solutions with close to US$ 5 billion in combined sales and EBITDA of ~US$ 1 billion as well as a portfolio of more than 12,400 product registrations. UPL has a strong presence in India, the Americas and Western Europe while Arysta has a relatively stronger presence in Africa, Russia and Eastern Europe.

## 03 Solutions-oriented

UPL has transformed from a crop protection products provider to a complete crop solutions partner, enhancing food security across the world. The Company has diversified its portfolio across seeds, seed treatment solutions, post-harvest solutions and industrial chemicals. UPL's large basket of crop protection products safeguard crops against pest infestations. It has also created a retail chain in select geographies to provide one-stop solution to farmers.

## 04 Global presence

UPL's products are marketed in more than 138 countries, strengthening its global positioning and de-risking the business from an excessive dependence on any single region. The Company accounts for around 14% share of India's organised crop protection products sector. The Company has or direct global presence in major markets with a direct access to distribution and with sales forces deployed across more than 40 nations.

## 05 All-encompassing

UPL's product portfolio comprises fungicides, herbicides, insecticides, plant growth regulators, rodenticides, specialty chemicals, nutri-feeds, seeds and seed treatment products. With Arysta under its wing, UPL will bolster its portfolio of BioSolutions and Seed Treatment products. It has also ventured into providing value-added services in select markets.

## 06 Innovative

UPL's investments in research and innovation have helped the Company generate 1,023 patents and more than 12,400 product registrations worldwide.

## 07 Comprehensive

UPL has expanded across the sectoral value-chain, from R&D and registrations to manufacturing, packaging and marketing, making it possible to emerge as one of the most comprehensive crop protection product companies in the world.

## 08 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' awards (Unit#2)

**2018:** Frost & Sullivan - TERI Sustainability 4.0 Awards 2018 - 1st Runner-up, Challengers category

Frost & Sullivan and TERI Sustainability 4.0 Awards 2018 - Challengers Award - Large Business, Process Sector

Gold Award 'Brands for Environment' for year 2018 - Top 10 Environment Friendly Factories in the country

Gold Award 'Friendly Green Factory' for Year 2018 - 'TOP 20 Clean and Green Factory' in Country

Gold Award 'Sustainable development' for Year 2018 - 'Top 20 Factory for sustainable development, innovation and Systems' in the country

Outstanding business award, India Manufacturing Excellence Award (IMEA) 2018 by Frost & Sullivan - Gold Certificate of Merit

India Green Manufacturing Challenge (IGMC) by Frost & Sullivan - Silver Award

National Awards for Manufacturing Competitiveness, (NAMC 2017-2018) - Gold medal.

# Milestones

## 1969

Started manufacturing red phosphorus

## 1976

- Entered the crop protection products sector
- Started exporting products

## 1980

Began production of yellow phosphorus at Ankleshwar

## 1994

- Acquired the UK-based MTM Agrochemical to gain access to 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

## 2007

- Acquired Cerexagri for boosting revenues significantly through its global distribution network
- Successfully completed a QIP issue of equity shares

## 2010

- Acquired RiceCo for leveraging the global sales and marketing network for the rice segment
- Acquired Manzate brand, strengthening its fungicide portfolio

## 2012

- Acquired DVA Agro and SIB for gaining entry into Brazil

## 2014

- Crossed ₹100 billion in revenues
- Introduced Unizeb Gold

## 1996

- Acquired Devrinol for gaining entry and distribution access into the American, Japanese and Rest of World markets
- Set-up a caustic chlorine plant

## 2005

- Acquired SWAL to enhance scale and distribution in India with a parallel distribution network
- Registered first EMR (SAAF)

## 2006

- Acquired Reposo for gaining entry into Argentina
- Acquired Advanta, thereby making an entry into the seeds business

## 2016

- Crossed US$ 2 billion in revenues
- Surpassed 5,000 registrations
- Merged Advanta into UPL

## 2017

- US$ 500 million Bonds issued by overseas subsidiary UPL Corporation, under Rule 144A and Regulation S with an investment grade rating from Moody's, S&P and Fitch

## 2018

- US$ 300 million Bonds issued by overseas subsidiary UPL Corporation, under Regulation S with an investment grade rating from S&P and Fitch
- Crossed US$ 2.7 billion in revenues
- Crossed 6,000 registrations
- Announced the acquisition of Arysta LifeScience and completed it within six months

# Performance highlights, FY2019

**22,077**
Revenues (₹ in crore)

**4,111**
EBITDA (₹ in crore)

**18.8**
EBITDA margin (%)

**1,447**
Net profit (₹ in crore)

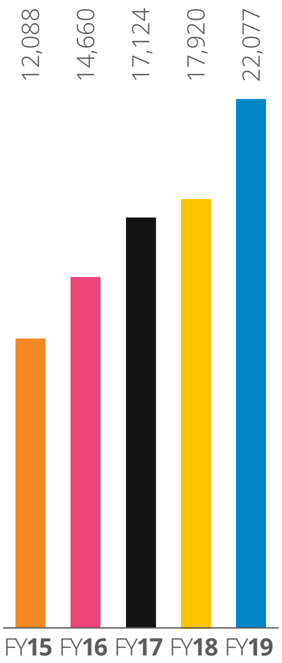
**6.6**
Net profit margin (%)

**28.42**
Earnings per share (₹)

**21.3**
RoCE (%)

(Only UPL figures considered, as RoCE computation is for UPL consolidated financials. Arysta financial statements are for a period of two months and have not been considered as we await the Asset Valuation report for the Arysta group of companies to determine the RoCE for the combined business)

# Our attractive performance across the years




## Revenues

(₹ in crore)

### Definition

Revenues (including Other Income). FY2019 figure includes Arysta LifeScience revenues for two months (February and March 2019).

### Why is this measured?

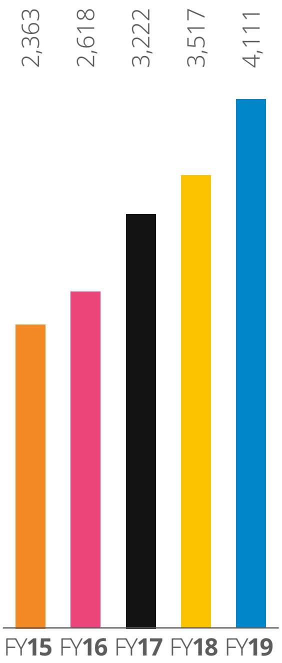
To measure the Company's ability in comprehending global demand trends and launching appropriate products.

### Performance, FY2019

Revenues Grew 23.2% to ₹22,077 crore during FY2019, following increased demand and realisations.

### Value impact

Improved product offtake strengthened the Company's marketplace reputation.




## EBITDA

(₹ in crore)

### Definition

Earnings before deduction of interest, depreciation and amortization extraordinary items and tax. FY2019 figure includes Arysta LifeScience EBITDA for two months (February and March 2019).

### Why is this measured?

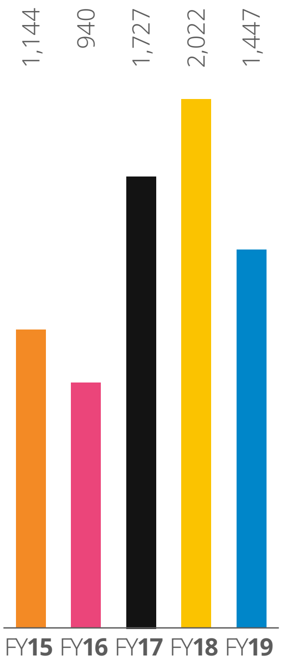
It is an index that showcases the Company's ability to optimise operating costs despite inflationary pressures and can be compared with sectoral peers.

### Performance, FY2019

The Company's EBITDA grew 16.9%.

### Value impact

A rising EBITDA highlights the Company's operational efficiency and attractive earnings.




## Net profit

(₹ in crore)

### Definition

Profit earned during the year after deducting all expenses and provisions

### Why is this measured?

It highlights the strength of the business model in generating value for its shareholders.

### Performance, FY2019

The Net Profit for the year was ₹2,340 crore and after considering exceptional costs and Purchase Price Allocation Adjustments related to the Arysta Life Science acquisition, the Net Profit for the year was ₹1,447 crore.

### Value impact

A healthy Net Profit protects the interests of all stakeholders.


## RoCE

(%)

### Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is put to use in the business

### Why is this measured?

RoCE is a useful metric in comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

### Performance, FY2019

The RoCE of the Company was 21.3% compared to the previous year. After considering debt for acquisition of Arysta LifeScience, the RoCE was 6.3%.

### Value impact

Enhanced RoCE can drive valuations and visibility.

** (Only UPL figures considered)


## EBITDA margin

(%)

### Definition

EBITDA margin is a profitability ratio used to measure a company's financial efficiency

### Why is this measured?

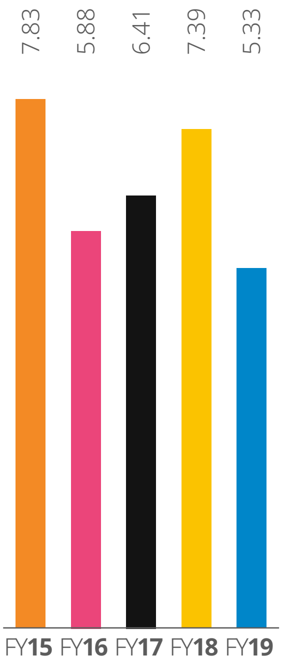
The EBITDA margin gives an idea of how much a company earns (before accounting for depreciation, amortisation, interest and taxes) on each rupee of sales.

### Performance, FY2019

The Company EBIDTA margin was 20.8%. Following the acquisition of Arysta LifeScience, acquired inventories were valued at a Fair Market Value, as required under Ind AS accounting standards, resulting in margin of 18.8%.

### Value impact

Provides a better picture of profit growth trends and business health




## Interest cover

(x)

### Definition

This is derived by the dividing of EBITDA by interest outflow

### Why is this measured?

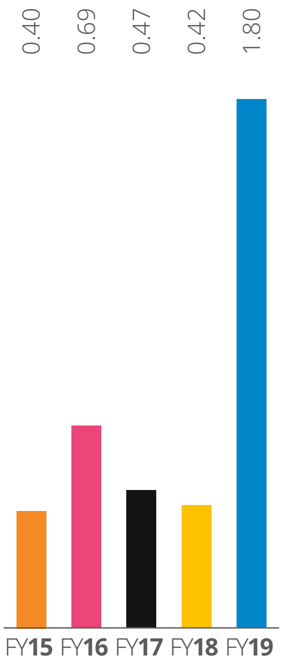
Interest cover indicates the Company's ability in servicing interest – the higher the better.

### Performance, FY2019

The Company's interest cover was 6.57. Post-acquisition of Arysta LifeScience, the interest cover was at 5.33 on account of a drop in EBITDA (refer above) and increase in debt.

### Value impact

A healthy interest cover indicates the Company's liquidity and ability to address debt servicing and repayment obligations.




## Gearing

(x)

### Definition

This is the ratio of net debt to net worth (less revaluation reserves)

### Why is this measured?

This is one of the defining measures of a company's financial health, indicating solvency (the lower the gearing the better).

### Performance, FY2019

The Company's debt-equity ratio was 0.30. Post acquisition of Arysta LifeSciences, the Company's debt-equity ratio was 1.80.

### Value impact

A low debt-equity ratio suggests adequate borrowing room to sustain growth.


Chairman's
communiqué

Dear Shareholders,

## The year under review was one of the most memorable in UPL Limited's history.

## The Company acquired Arysta LifeScience in an all-cash US$ 4.2 billion deal, which was completed within a record six months.

## This helped the combined entity emerge as the fifth-largest crop protection products company in the world with combined sales of US$ 4.7 billion in FY2019 (trailing twelve months basis).

### Explaining the acquisition

Over the last few years, the global crop protection products industry has undergone consolidation, warranting a greater need for scale across serious players.

Scale enhances economies of scale, ability to attract fresh talent, ability to launch differentiated products and a stronger registration pipeline.

UPL, over the last 25 years, has made 40+ acquisitions and been successful in accelerating growth in a profitable manner.

The Arysta LifeScience acquisition represents the largest in our existence and possibly the most important. Arysta LifeScience (formed in 2001) is present in the proprietary post-patent space, a segment growing faster than the mainstream sector.

As the pace of discovery of new active ingredients has declined and an increasing number of products are going off-patent, Arysta LifeScience possesses one of the world's best supply chain systems as well as a broad products portfolio comprising herbicides, fungicides, insecticides, bio-solutions and seed treatment targeted at specialty crops and applications.

UPL's landmark acquisition bodes well for a number of reasons.

**One,** UPL has a strong manufacturing presence with plants in 34 global locations (26 for active ingredients / formulations and eight for seeds). On the other hand, Arysta's asset-light model outsources most manufacturing operations (with formulation plants in 14 locations), electing to focus largely on marketing. The coming together of the companies will empower UPL to provide strong manufacturing support to Arysta on the one hand and leverage the latter's deep distribution capability on the other – a win-win.

**4.7**
(US$/billion) Combined sales of the Company (trailing twelve months basis)

**34**
Global manufacturing locations of the Company

>83%
Revenues derived from global markets

12,400
UPL's product registrations post acquisition

**Two,** Arysta possesses a proven expertise in the realm of certain proprietary molecules. Following the acquisition, UPL will gain access to these proprietary molecules.

**Three,** the two companies possess complementary portfolios: UPL's crop protection products are go-to products for row crops, while Arysta's products are preferred for the cultivation of specialty crops like horticulture. The complementary product portfolios of the two entities have helped create a company with a larger and relatively de-risked application presence. This was evident in the unconditional approval from 40+ anti-trust regulators, without requiring any portfolio divestments.

**Four,** the two companies also enjoy a presence in complementary markets. Arysta enjoys a strong presence in Eastern Europe and CIS countries; UPL possesses a similar presence in Western Europe and Latin America. Arysta enjoys a relatively large presence in Africa, Russia and Ukraine, where UPL is less conspicuous. Following the acquisition, UPL will be able to tap deeper into these territories.

**Five,** following the acquisition, UPL's product registrations more than doubled - from ~6,150 to more than 12,400. Considering that it takes between two to five years to get a product registered, this acquisition has strengthened the Company's long-term prospects.

**Six,** both companies complement each other in managing risks and financial resources. One of the primary reasons for UPL's success in Latin America has been its ability to manage market volatility, which holds true for Arysta's performance in sub-Saharan Africa, where the Company dealt with currency and political risks. The coming together of UPL and Arysta provides a neat complement that will disproportionately strengthen the overall complement.

I am optimistic that this acquisition will broaden UPL's positioning as a global company of Indian origin. More than 83% of UPL revenues are derived from global markets. UPL has recruited globally and locally, strengthening its terrain familiarity and the ability to take decisions closer to the ground. The result is that the Company reported sustainable and profitable growth despite monetary, political, climatic, regulatory and economic challenges.

## Need for specialised solutions

Falling crop commodity prices over the past few years impacted the demand for crop protection products, resulting in industry consolidation and relevant counter-strategies. Urbanisation and climatic vagaries affected sectoral growth. Changing climatic conditions are increasing pest disturbance, increasing their population and enhancing their appetite, threatening global food security. The need of the hour is to provide specialised solutions that protect yields and minimize pre- and post-harvest losses.

Scientists have found that globally, pathogens and pests have affected crop yields by 10 to 40% for major food crops like wheat, rice, maize, soybean and potato.

(Source: University of California's Division of Agriculture and Natural Resources / International Society for Plant Pathology).

## OpenAg

**Our** purpose is to create...

**An** open network for agriculture, activating connections across the world's agriculture system.

**Powering** new levels of sustainable growth – for farmers, for producers, for customers and partners, for societies everywhere.

**Ours** is a world of no borders and no limits. Not a hard-wired linear value chain, but an agile, fluid network of relationships and interplays that leapfrog traditional boundaries and jump to new opportunities. Where connections are more personal and solutions more personalised.

**From** crop protection, to biosolutions, to innovative hybrid platforms and beyond... We create more choice, faster access, greater value and sustainability.

**We** open possibilities and shape the future in an interactive and synergistic way. Agriculture with no borders, growth for all. OpenAg.

Besides, the global population of 7.6 billion is expected to grow to 8.6 billion by 2030 and 9.8 billion by 2050, making it imperative for companies like UPL to come up with specialised crop protection products with greater speed than ever.

This priority is also evident in India, one of the largest agricultural markets of the world. Around 70% of India's rural households depend primarily on agriculture; around 86% of India's farmers are categorised as 'small and marginal' and own less than 2 hectares, which is the equivalent of two football fields. A number of measures were undertaken by the Government of India, including enhanced minimum support prices for a number of crops. The Central Government also aims to double farmers' income by 2022 through measures like Pradhan Mantri Krishi Sinchayee Yojana, Pradhan Mantri Fasal Bima Yojana and National Food Security Mission, among others.

At UPL, we believe that crop protection products addressing pre- and post-harvest losses play a pivotal role. The Indian Council of Agricultural Research estimated that around 30%-35% of the annual crop yield in India is lost to pests. India's pesticide consumption is one of the lowest in the world; the average hectare in India consumes just 0.6 kilograms of pesticide compared to 5-7 kilograms per hectare in the US and 11-12 kilograms per hectare in Japan, a large headroom. We believe that the sector has an important role to play at a time when the country is engaged in strengthening farmers' income.

## Overview

Following the acquisition of Arysta LifeScience, UPL has evolved from being just a product-based company to a solution-oriented organisation covering all major crops.

The new UPL is attractively positioned to address the existing and emerging needs of farmers across a wider global footprint with a larger basket of products.

We believe that the new UPL will enhance value for its stakeholders. I thank our large family of stakeholders for their trust and assure that we will continue to enhance value for our Company in the foreseeable future.

RD Shroff,
*Chairman*

## UPL's acquisition of Arysta is value-accretive

| Parameters | UPL | Arysta | Combined entity |
|---|---|---|---|
| Market positioning | Seventh-largest agricultural solutions player with a focus on post-patent products | Tenth-largest agricultural solutions player with a focus on specialty and niche markets | Fifth-largest agricultural solutions player with a healthy mix of product offerings for row crops and specialty crops |
| Key geographies | India, Western Europe, the US and Latin America | Eastern Europe, Russia, the Middle East, Africa and Latin America | Stronger presence in Latin America, Europe and the rest of the world |
| Product registrations | >6,500 | >5,800 | >12,400 |
| Manufacturing strategy | Low-cost manufacturing of complex active ingredients and formulations | Asset-light model with an emphasis on outsourcing | Blend of in-house manufacturing and outsourcing capabilities |
| Manufacturing Facility locations | 34 | 14 | 48 |
| Product portfolio | Seeds to post-harvest | BioSolutions, seed treatment and late-stage R&D-led pipeline of differentiated products | Comprehensive product portfolio addressing a wide range of crops |
| Crop focus | Corn, soybean, cotton, rice, fruits, vegetables and sugar cane | Fruits, vegetables, cotton, sugarcane, sunflower, cacao and cereals | Wider basket of crops across all major agricultural regions across the world |
| Product development | Focus on innovative formulations, combinations, mixtures and label extensions | Late-stage product development capabilities and strong ties with innovators of active ingredients | Late-stage product development capabilities combined with innovative formulations, mixtures and combinations, marketed strategically |

# Message from the Global CEO of UPL Limited

Dear shareholders,

## Past 50 years

At our recent Flag Day celebration, where UPL marked 100 days since the successful acquisition of Arysta LifeScience, my family and I had the opportunity to reflect on UPL's incredible journey over the past 50 years. In 1969, we began producing red phosphorus – a bold move at a time when nobody thought it possible to do so in India.

With hard work, perseverance and a dedication to doing things better, the UPL team has grown from a small operation in Vapi, into the leading agri-inputs company in India and a globally respected player.

I attribute our success to never losing sight of our customers–growers, small and large, whose daily efforts bring us the food we so often take for granted. This lies at the heart of our commitment to OpenAg – our philosophy for the future of UPL.

## OpenAccess

UPL has always believed in supporting local farms and communities – no matter how big or small or what crops they grow – by giving them access to the best products available. This is a part of our commitment to ensure food security for all, irrespective of which corner of the world people reside in. We find ourselves equally at home in emerging economies serving a small cocoa farmer in Africa to citrus cooperatives in Brazil to large corn farmers in the American Mid-West.

## OpenSolutions

We can serve all these farmers because of the range of technologies UPL can bring to bear on the challenges they face. We help farmers get their crops established, ensuring the germination and nurturing of their precious seed stock. We help farmers deal with the challenges of climate change, to reduce irrigation needs and plant abiotic stresses. Sometimes this means we help with the effective management of weeds, diseases and other pests that have become resistant to old solutions. At other times, we help with crop finishing and post-harvest solutions, to maximise quality and yield while minimising waste in the supply chain. Growers look to UPL to help them do their job, and we relish the challenge of finding better ways to assist them, whether by providing time-tested advice on how to improve farm productivity to using precision AG technology to give them the best data on what they need to do in their fields.

## OpenManufacturing

We believe in connecting UPL with diverse communities and interests worldwide and that these connections create extraordinary value. We now operate globally with almost 50 active ingredient manufacturing and formulation facilities spread around the world and provide supply reliability through our multi-source strategy. We continue to maintain stringent safety standards and improve the sustainability of our operations, reducing our carbon emissions, water consumption, waste water discharge and solid waste to minimise our environmental footprint.

## OpenInnovation

We are engaged in innovation, conducting research and development across more than 25 R&D facilities in four continents and collaborating with leading commercial partners, scientific institutions and universities to continuously understand and meet our customers' future needs. We are proud to have become a market leader in bringing new biological solutions to the market – helping growers make great strides in biocontrol as well as biostimulation to improve yield and input efficiency – all of which is key for providing even more sustainable options to farmers facing different challenges.

**We are engaged in innovation, conducting research and development across more than 25 R&D facilities in four continents and collaborating with leading commercial partners, scientific institutions and universities to continuously understand and meet our customers' future needs**

## OpenHearts

We also see our mission as contributing to social progress, and actively work to advance the well-being of people everywhere. I am particularly proud of the work we have done in supporting malaria eradication efforts in Africa, supporting rural education projects in India, and our work to eliminate all forms of child labour in seed supplier farms.

UPL's lifelong vision and commitments to ensure food security for all, supporting local farmers and communities in the process. It is as relevant today as it has ever been.

## FY2019 performance

In FY2019, we delivered revenues of ₹22,077 crore, EBITDA of ₹4,111 crore and a Net Profit of ₹1,447 crore. For the sake of clarity, this includes Arysta figures for two months, as the acquisition was completed on February 1, 2019. If the Arysta figures are not considered, UPL posted strong growth of 14% (in revenues), growth in EBITDA of 18% and growth of 10% in net profit. I am enthused that UPL continues to deliver on its promise of sustainable and profitable growth. In the coming years, we will continue to focus on the revenue and cost synergies that we have targeted to achieve, ensuring that the combined Company will be an outperformer in the global agri-inputs space.

## Looking to the next 50 years

Even as we reinvent our business for a new phase of growth – and firmly establish UPL as a global leader in sustainable agriculture and food systems – we take time to think deeply about our Company, our culture and the values that guide our behaviour.

We have got to where we are today because we were guided by a good value system. Similarly, our future success will be routed in us remaining committed to our values, while also being a leader in doing things better and differently. We have therefore codified our values, to ensure that we measure ourselves by how we live up to them each day. These are:

- Always human
- One team, one focus
- Nothing's impossible
- Agile
- Win-Win-Win
- Keep it simple, make it fun

Our vision is for UPL to be an icon for growth, technology, and innovation. We will only achieve this by living our values and meeting a standard of behaviour that is truly world-class.

UPL has never compromised on quality. We started as young and idealistic, and remain so. We are always willing to try new things and to see if we can do things better. With the help of our customers, our employees, and our shareholders, we will continue to do so.

The fire of my father and mother's bold decision 50 years ago still burns bright within us all. It motivates us to continue to be bold in our ambitions for what is possible, and how UPL can continue to change the world.

I would like to thank all shareholders, other stakeholders and employees for their support over the past 50 years to make this possible.

Thank you

Jai Shroff

*Global Chief Executive Officer*

# Message from the Global COO

Dear shareholders,

The year 2018-19 a strategically decisive one in UPL's existence.

In July 2018, the Company announced the acquisition of Arysta LifeScience. Global regulatory approvals were obtained in just six months, with the acquisition closing on February 1, 2019. Following the transaction, UPL's combined sales (on a trailing twelve-month basis) grew from US$ 2.7 billion to US$ 4.7 billion.

With the combination of UPL and Arysta we have created a formidable global player in agri-inputs, a tier-one company with the scale to win in a consolidating industry landscape.

Both businesses are geographically complementary: UPL enjoys a strong presence in India, the Americas and Western Europe, while Arysta is a market leader in Latin America, South and Eastern Europe, Africa and Japan. The new UPL is a global player with a particularly strong position in the emerging markets. Up to 80% of the increase in agricultural production in the next 30 years is expected to come from the emerging markets.

UPL's strengths lie in manufacturing and differentiated post-patent products, while Arysta focused on specialty products, deep marketing and R&D capabilities. Since closing, UPL has one of the broadest product portfolios in the industry, comprising 12,400+ product registrations globally. We can now provide complete solutions from seed to post-harvest in most key crops and key markets, retaining our leading position in the rapidly growing biosolutions segment. To cement our role as a solution provider for sustainable farming, UPL is building competences to expand the use of digital services and processes. Investments in artificial intelligence tools to predict customer needs with higher accuracy, and using robotic sensors to access real-time, on-field farmer data, are some examples of this effort.

Looking forward, we plan to take advantage of the numerous synergies in revenues and costs. Through cross-selling and an increased customer presence we expect to generate more than $300m in top-line synergies in three years. Cost savings in raw materials, personnel and fixed manufacturing expenses are projected to reach more than $200m in two years. We plan to focus deeper on operational efficiency, both in manufacturing, working capital management and R&D, where we strive to be the industry benchmark.

From the beginning, we knew that the most important decision we would take was building the right team that would take UPL to the next level. Soon after closing, we announced the new leadership team. The best leaders from both legacy companies were selected and empowered to drive the integration. In the initial stage, the team spent a great time listening to employees, customers and partners. We examined the underlying strengths of both organisations to identify the core values of the New UPL. Agility, a 'nothing is impossible' mindset, team work, a human approach to leadership, special emphasis on win-win-win partnerships and a strong growth-orientation, were among the principles we highlighted.

Farmers around the world are seeking solutions to offset the impact of climate change; consumers are asking for healthier food products and societies are expecting a drastic reduction in the environmental impact of farming. What is our role in society? What motivates us to give our best every day? Where is our industry heading?

Reflecting on these fundamental questions gave birth to our new purpose: OpenAg.

OpenAg is an open agriculture network for the world, feeding sustainable growth for all. Through OpenAg, we aim to power new levels of sustainable growth for the benefit of the entire eco-system comprising farmers, food processors, customers, partners and society at large.

No limits, no borders. With this new purpose, the new UPL emerges as a key contributor to solutions for some of society's most important challenges.

Exciting times lie ahead.

Diego Lopez Casanello

*Global Chief Operating Officer*

## UPL-Present across the value chain

**Seeds:** High-yielding seeds enhance food security.

**Crop protection products:** Fight pests, protecting harvests.

**Soil enhancement technologies:** Innovative soil enhancement technologies offset inconsistent water supply effects during crop cycles.

**Post-harvest solutions:** Post-harvest solutions prevent grain and fruit damage during transportation and storage.

**Farmer engagement initiatives:** Farmer engagement comprises value-added services to educate farmers and help them address everyday challenges.

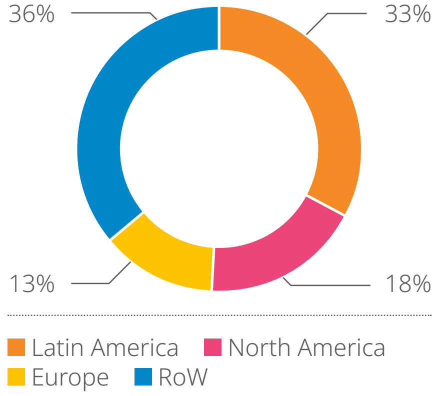
# Today's UPL.
# A convergence of synergies across geographies, crops and products

## UPL

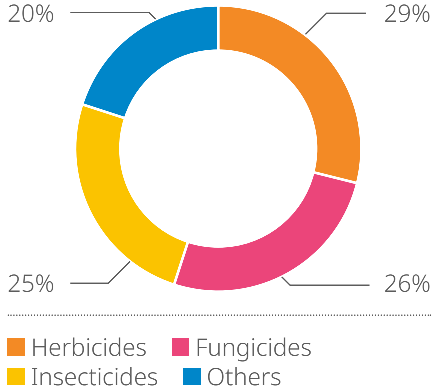
- Stronger presence in India, Americas and Western Europe
- Industry-leading manufacturing capabilities
- Diversified portfolio across the value chain
- Strong registration and product development capabilities
- Robust Balance Sheet and track record of more than 40 successful mergers and acquisitions

** UPL mix as of March 31, 2018; Arysta mix as of December 31, 2017

### Geographic mix



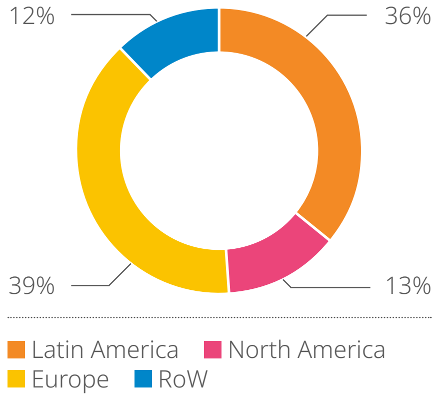

### Product mix



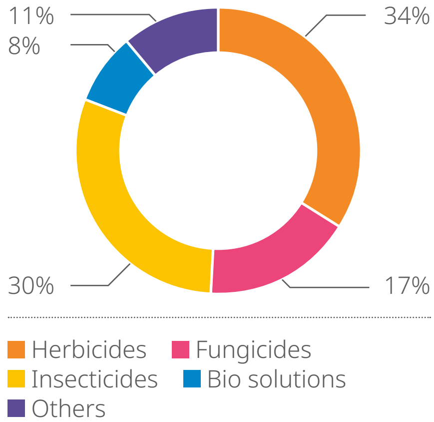

## Arysta

- Stronger presence in Africa, Russia and Eastern Europe
- Unique asset-light model, underscoring high capital utilisation efficiency
- Specialisation in fast-growing market segments and specialty crops
- Proven R&D capabilities

### Geographic mix




### Product mix

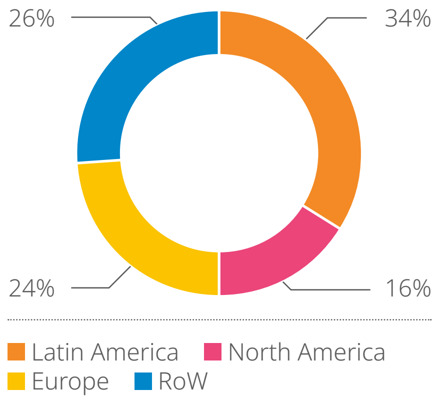



## 'New' UPL

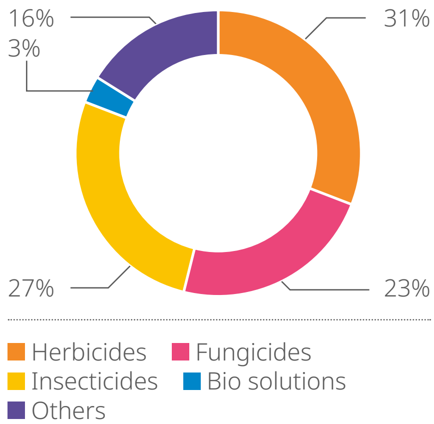
- A global leader in the field of agricultural solutions
- R&D-focused and vertically-integrated organisation
- Healthy mix of high-value crops and high-growth geographies
- Well-positioned to achieve sustainable growth
- Convergence of synergistic traits
- >12,400 registrations
- Ability to come up with innovative products in a customer-oriented manner

** UPL and Arysta adjusted as of March 31, 2018

### Geographic mix




### Product mix

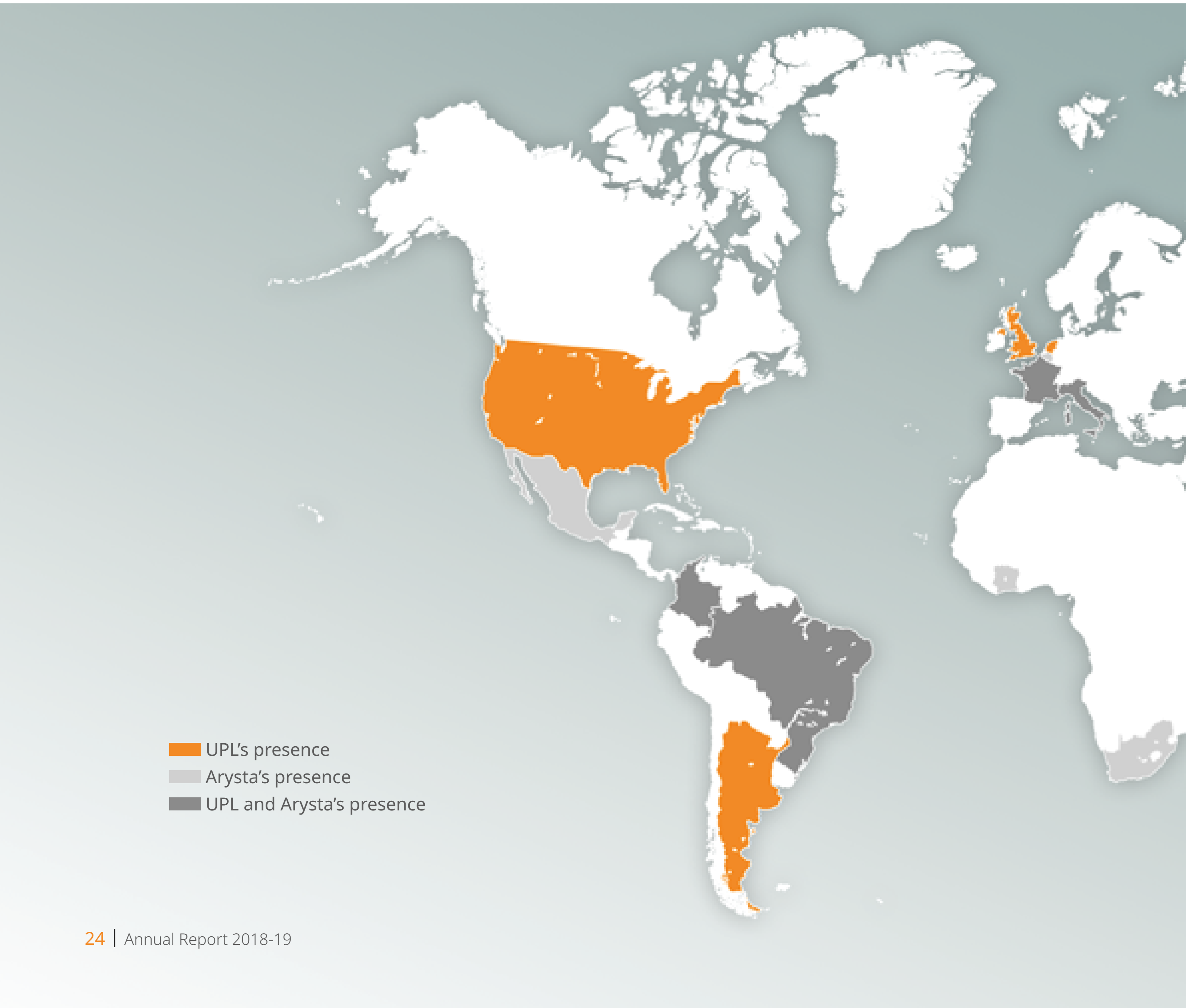


1 Competence driver

# UPL's best-in-class manufacturing capabilities

Over the past five decades, UPL has established a growing global presence on the back of manufacturing facilities in 48 locations (national and international) engaged in the production of active ingredients and formulations.

The Company invested extensively in backward integration, resulting in a significant cost advantage over international peers, strengthening quality management and reducing its dependence on just a few vendors.



## Backward integration

UPL's ability to identify products with high-growth potential and investing in backward integration has strengthened its competitiveness. UPL's track record in scaling capacities at costs and timelines lower than prevailing sectoral benchmarks has been derived from its rich understanding of plant designs, best-in-class equipment procurement through strategic partnerships, offsite construction flexibility, 3D design capabilities and relatively shorter commissioning timelines.

## Lower asset costs

UPL chose to set up a greater portion of its active ingredient manufacturing plants in India on account of locational and fundamental advantages. For instance, the Company's MR205 and glufosinate plants were commissioned in half the time taken by peers, resulting in significant savings that generated a faster realization of revenues and profits.

## Arysta's manufacturing competence

Arysta focused on the commissioning of localised 'close-to-customer' formulation manufacturing facilities, while outsourcing active ingredient requirements to third party vendors, an effective asset-light approach. The acquisition will empower UPL to integrate its 'building block' products with Arysta's outsourcing skill and contacts, widening the value chain. The acquisition represents a coming together of UPL's manufacturing units across 34 locations with Arysta's 14 formulation facilities, creating effective global scale and synergy.

## Consistent service capability

Owing to a tightening local environment regulations, there was a disruption in material supplies from China. As a proactive measure, UPL invested in additional capacities, strengthening resource security. This boosted the Company's manufacturing credibility and value chain. The result: even as competing supply lines were affected, UPL continued to service farmer needs in an uninterrupted manner.

2

Competence driver

# UPL. Deepening its presence in complementary markets

The acquisition of Arysta is expected to enhance overall value for UPL across the foreseeable future.

Arysta will deepen UPL's presence in Europe and the US, which are challenging markets to enter on account of strict regulatory frameworks (Europe) and consolidated distribution channels (US). Besides, Arysta enjoys a meaningful presence in Africa, Eastern Europe and Japan, while UPL is the market leader in India. These complementary markets will widen the Company's geographic footprint globally and significantly enhance revenues.

In overlapping markets like Latin America (contributing 30%+ of sales for both too) there is a complementarity at work. The two entities focus on different crops (UPL on row crops and Arysta on specialty crops), leveraging different distribution channels (co-operatives / small dealers for Arysta and large growers / dealers for UPL).

The result is that the acquisition of Arysta will empower UPL to deepen its presence in new segments. The minimal overlap was validated by 42 countries green-flagging the acquisition from an anti-trust standpoint in just six months. The result is that UPL more than doubled product registrations from ~6,150+ to ~12,400, widening its crop-cum-product portfolio and deepening its presence in sub-scale and existing geographies.

## Strengthening ties with Brazilian farmers

The three principal distribution channels in Brazil comprise agricultural co-operatives, distributors of inputs (or dealers) and direct sale to large farm operations. Following consolidation in the mid-2000s, dealers represent ~60% of the sales of agricultural inputs, while the remainder is sold through co-operatives and direct sale to large farmers. In addition to traditional channels, UPL strengthened its Brazil presence through direct sales to large growers. On the other hand, Arysta strengthened its presence through co-operatives.

UPL and Arysta enjoy complementary crop specialisations. While UPL's products are preferred by cotton and soybean farmers, Arysta is respected for corn applications. UPL and Arysta balance each other when it comes to fruits and vegetables in Latin America: while UPL's strength lies in citrus, Arysta's lies in sugarcane.

By acquiring Arysta, which offers specialty applications as well as cost-effective products, UPL will now be empowered to forge enduring engagements with customers, resulting in a superior value proposition.

## Growing stronger together in North America

UPL's objective to reinforce its North America footprint will now be catalysed by Arysta's strong presence in North American presence (especially in the Midwest where corn is a key crop and in Canada's wheat belt). In both regions, Arysta enjoys a larger sales team than UPL. Supplementing Arysta's dominance in wheat, UPL is the go-to brand for rice farmers (through subsidiary RiceCo) as well as fruit and vegetables (predominantly potato), creating an effective complement.

In the last few years, UPL has sought to grow its presence in the American Midwest, a region where row crops (corn and soybean) are predominant. The Company positioned itself to address opportunities in the resistance management space with a portfolio of herbicides and fungicides. It has recently launched two brands of the herbicide Glufosinate for soybean and corn to plug these gaps. Glufosinate is the potential alternative to Glyphosate (~US$ 5 billion market globally) as Glyphosate-resistant weeds are increasing.

UPL's cost-competitive business model, coupled with Arysta's deep marketing capabilities, should generate sustainable growth in revenues, market share and margins.

## Extending into Europe, Africa and CIS countries

Arysta enjoys a strong presence in Eastern Europe, Africa and CIS. Deep agricultural fundamentals enabled the region to emerge as a leading producer and exporter of wheat, barley, corn, sunflower, winter oilseed rape, sugar beet and vegetables.

UPL enjoys a longstanding competence in crops like vines, sugar beet and potato; Arysta's portfolio is geared towards cereals, the largest crop in Europe, rapeseed oil and some specialty fruit crops.

In Africa, Arysta is a market leader in South Africa, Ivory Coast, Burkina Faso and Mozambique, now a competitive advantage for UPL. Arysta's strong presence in the Central and Eastern Europe (Poland and Hungary) allows UPL to venture into this untapped geography.

**By acquiring Arysta, which offers specialty applications as well as cost-effective products, UPL will now be empowered to forge enduring engagements with customers resulting in a superior value proposition.**

3 Competence driver

# UPL. Offering farmer solutions through an integrated portfolio

UPL's product portfolio comprises several post-patent active ingredients. The growth of the Company in these segments has been driven by formulations, mixtures and combination products manufactured at its manufacturing facilities at competitive costs.

Arysta's portfolio comprises proprietary post-patent and generic molecules. The Company's strategy is to focus on niche active ingredients and develop R&D-driven formulations and combinations, which address emerging issues faced by agriculturalists. It partnered research-focused companies in Japan, entering into in-licensing arrangements for innovative molecules. Arysta develops proprietary combinations using these molecules in addition to acquisitions strengthening its product pipeline.

The differentiated product portfolio of both companies indicates a minimal molecule overlap. Arysta enjoys a strong bio-solutions product portfolio, where UPL dose not posses an adequate presence. The acquisition helped plug gaps and create an integrated portfolio of crop protection products.

UPL's portfolio has been reinforced with Arysta's strong presence in the BioSolutions segment. BioSolutions provide novel solutions through a range of biological stimulants, soil health and foliar nutrition products to help farmers access a better quality output. These unique technologies provide a bio-stimulation effect and improved nutrition, resulting in healthy plant growth, better yield, quality and tolerance to biotic and abiotic stresses. They help in and Integrated Pest Management (IPM) approach with a wide range of innovative solutions to make farming more sustainable and profitable.

## UPL+Arysta's integrated portfolio of crop protection products will target key crops like soybean, corn, fruits and vegetables and cereals

| UPL's crop exposure | Arysta's crop exposure | Combined entity | Key geographies |
|---|---|---|---|
| Corn | Corn | Corn | The US and Brazil |
| Soybean | Soybean | Soybean | The US and Brazil |
| Fruits and vegetables | Fruit and vegetables | Fruit and vegetables | Europe, Brazil and the US |
| Cotton | Cereals | Cereals and cotton | Europe and Brazil |
| Rice | Cocoa | Rice and cocoa | Asia and Brazil |
| Sugar beet | Sugarcane | Sugar beet and sugar cane | Europe, Asia and Brazil |
| Tree nuts and aquatics | Sunflower | Tree nuts, aquatics and Sunflower | North America |

4

Competence driver

# UPL. Leverages focused innovation to reinforce status as a global leader

Over the years, UPL has consistently invested in research and innovation.

The result is that the Company has evolved from being a generic player into a branded post-patent player with an extensive presence across the value-chain.

The Company progressively diversified to emerge as a holistic solutions provider. Consider this: UPL launched 544 products in five years and revenues from these products accounted for a 24% share of the Company's revenues in 2018-19.

Arysta's portfolio of Bio-Solutions includes more than 700 bio-stimulants, innovative nutrition and bio-control products. Its portfolio of Bio-Solutions and seed treatment products is complementary to UPL. Arysta is ranked fifth globally when it comes to seed treatment products and is the fifth largest in biocontrol. In Bio-stimulants, it ranks second. Arysta possess significant R&D capabilities in biocontrol as it requires lower capex than agrochemical active ingredient discovery. It is also associated with a lower rate of discovery failure since most of the ingredients are naturally-occurring.

This differentiated portfolio enhances value for UPL, strengthening its commitment to invest in cutting-edge technologies and solutions for farmers, and to help them fight adversities.

## Arysta's portfolio enhances UPL value

| | UPL | Arysta | Combined entity |
|---|---|---|---|
| Product development and registration | • Greater focus on innovative formulations, combinations, mixtures and label extensions<br>• Expertise in securing product registrations, across geographies | • Late-stage development capabilities and access to J-makers<br>• Strong relationships with innovators of active ingredients | • Access to active ingredients and J-makers<br>• Late-stage product development of innovative formulations, mixtures and combinations |

5 Competence driver

# The acquisition. Uniting two entities with credible pedigree

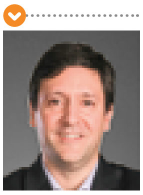
UPL was a strong global player with a team size of 7,100+ employees prior to the acquisition. Arysta's team strength was 3,200+ across the markets of its presence.

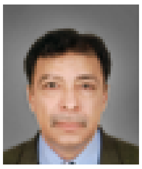
The acquisition resulted in a joint synergy related to values and demonstrated performance.

Following the acquisition, UPL segregated its global presence into seven regions; four of which are headed by managers from Arysta. This ensured leadership participation from both organisations and wider responsibility-sharing.

Following the acquisition announcement, senior team members from both companies chalked out a cultural integration plan. This catalysed regulatory approvals from 42 countries and accelerated operations as a cohesive unit, eliminating gestation.


**Jai Shroff**
CEO


**Diego Casanello**
COO – Crop Protection


**Farokh N Hillo**
Chief Commercial Officer


**Vicente Gongora**
Region Head – North America


**Marcel Dreyer**
Region Head – AMEANZ


**Paula Pinto**
Global Head – Strategic Alliance and B2B


**Hildo Brilleman**
Region Head – Europe


**Jagdish Nainwal**
Region Head – LATAM


**Rico Christensen**
Chief Marketing Officer


**Sameer Tandon**
Region Head – India


**Fabio Torretta**
Region Head – Brazil


**Hisaya Kobayashi**
Region Head – Asia

# The world will need more food...

**More mouths to feed**

7.1
Global population in 2019 (billion)

9
Global population in 2050 (billion)

**Growing urbanisation**

55
Percentage of global urban population, 2018

68
Percentage of global urban population, 2050

**Growing animal protein consumption**

300
Global meat production excluding eggs, 2013 (million MT)

455
Global meat production excluding eggs and seafood, 2050 (million MT)

**Arable land (developing countries)**

1,900
Per person, 2000, (sq m)

1,400
Per person, 2050, (sq m)

**Increased productivity emphasis**

1.66
Agricultural productivity growth %, 2017

1.75
Required annual agricultural growth % till 2050

**Arable land (industrialised countries)**

4,800
Per person, 2000 (sq m)

4,000
Per person, 2050 (sq m)

**Water scarcity**

40
% of world population to suffer water scarcity, 2050

**Global economic growth**

130
% global GDP growth, 2016 to 2050

## UPL's proposition

<table>
<tr><th colspan="5">OpenAg</th></tr>
<tr><td colspan="5">An open agriculture network that ensures sustainable growth for all.<br>No limits, no borders.</td></tr>
<tr><td>People</td><td>Customer-centricity</td><td>Smart R&D</td><td>Operational and manufacturing excellence</td><td>Technology partnerships and mergers and acquisitions</td></tr>
<tr><td colspan="5">Prudent financial management</td></tr>
</table>

# Sectoral context

## Population growth
Population has a direct correlation with food requirement. According to the UN, the current world population of 7.1 billion is expected to reach 9 billion by 2050.

## Food security
The number of undernourished people in the world has been on the rise since 2014. In 2017, the number of undernourished people is estimated to have increased to 821 million – ~one in every nine people.

## Shrinking farmlands
Arable land availability in industrialised countries is expected to decline by around 20% by 2050.

## Reducing yields
Agricultural productivity growth in 2017 was 1.66% and needs to increase to 1.75% to address additional demand by 2050.

## Post-harvest damage
As much as 30% of crop output gets wasted once it is taken out of the ground.

## Changing preferences
People are consuming more poultry and dairy-based food. Global meat production, excluding eggs and seafood, in 2050 is expected to increase 50% to 455 million tonnes, warranting greater feed and cattle food.

## Crop losses
Pest attack at various stages of a crop's lifecycle results in lower yield. Reduction in crop loss could increase productivity and farmers' incomes.

# UPL’s contrarian approach

**Most sectoral players chose to be regional**
*UPL increased its footprint through a presence in more than 138 countries*

**Most sectoral players chose to source raw materials from third parties**
*UPL focused on backward integration comprising key raw material manufacturing and power generation*

**Most sectoral players focused on producing pesticides**
*UPL invested in business diversification to emerge as a one-stop crop solution Company*

**Most sectoral players sought short-term business gains**
*UPL focused on a long-term business sustainability by strengthening its fundamentals*

**Most sectoral players were engaged in bottomline enhancement**
*UPL focused on enhancing value for all stakeholders*

**Most sectoral players prioritised existing products**
*UPL focused on continuous R&D investment in to introduce innovative products*

**Most sectoral players were product-centric**
*UPL chose to be farmer-centric*

**Most sectoral players were reactive in the face of stiffening environmental regulations**
*UPL proactively undertook environmental conservation initiatives*

**Most sectoral players neglected the importance of workplace safety**
*UPL invested in guaranteeing workplace safety and reported TRFR of 0.38, well below the global TRFR standard*

# UPL's focus areas

## Farmers
The vast majority of farmers across the world are small holders, with just a hectare or two. Farming accounts for a major source of income for many across the world. UPL has focused on improving farm prosperity by introducing products that could help resist pest attacks and enhance productivity.

## Environment
UPL has focused intensively on reducing the environmental impact of agriculture through new technologies and simple measures such as helping small farmers in growing the right crop in the right place. UPL's drought mitigation technology (Zeba) provides significant savings for farmers, reducing water consumption, and storing water in the ground to keep crops hydrated during drought. Since 2015-16, CO2 emissions per tonne of production reduced by 13%, waste disposal per tonne of production reduced by 22%, water consumption per tonne of production reduced by 3% and waste water discharge per tonne of production reduced by 11%. We mitigated the product mix change impact and reduced our environment footprint in our global operations.

## R&D
Agriculture needs to adapt and change to the pace of our evolving world to fulfill its promise to humankind. UPL's research and development aims to provide comprehensive solutions for the unique needs of modern customers. The Company has invested ₹1,580 crore in R&D over the past four years, which has yielded gains in terms of market share and farmer prosperity. It filed over 500 patents globally for products and processes.

## People
The Company's pool of knowledgeable sectoral experts across areas (chemical engineering, project management, operations, farmer engagement, supply chain management, quality control, marketing, strategic direction and financial management) has enabled it to stay ahead of the curve.

## Innovation
The Company has established a reputation for being a pioneer in the industry. It was the first to manufacture groundbreaking products like Glufosinate, Pendimethalin and Zeba among others.

## Technology
UPL embraced cutting-edge technologies to enhance operating efficiency. The Company was among the first in the industry to optimised output quality and minimize leakage.

# UPL. First among equals

**01**

First chemical company in the world to implement the OH radical technology for waste water treatment in its Colombia plant

**02**

First to develop micro-encapsulated seed treatment

**03**

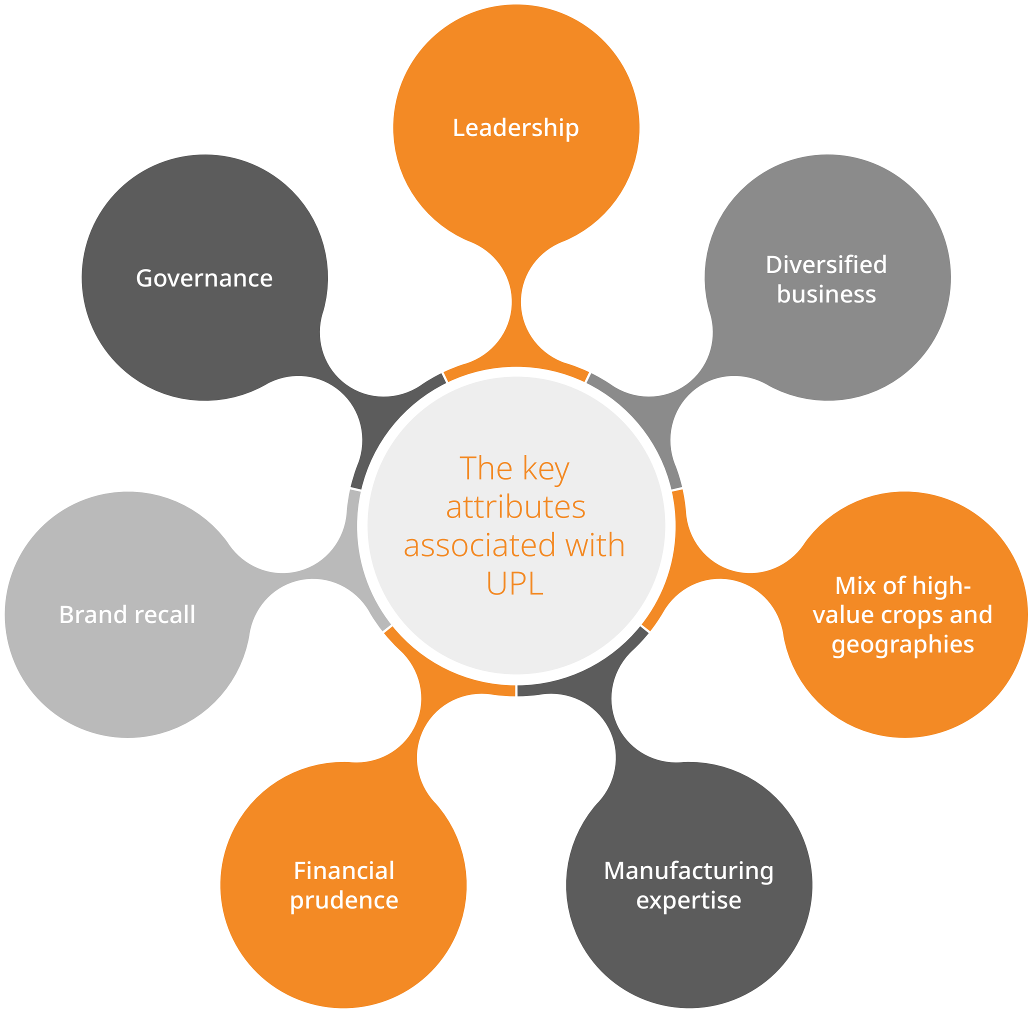
First to bring emulsion-in-water acaricides

**04**

First to come up with commercial, flowable encapsulation of a solid active ingredient

**05**

First crop protection products company to be a part of the Bellwether Index on Nifty 50



# UPL's strategy

| Strategic focus | Innovate and excel | Cost advantage |
|---|---|---|
| Key enablers | Nurturing a culture of process innovation and product excellence, reflected in the number of patents and registrations. | Continuous procedural improvement and backward integration helped streamline processes and enhanced cost-competitiveness. |
| Material issues addressed | Used cutting-edge technology to manufacture differentiated products | Automated processes, shrunk carbon footprint and reduced costs |
| Capital impacted | Manufactured, Intellectual and Financial | Financial and Social |

| Supplier of choice | Robust people practices | Responsible citizenship | Focus on value creation |
|---|---|---|---|
| Emerged as a supplier of choice on the back of our quality-driven approach and positioned as a one-stop provider of crop protection solutions. | Facilitated personal and professional development by creating a meritocracy. The Company strives to achieve the highest levels of engagement, aided by numerous initiatives. | Engaged in community-strengthening initiatives in the realms of education, health and social welfare. | Graduated from the manufacturer of products to providing holistic solutions to agriculturalists. UPL has become a greater force in the industry by acquiring Arysta LifeScience in FY2019. |
| Ensured last-mile reach by strengthening distribution channels | Improved employee engagement and transparency | Fostered community development and enhanced prosperity | Addressed customer needs effectively |
| Intellectual, Manufactured and Social | Intellectual and Human | Social and Natural | Intellectual, Manufactured and Social |

## UPL's performance

UPL's performance has been the result of a convergence of various forward-looking intentions, initiatives and investments.

### Revenue growth

UPL's revenues have grown at a CAGR of 15% over the last five years leading to ₹22,077 crore in FY2019.

### Global footprint

UPL widened its footprint to more than 138 countries in FY2019.

### Corporate governance

UPL's Board comprised 10 members with diverse industry experiences, strengthening the Company's managerial bandwidth.

### People management

UPL reported a high people retention rate, not only on an overall basis but also at the senior managerial level

### Manufacturing facilities

The Company's manufacturing capacity grew by 25% from FY2015 to FY2019.

### Product registrations

UPL's product registrations grew by 2,546 over the past five years.

### Operational consolidation

UPL consolidated its strengths with 25+ acquisitions over the past decade.

### Vertical integration

UPL vertically integrated its business by manufacturing key raw materials reducing third-party dependence.

## Value created

### Financial capital

22,077
Revenues (₹ in crore)

28.42
Earnings per share (₹)

21.3
RoCE (%)

### Manufacturing capital

48
Manufacturing locations

## UPL's value-accretive resources

### Financial capital
The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of net worth, internal accruals or debt.

### Manufactured capital
The Company's manufacturing infrastructure, technologies and equipment constitute its manufactured capital. The proximity of the Company's plants to key raw materials is integral to its competence.

### Human capital
The Company's management, employees and contractual workers form an integral part of its workforce, with their cumulative experience and competence, enhancing value.

### Intellectual capital
The Company's focus on cost optimisation and operational excellence, as well as its repository of proprietary knowledge account for its intellectual resources.

### Social and relationship capital
The Company's relationships with communities and partners (vendors and customers) influence its role as a responsible corporate citizen.

## Influencers of business fundamentals

Vision, mission and values → Corporate governance → Code of conduct

### Human capital

**10,300+**
Number of employees

**2,095**
Employee cost during FY2019 (₹ in crore)

### Natural capital

**13**
Reduction in carbon footprint from baseline 2015-16 (%)

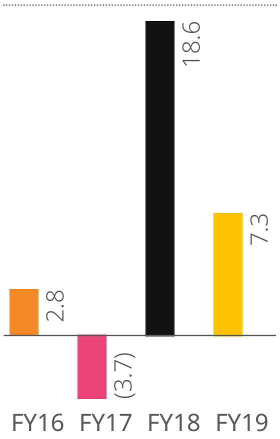
**3**
Reduction in water consumption per tonne of production (%)

Our geography-wise performance review

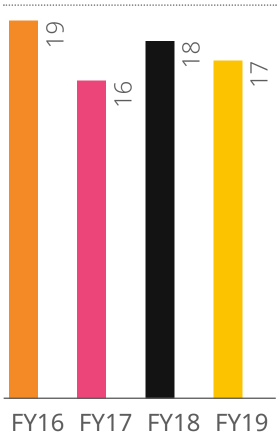
# India

**Revenues**
(₹ in crore)


**Growth over last year**
(%)




**Share of total revenues**
(%)




** Proforma revenues i.e. not including Arysta

## Market overview

Production, of crop protection products in India grew at a CAGR of 4.3% between FY2014 and FY2018. During FY2019, production rose by 2.9%. To feed a rising population, food production needs to increase, warranting the need for more agri-inputs for better quality and higher crop yield.

Although food grain production has grown at a CAGR of 1.8% between FY2014 and FY2018, India loses agricultural produce worth more than US$ 11 billion annually to weeds. At US$ 4.42 billion, the actual economic losses due to weeds were found to be the highest in rice, followed by wheat (US$ 3.376 billion) and soybean (US$ 1.56 billion). However, the average yield loss was the lowest for rice – 14% for transplanted rice and 21% for direct-seeded rice.

UPL is the market leader in India, the country accounting for over 17% of the Company's overall revenues. The Company has reported 7% growth in revenues derived from India over the previous year (based on proforma revenues i.e. not including Arysta). India houses 16 manufacturing facilities of UPL. During the last year, the Company launched 75 products in the country.

## Key brands

**Insecticides**
Ulala, Phoskill, Lancer Gold, Atabron and Starthene

**Herbicides**
Saathi, Iris, Patela and Lagam

**Fungicides**
Saaf, Avancer Glow, Disect and Cuprofix

**Crop nutrition/ fumigants and storage**
Wuxal

## Key developments, FY2019

- Grew revenues by 7% despite excess inventory in the market place
- Introduced 22 herbicides, 17 fungicides, 23 insecticides, 3 seed treatment and 10 adjacent technology products

## Optimism

- Government initiatives are aimed at enhancing farmers' income and driving productivity
- Increasing MSPs of key crops
- Increased weed resistance, enhancing the use of innovative herbicides

## Outlook

Rising per capita income is driving food demand in India, diet preferences shifting from carbohydrates to meat products and organic / diet foods. Rapid urbanisation, growth of nuclear families, dual-income households coupled with a young population and increasing media penetration, have led to a surge in the demand for packaged foods, alcoholic and non-alcoholic beverages, snacks and savouries, among others.

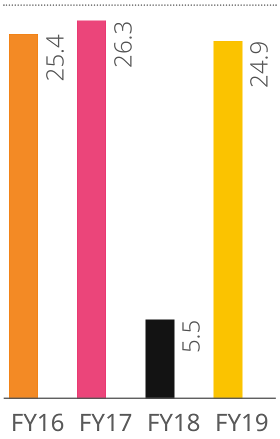
With a low per hectare consumption of crop protection products, the sector is expected to report considerable growth. Following the acquisition of Arysta, UPL is expected to drive growth in this market through the introduction of innovative crop protection solutions.

Our geography-wise performance review

# Latin America

### Revenues
(₹ in crore)


### Growth over last year
(%)




### Share of total revenues
(%)


** Proforma revenues i.e. not including Arysta

## Market overview

Latin America accounts for ~16% of agricultural exports despite accounting for ~7% of the global GDP. The region is one of the few parts of the world with a significant unexploited agricultural land bank, suggesting that the region could play a pivotal role in global food production and exports.

Latin America accounts for 60% of global soybean exports, 33% of corn exports, 45% of coffee exports and ~75% of bananas exports. Additionally, a large proportion of fruits and vegetables consumed around the world have also originated in Latin America. Total crop production in the region is projected to grow by 1.8% every year till 2027. ~60% of this growth will be due to yield improvements, which could rise across the region over the coming decade by 11% on average, with the most important changes expected in the cereal and oilseeds sectors. The remainder of the expansion of crop production will be due to an expansion in harvested area.

Total agricultural land use in the region could expand by ~11 million hectares. Soybean cultivation could account for the vast majority (~62%) motivated by domestic demand for protein meal in Brazil and rising global demand for soybeans. While ~46% of the region's soybean production will be exported, mostly to China, ~54% of total soybean output could be processed in the region into meal and oil.

Brazil is the largest exporter of coffee, soybeans, crop-based ethanol, cotton, corn, rice and sugarcane to the world and could continue to play a pivotal role as a key supplier of crops across the globe, with Russia, India, China, Western Europe and the United States.

UPL enjoys a strong presence in Latin America, and accounts for a 36% share of total revenues. The key countries in the region include Brazil, Argentina, Colombia and Mexico.

## Key brands

**Insecticides**
Lancer, Lancer Gold, Imida Gold

**Herbicides**
Zartan, Danado, Clorim

**Fungicides**
Unizeb Gold, Unizeb Glory, Unizeb, Vondozeb

## Key developments, FY2019

- Grew revenues by 25%
- Introduced 72 herbicides, 63 fungicides, 75 insecticides, six seed treatment products and 10 adjacent technology products
- Contributed 36% to UPL's overall revenues, (% are on Proforma revenues i.e. not including Arysta).

## Optimism

- Access to sugarcane co-operative channel due to Arysta offering a complete portfolio for the crop
- Access to new AI's which enhance the portfolio of key crops like soybean and corn
- Promoting Pronutiva concept across regions and crops
- Access to distribution channels in countries where the legacy UPL had a sub-scale presence

## Outlook

The region is expected to remain an important global supplier of various food commodities, accounting for 56-59% of global trade of soybeans and sugar and 30% of the global meat trade by 2027.

Current trade policies in Argentina, such as the removal of export taxes on maize and wheat, should encourage export-oriented production of those crops. With the US classifying cane ethanol as an advanced renewable fuel, encouraging imports from Brazil, the region's position as a net exporter of ethanol could strengthen with the value of net trade expanding 11% per annum.

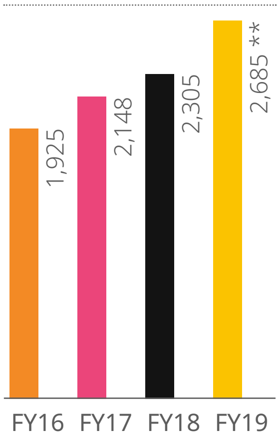
Latin America has pioneered the adoption of agri-business technologies like the direct sowing practice to reduce soil erosion. The result: 81% of Argentina's land is arable compared to 23% in the US and 10% in Europe. By joining hands with Bayer, UPL expects to widen its customer base in this region.

Our geography-wise performance review

# Europe

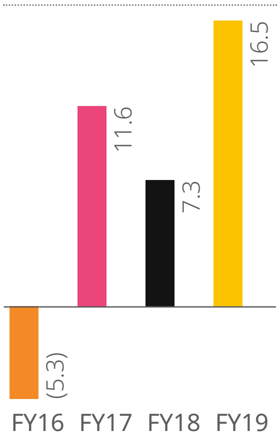
### Revenues

(₹ in crore)




### Growth over last year

(%)




### Share of total revenues

(%)


** Proforma revenues i.e. not including Arysta

## Market overview

Europe is an important region for the global agricultural industry, both in terms of land bank as well as production, owing to the variety of natural resources and climatic conditions. Furthermore, the latest technological developments in the contitent sharply increased yields.

Organic farming is gaining popularity, with Spain and Italy accounting for ~1.97 million hectares of organic agricultural land and more than 52,000 organic producers.

Cereals, oilseeds and sugar cultivation areas in the EU-28 are expected to decline during FY2020 to around 70.7 million hectares. A dry autumn hampered sowing, but mild winter conditions brightened prospects in Europe. On the basis of historical trend of yields, European cereals harvest could reach 308 million tonnes. Oilseeds area is expected to decline by 6% due to lowered rapeseed sowings during FY2020. Oilseed output is fairly stable compared to the previous season's figure of ~33 million tonnes. Adverse weather conditions lowered sugar production by 17% y-o-y during 2018-19 (~17.6 million tonnes), resulting in a deficit of 5%.

UPL posted a strong growth of 16% in terms of revenues derived from Europe. Over a period of time, UPL has extended its footprint across the region to reduce its dependence on a specific country. The Company also diversified its presence across crops – sugar beet, oilseeds, fruit (grape and others) and vegetables.

## Key brands

**Herbicides**
Devrinol, Metafol and BeetUP

**Fungicides**
Cuprofix, Microthial and Penncozeb

## Key developments, FY2019

- Grew revenues by 16%
- Introduced 89 herbicides, 68 fungicides, 44 insecticides and six adjacent technology products
- Contributed 14% to UPL's overall revenues. (% are on Proforma revenues i.e. not including Arysta).

## Outlook

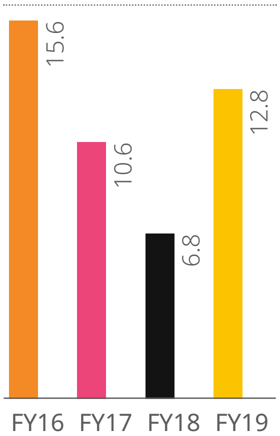
Sugar beet production for 2019-20 is forecast at 123 million tonnes (an increase of 9% over 2018-19) and sugar production could reach 18.3 million tonnes (an increase of 4% over 2018-19). Cereal production is expected to grow to 341 million tonnes by 2030, driven by feed offtake, brightened export prospects (particularly for wheat) and increasing demand for cereals. However, growth could be restricted due to the limited potential for farmland expansion and decelerated yield growth in the region.

Our geography-wise performance review

# North America

### Revenues
(₹ in crore)


### Growth over last year
(%)




### Share of total revenues
(%)


** Proforma revenues i.e. not including Arysta

## Market overview

Across North America, agriculture has become mechanised and dependent on an integrated system of supporting agri-businesses. Total US food and agricultural exports to Canada and Mexico more than quadrupled between 1993 and 2016, growing from US$ 11 billion to US$ 43 billion, accounting for 25% of all US agriculture exports. The US has the most abundant, varied and productive agricultural system in the world today and is a key driver of economic growth, providing US$ 2 trillion in annual revenues, employment for 19 million people and US$ 130 billion in profit for more than 2.6 million businesses.

UPL offers a range of products for key crops like rice, tree nuts, aquatics, turfs and ornamentals, fruits and vegetables in North America. The Company gained a foothold in the niche segment of aquatics (crop protection products used to counter weeds in fresh water lakes), horticultural and post-harvest crop protection products.

## Key brands

**Insecticide**
Banter

**Herbicides**
Interline, UltraBlazer, Satellite, Tricor and Surflan

**Fungicides**
Cuprofix, Manzate, Microthial and SuperTin

**Crop nutrition/ fumigants and storage**
Weevilcide

## Key developments, FY2019

- Grew revenues by 13%
- Introduced 27 herbicides, eight fungicides, eight insecticides, six seed treatment products and one adjacent technology product
- Contributed 18% to UPL's overall revenues (% based on proforma revenues i.e. not including Arysta).

## Optimism

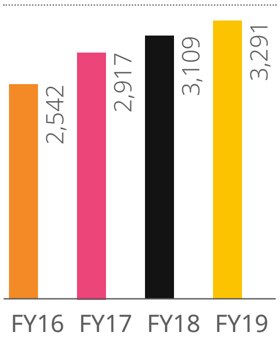
- Access to cereal segment with proprietary AIs and bundling the same with the legacy UPL range to offer a complete portfolio for cereal crops
- Increasing the wallet share of key customers
- Resistance to key weeds giving an opportunity for key value-added mixtures
- Specialty product portfolio for exotic vegetables

Our geography-wise performance review

# Rest of the World

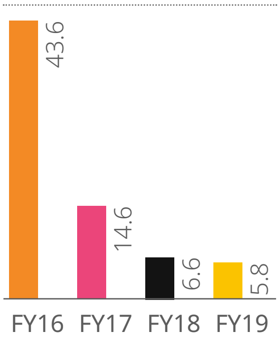
### Revenues

(₹ in crore)



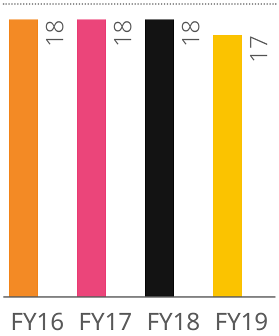

### Growth over last year

(%)




### Share of total revenues

(%)




** Proforma revenues i.e. not including Arysta

The Australian agriculture market accounted for 58% of Australian land use (385 million hectares, excluding timber production) and 14% of goods and services exports in 2016-17. Australia is the 12th largest exporter of agriculture products in the world and is expected to increase its agricultural output to AUD100 billion by 2030.

China emerged as the largest consumer of soybean in the world while the overall production of grains remained relatively stable at 600 million tonnes per year. Nearly 112.2 million hectares were sown in 2017, down by 0.81 million hectares when compared with the previous year. Wheat, rice, corn and oil-bearing crops remained the primary agricultural commodities in China. China's focus is on improving the quality of production by adjusting acreage and production to balance the skewed supply-demand scenario.

In Japan, among the top 10 crops produced, sugar cane saw the most significant increase in 2016, growing by 24.9% over the volume in 2015. Sugar cane was also the fastest-growing crop between 2012 and 2016, clocking a CAGR of 9.2%.

Turkey is among the top 10 agro economies in the world, with half the country comprising agricultural lands and ~25% of the population employed in agriculture. Turkey is a major producer of wheat, sugar beet, milk, poultry, cotton, tomatoes and other fruits and vegetables. It is also the top producer of apricots and hazelnuts in the world. Turkey imports oilseeds, including soybeans and meals, as well as grain products.

UPL has a strong presence in Australia, Turkey, Japan, Indonesia and China. UPL reported a strong performance in these countries, growing revenues on the back of a strong distribution network. The Company's products are used for a variety of crops across these geographies – rice (Indonesia, Bangladesh and Vietnam), cotton, wheat and sugar cane (Turkey and Pakistan) and pulses (Nigeria, Morocco and Egypt).

## Key brands

**Insecticide**
Kinalux

**Herbicide**
Asulox

**Fungicide**
Penncozeb

**Crop nutrition/ fumigants and storage**
Quickphos

## Key developments, FY2019

- Grew revenues by 6%
- Introduced 72 herbicides, 34 fungicides, 71 insecticides, one seed treatment product and six adjacent technology products
- Contributed 17% to UPL's overall revenues (% on proforma revenues i.e. not including Arysta).

## Optimism

- Presence in Africa market where legacy Arysta has been strong
- In-sourcing and leveraging UPL's manufacturing strength for key AIs where legacy Arysta was buying from a third party.
- Probable band of non-selective herbicides in key Asian geographies, creating an opportunity for legacy UPL brands like Tarang, Lifeline and Fanate

## Outlook

The Vietnamese agro-industry is expected to benefit from economic and financial integration in South East Asia (the ASEAN Economic Community) with investments in the agricultural supply chain. Vietnam concluded a free trade agreement with EU, which is likely to boost trade in coffee, rice and seafood. China's demand for agricultural products is projected to grow in the near future. Although soybean is likely to remain the dominant import commodity, overseas purchases of corn and higher-valued commodities are also anticipated to expand. The global suppliers on international rice markets are expected to remain the same, principally being Thailand, India and Vietnam, while Cambodia and Myanmar are projected to expand exports over the next decade and capture a greater share of the global export market.

# Management discussion and analysis

## Global economic overview

The global economy grew by 3.6% in 2018 compared with 3.8% in 2017, against a backdrop of the failure of Brexit negotiations, tightened financial conditions, geopolitical tensions and higher crude oil prices. Global growth is estimated at 3.3% in 2019.

(Source: World Economic Outlook).

## Global economic growth over six years

| Year | 2015 | 2016 | 2017(E) | 2018(E) | 2019 (P) |
|---|---|---|---|---|---|
| Real GDP growth (%) | 3.2 | 3.1 | 3.8 | 3.6 | 3.3 |

(Source: World Economic Outlook, January 2019) E: Estimated; P: Projected

## Indian economic overview

After growing at 7.2% in 2017-18, the Indian economy slowed down to 6.8% in 2018-19 (as per the May 2019 estimate of CSO). The principal developments during the year comprised 8.6% increase in per capita income, decline in the national inflation, steady interest rates, and weaker consumer sentiment in the second half of the financial year following a large non-banking financial institution announcing its inability to meet dues. India is now the sixth largest economy (eleventh largest in 2013-14) that reported an FDI of US$ 239 billion in the last five years. The country also reported a 23-notch jump to a record 77th position in the World Bank's report on the Ease of Doing Business that captured the performance of 190 countries reporting an improvement in six of 10 parameters. India's global-rank for 'getting credit' as per World Bank's Ease of Doing Business Index improved from 44 in 2016 to 22 in 2018.

### Relevant government initiatives

**Increasing MSP:** The Government fixed MSPs of 22 mandated kharif and rabi crops and FRP for sugarcane. The Central government committed to provide farmers with a 50% return over the cost of production for all mandated crops, strengthening the rural economy.

**Pradhan Mantri Kisan Samman Nidhi:** A scheme announced by the Central Government promising an annual assured income of ₹6,000 (US$ 84.5) for any farmer who owns ≤2 hectares of farmland. However, the newly elected government has removed cap on landholding size. The revised Scheme is now expected to cover around 2 crore more farmers, increasing the coverage of PM-KISAN to around 14.5 crore beneficiaries, with an estimated expenditure by the Central Government of ₹87,217.50 crore for the year 2019-20.

**Direct Benefit Transfer:** The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/ funds to ensure accurate targeting of beneficiaries, removing duplication and reducing fraud. In 2018-19 alone, this scheme is estimated to have transferred more than ₹314,465 crore and the gains to have accrued since scheme implementation is estimated at more than ₹120,000 crore.

**PM- AASHA:** The price deficiency scheme for farmers (PM- AASHA) was pared down to ₹1,400 crore for FY2019 and ₹1,500 crore for FY2020. A new ₹3,000 per month pension scheme for unorganised workers with a monthly income ≤₹15,000 has a modest outlay of more than ₹500 crore.

The fiscal deficit for FY2019 is revised to 3.4% of the GDP against 3.3% budgeted earlier. For FY2020 too, the deficit will remain at the same level in relation to the GDP as in FY2019 while the 3% FRMB goal is now left to be achieved in FY2021.

**Targeted income support scheme:** A targeted income support scheme (an approximation of the universal basic scheme flagged by many) is, however, being seen as more efficacious in addressing the distress in the farming sector and rural India, than the farm loan waivers being implemented by various State Governments.

**Other schemes and sops:** The sops for the farm sector do not end at the basic minimum income. In a move to provide supplementary income, the Central Government also focused on allied agricultural activities by extending credit provisions and giving more credence to the animal husbandry and the fisheries sectors. In addition to announcing an outlay of ₹750 crore and setting up of Rashtriya Kamdhenu Aayog to enhance the production and productivity of cows, it also extended interest subvention to farmers pursuing animal husbandry and fisheries through Kisan Credit Card scheme, with an additional 3% for timely repayment. With over 40 million accounts, an extension of KCC is expected to provide further access to formal finance. Moreover, by raising the duration of interest subvention of 2% for farmers hit by natural calamities from one year to the entire period of loan duration and also raising the subvention limit to 5%, it has shown that it can be farmer-friendly.

(Source: Financial Express, Live Mint, Economic Times, Reuters, PIB, Union Budget, World Bank, Times Now, dbtbharat.gov.in)

### Outlook

Assuming no major global and domestic political shocks, India's markets are expected to perform better in 2019.

(Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today)

## Indian agricultural sector overview

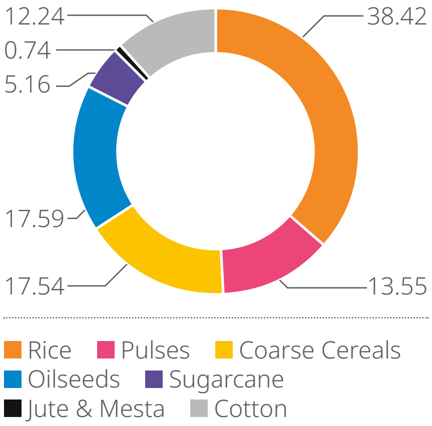
Agriculture is the primary source of livelihood for ~58% of India's population. Gross value added by agriculture, forestry and fishing is estimated at ₹1,842,873 trillion in FY2018-19. The agriculture sector's contribution to the Indian economy was higher (14.39%) than the global average (6.4%). India is the largest producer of spices, pulses, milk, tea, cashew and jute as well as the second-largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. India has the tenth-largest arable land resources in the world. It is also the largest producer, consumer and exporter of spices and spice products. With 20 agro-climatic regions, all 15 major climates in the world exist in India. The country also possesses 46 of the 60 soil types in the world.

In 2018-19, food grain production in India was estimated at 283.37 million tonnes compared to 277.49 million tonnes in the previous fiscal. Overall agri and processed food exports rose to ₹1.28 lakh crore in the financial year 2018-19 from ₹1.20 lakh crore in the 2017-18 fiscal. Agriculture storage capacity in India increased at 4% CAGR between 2014-17 to reach 131.8 million metric tonnes.

(Source: PR Newswire, IBEF, Statistics Times)

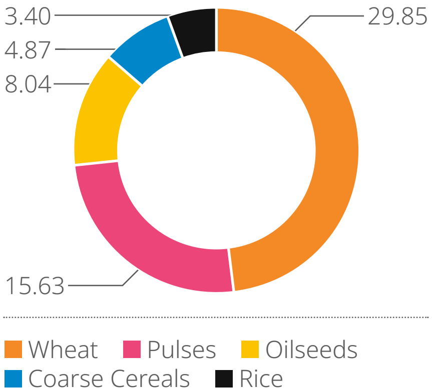
### Kharif area sown, 2018-19

(million hectares)




### Rabi area sown, 2018-19

(million hectares)




(Source: IBEF)

## Key numbers

- ~70% of rural households depend primarily on agriculture and ~86% of India's farmers are categorised as 'small and marginal', meaning they own less than 2 hectares - the size of two football fields.
- The average monthly surplus available to a rural Indian home, whether a farm or non-farm household, was ₹1,413.
- The growth in the agriculture, forestry and fishing sector's GVA - a measure of income before produce is sold - was estimated at 3.8% in 2018-19, compared to 3.4% in 2017-18, according to the Central Government's first advance estimate on national income for 2018-19. But the share of this sector in GVA declined 1.8 bps to 16.4% over five years to 2017-18 (first advance estimates).
- Since April 2017, eight states have announced farm loan waivers worth ₹190,000 crore and the Central Government has increased the procurement price for kharif and rabi crops.
- Over 45 years to 2015-16, the number of farms in India more than doubled from 71 million in 1970-71 to 145 million in 2015-16, while the average farm size more than halved from 2.28 hectares to 1.08 hectares.
- An indication of the distress is an almost eight-fold rise in 'agrarian riots' between 2014 and 2016, which included conflict over land and water.
- India's food grain requirement for 2025 should be 300 million tonnes.
- Despite these high levels of production, agricultural yield in India is lower than many other countries. India is the second-largest producer of paddy in the world after China, but, even though India's paddy yield increased 2.5x over 56 years to 2017, its yield (3.8 tonnes per hectare) was ~18% lower than China's in 2017. Brazil (6.2 tonnes per hectare) and the US (8.4 tonnes per hectare) too had higher yields.
- Between 2014 and 2016, gross farm revenue reduced 6% despite subsidies for fertiliser, power and irrigation, which somewhat offset the price-depressing effect of market interventions.

(Source: Agriculture Census 2015-16, India Spend, Oxfam, Economic Survey 2017-18, Live Mint, National Crime Records Bureau, PRS Legislative Research, Organisation for Economic Cooperation and Development, Indian Council for Research on International Economic Relations)

## Budget, 2019-20

- All 22 crops were put under Minimum Support Price. The various pro-farmer policies led to the production of agricultural commodities in record quantities
- However, the income of farmer families reduced

- There has been a need to provide structured income support to the poor farmer families to buy fertilizers and seeds among others
- The support is aimed to help farmers reduce their indebtedness and enable them to live a respectable life
- To provide assured income to small and marginal farmers, the Government introduced a historic yojana Pradhan Mantri Kisan Samman Nidhi (KISAN). Under the yojana, the eligible farmers, will get direct income support of ₹6000 per year.
- The income support will be transferred directly to the account of the beneficiary farmer in three equal installments of ₹2000 each. It would be fully funded by the Government of India. The scheme is expected to benefit 12 crore farmer families. Around ₹75,000 crore will be borne by the Centre every year. The first installment will be issued soon after preparing a list. ₹20,000 crore will be spent this financial year.
- PM Kisan will provide assured supplementary income to vulnerable farmer families.
- Besides this, farmers affected by natural calamities will be given 3% interest subvention on crop loans.

(Source: Ministry of Finance, Union Budget 2018-19, PRS)

## How India compares with the world

- In 2017, 18% of Chinese were employed in agriculture compared to 43% of Indians, according to World Bank data. Over 26 years till 2017, the proportion fell 37 bps in China, while in India it fell 21 bps, keeping India above the world average of 26.4% of people employed in agriculture.
- India's spending on agriculture research (as a percentage of agriculture GDP) is 0.3%. China, the US, Brazil and South Africa spent 2x, 4x, 6x and 10x more than India, respectively.

(Source: Hindu Business Line)

## Food demand drivers

**Food processing:** The Indian food processing industry accounts for 32% of the country's total food market and contributes ~ 8.4% of gross value added in agriculture.

**Grocery market:** The Indian food and grocery market is the world's sixth-largest, with retail contributing 70% of the sales. India's food retail market is expected to touch US$ 827 billion by 2023, up from US$ 487 billion in 2017, growing at a compound annual growth rate (CAGR) of 9.23%,

**Growing population:** 1.5 million people are added every year to India's population and it is estimated that India will become the most populous country by 2022.

**Rising incomes:** India's per capita income will grow by more than 2x by 2027. Estimated per capita income growth in India stood at 11.1% during FY2018-19. Rising income levels have resulted in more disposable incomes, driving consumption.

**Export revenues:** The Central Government planned to increase export revenues from US$ 37 billion currently to US$ 60 billion by 2022, playing a pivotal role in terms of doubling of farmers' incomes.

(Source: Live Mint, Business Today, PIB)

### Outlook

The Indian agricultural market is expected to reach ₹89,380 billion by 2023, exhibiting a five-year CAGR of 12.2%. India is expected to achieve the ambitious goal of doubling farm incomes - from US$ 1,505.27 in 2015-16 to US$ 3,420.21 by 2022. The agriculture sector in India is expected to gain momentum in the coming years due to increased investments in agricultural infrastructure. India is expected to become self-sufficient in pulses in the coming few years due to the concerted efforts of scientists to get early-maturing varieties of pulses and the Central Government's decision to increase minimum support prices.

## Global crop protection products market overview

The market for crop protection products was pegged at US$ 57.5 billion in 2018, and is expected to reach US$ 66.7 billion by 2023, registering a CAGR of 3.1%. Currently, the herbicide segment constitutes the largest market share (42.7%). This segment is expected to retain its higher position, due to the large-scale adoption of herbicide-resistant crops in North and South America.

(Source: Phillips McDougall))

The crop protection products industry has been transforming over the years, with changing crop mix trends and environmental regulations. Growing population, decline in arable land and food security are the primary focus areas for all countries, these factors driving the demand for higher agricultural output, global augmenting the growth of the crop protection products industry. Synthetic pesticides form the largest category within the market for crop protection products, with bio-pesticides accounting for a comparatively smaller share.

(Source: Mordor Intelligence)

## Emerging trends

**Increasing food demand and diminishing land area:** Global population is increasing exponentially. It has increased nearly fourfold in the past 100 years, and is projected to reach 9.2 billion by 2050. Supplying food to this growing population has become a global concern. By 2030, the per capita farmland is expected to decrease to 1,800 square meters from 2,200 square meters in 2005. Various crop pests contribute to yield loss, causing global crop loss of 10-16%, annually. Although new technologies are continuously being developed to fight pest attacks, they are also leading to the development of new strains of pests that are difficult to kill. The amount of loss in major crops, due to fungi alone, is enough to feed ~9% of the global population.

**Increasing use of herbicides and weed control:** The increasing use of herbicides is anticipated to drive the global crop protection products market because of the investments made for development of new varieties of herbicides, which are more effective and eco-friendly. The increased use of herbicides is a result of the shift in preference of consumers toward fruits and green vegetables owing to increasing awareness of health and fitness.

(Source: Mordor Intelligence)

## Indian crop protection products market overview

India is the fourth-largest global producer of crop protection products, with an estimated market size of ~₹197 billion in 2018, after the US, Japan and China. India has also emerged as the thirteenth-largest exporter of crop protection products globally. With more mouths to feed, shrinking arable area, loss of yield due to increased pest attacks, the crop protection products industry in the country is on the rise.

Production of crop protection products grew at a CAGR of 4.3% between 2013-14 and 2017-18, and in 2018-19 it rose by 2.9%. The production capacity of crop protection players in India was pegged at ~292,000 million tonnes in 2018-19.

Paddy accounts for the maximum share of crop protection products consumption (26%-28%), followed by cotton (18% -20%). Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for >70% of the crop protection products used in India. Andhra Pradesh is the leading consumer of crop protection products with a market share of 24%.

Crop protection product exports increased at a CAGR of 12.8% between 2013-14 and 2017-18. In 2018-19, crop protection products exports increased by 11% whereas imports increased by 4.4%, compared to the corresponding period in the previous financial year. Latin America, North America, Europe and Asia have emerged as important markets for the Indian crop protection products industry. Fungicide and herbicide exports grew at CAGRs of 25.5% and 27.5%, respectively, between 2013-14 and 2017-18. In 2018-19, exports of insecticides, fungicides and herbicides increased by 10.2%, 17.2% and 1.8%, respectively. Fungicide and herbicide imports grew at a CAGR of 15.5% and 28.4%, respectively, between 2013-14 and 2017-18. Insecticide imports fell by 3.7% during the same period.

The crop protection products industry is expected to grow at a CAGR of 8.1% to reach ₹316 billion by 2024.

## SWOT analysis

### Strengths

- Low-cost manufacturing
- Availability of cutting-edge technologies
- Ample capacity

### Weaknesses

- High expenditure required in R&D
- Dependence on monsoons
- Consumption imbalance
- Capital-intensive processes
- Restrictive norms
- Health hazards

### Opportunities

- Focus on innovative farming solutions
- Patent expiry
- Export potential
- Scope for increase in usage
- Rural infrastructure and IT
- Availability of credit facilities
- Increase in MSPs
- Rising labour costs

### Threats

- Genetically-modified seeds
- Spurious crop protection products

## Growth drivers

**Increasing demand:** The total food grain production in India was estimated at 281.37 million tonnes during 2018-19 compared to 277.49 million tonnes in 2017-18. An increasing population and the need for achieving food grain self-sufficiency, are expected to drive growth.

**Farmland availability:** Rapid urbanisation has had a detrimental impact on land availability. The pressure is to increase yield per hectare, which can be achieved through increased usage of productivity-enhancing inputs like crop protection products.

**Climatic conditions:** Farms need an array of inputs to protect crops from the effects of erratic climatic conditions. Irregular monsoons, coupled with a lack of irrigation (60% of cultivable land in India is non-irrigated), results in low agricultural yields.

**Off-patent molecules:** The share of off-patent molecules compared to patented molecules and proprietary off-patent molecules has been increasing over the years. Agrochemicals worth US$ 4.1 billion are expected to go off-patent by 2020. This provides significant export opportunities for Indian companies, who possess an expertise in the off-patent segment.

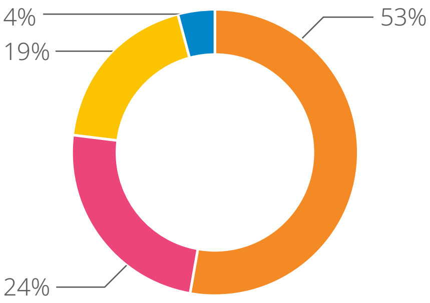
**Per capita consumption:** India has one of the lowest pesticides consumption in the world. India's per hectare consumption of just 0.6 Kg compared to US (5-7 Kg/ha) and Japan (11-12 Kg/ha).

## Types of key agrochemicals and their primary use

| Insecticides | Fungicides | Herbicides |
|---|---|---|
| Controls insect pests, which reduce crop yield and quality | Prevents and cures fungal plant diseases | Prevents or reduces weeds, which hamper crop growth and harvest |

(Source: CARE)

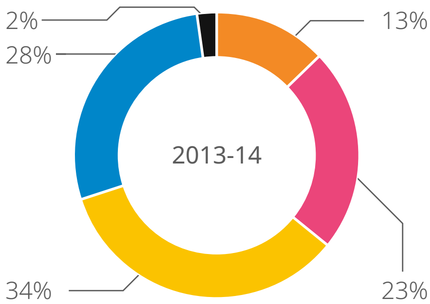
## Domestic market segmentation by type of pesticides



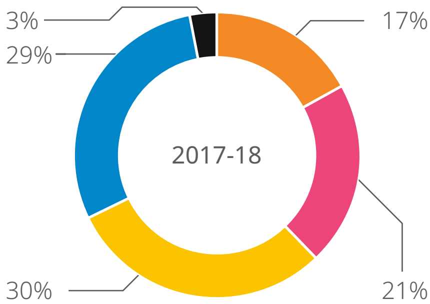

Insecticides Herbicides
Fungicides Others

(Source: FICCI, CARE)

## Region-wise share of exports of India



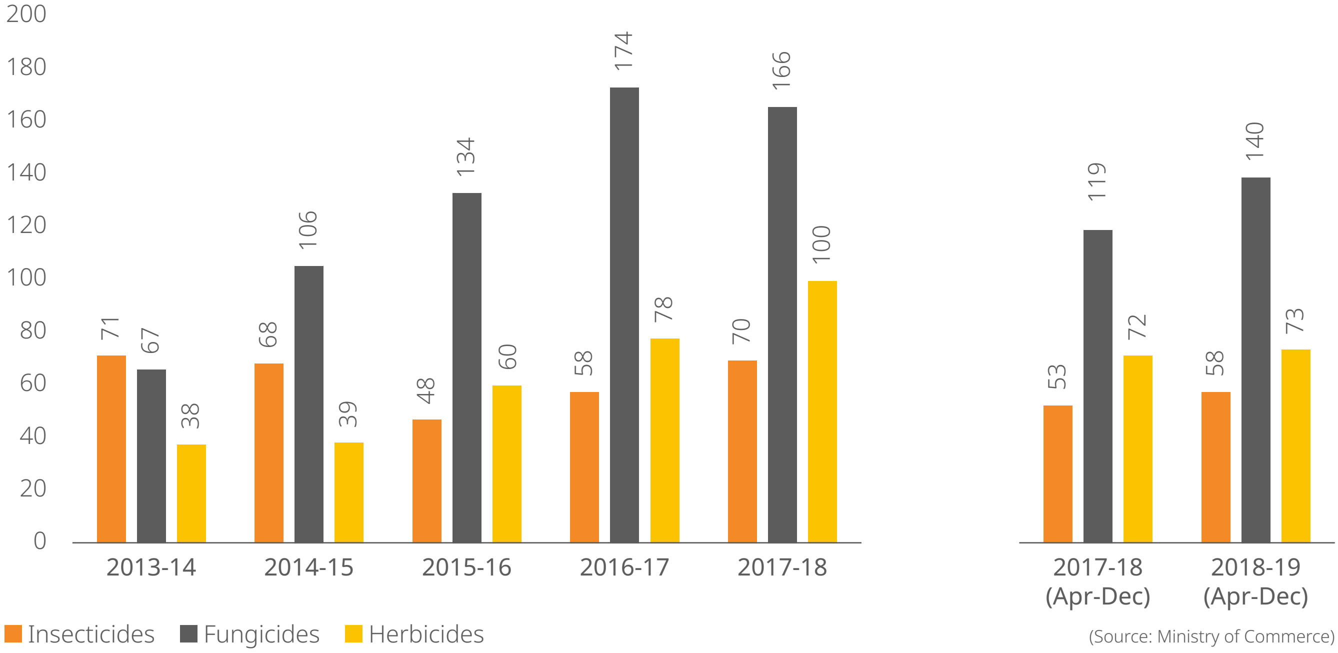

North America Latin America
EMEA Asia Australia




North America Latin America
EMEA Asia Australia

(Source: CARE)

## Exports of key agrochemicals (000' tonnes)




(Source: Ministry of Commerce)

## Agrochemical markets: 2018/2017 (Distributor level, $M.)

| Sales ($m.) | 2018 | 2017 | Change % 2018/2017 |
|---|---|---|---|
| Conventional crop protection | 57,561 | 54,319 | +6.0 |
| Non-crop agrochemical market | 7,538 | 7,311 | +3.1 |
| **Total agrochemicals** | **65,099** | **61,630** | **+5.6** |

Source: Phillips McDougall

## Global market by region and product sector 2018 ($M)

| | Herbicides | Insecticides | Fungicides | Others | Total CCP |
|---|---|---|---|---|---|
| APAC | 6,375 | 5,784 | 4,685 | 645 | 17,489 |
| LATAM | 5,653 | 3,574 | 4,434 | 520 | 14,181 |
| Europe | 5,340 | 1,710 | 4,485 | 466 | 12,001 |
| NAFTA | 6,341 | 2,566 | 2,310 | 406 | 11,623 |
| MEA | 899 | 915 | 405 | 48 | 2,267 |
| **World** | **24,608** | **14,549** | **16,319** | **2,085** | **57,561** |

Source: Phillips McDougall

# Financial analysis

The financial statements of the Company were prepared in accordance with Ind-AS. The financial statements comply with the accounting standards laid down under the Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 2013. The financial statements were prepared under the historical cost convention on an accrual basis. The accounting policies were consistent with those used in the previous years.

## Balance sheet

- Net worth increased to ₹14,645 crore as on 31st March 2019 compared to ₹9,169 crore as on 31st March 2018.
- Borrowings as on 31st March 2019 stood at ₹29,142 crore compared to ₹6,665 crore as on 31st March 2018.
- Total non-current assets as on 31st March 2019 stood at ₹36,056 crore compared to ₹8,019 crore as on 31st March 2018.

## Profit and loss statement

- Revenues increased by 23.2% from ₹17,920 crore in FY2018 to ₹22,077 crore in FY2019.
- EBITDA increased to ₹4,111 crore in FY2019 compared to ₹3,517 crore in FY2018.
- Net profit was ₹2,022 crore in FY2018 and ₹1,447 crore in FY2019.
- Gross profit margin decreased by 360 bps from 53.7% in FY2018 to 50.1% in FY2019.
- Total expenses for FY2019 stood at ₹19,957 crore compared to ₹15,459 crore in FY2018.
- Depreciation and amortisation stood at ₹969 crore in FY2019 compared to ₹675 crore in FY2018.

## Working capital management

- Current assets as on 31st March 2019 stood at ₹26,966 crore compared to ₹15,004 crore as on 31st March 2018.
- Current ratio as on 31st March 2019 was 1.73 compared to 1.96 as on 31st March 2018.
- Inventories increased from ₹4,538 crore as on 31st March 2018 to ₹9,270 crore as on 31st March 2019.
- Short-term loans and advances reduced to ₹51 crore as on 31st March 2019 compared to ₹147 crore as on 31st March 2018.
- Current liabilities stood at ₹15,564 crore as on 31st March 2019 compared to ₹7,642 crore as on 31st March 2018.
- Cash and bank balances stood at ₹2,826 crore as on 31st March 2019 compared to ₹2,859 crore as on 31st March 2018.

## Key ratios

| Particulars | FY2018-19 | FY2017-18 |
|---|---|---|
| EBITDA/Revenue (%) | 18.8 | 20.1 |
| EBITDA/Net interest (%) | 5.33 | 8.23 |
| Debt-equity ratio | 199% | 72.7% |
| Return on equity (%) | 10.4 | 22.1 |
| Book value per share (₹) | 287 | 180 |
| Earnings per share (₹) | 28.42 | 39.79 |

## Human resources

UPL's prudent HR practices has helped reinforce its market leadership across more than 40 countries. UPL employs professionals from 75 countries around the world and invests in formal and informal training as well as on-the-job learning. UPL transferred key executives across geographies to enrich its international leadership pool. UPL reinforced engagements with employees across levels by providing an enriched workplace, challenging job profile and maintaining ongoing dialogue. UPL enjoys one of the highest employee retention rates in the industry.

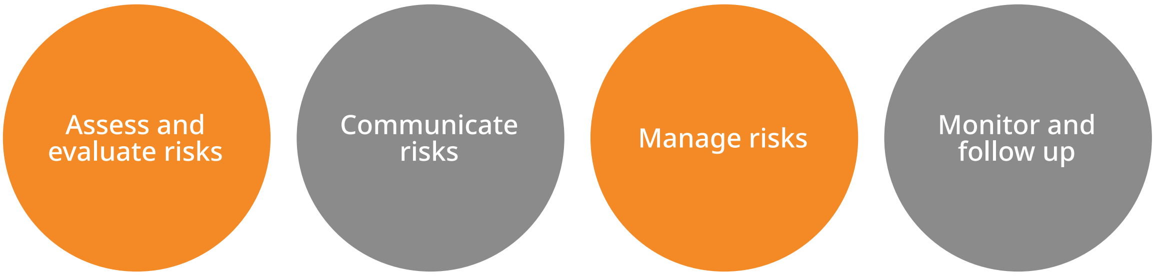
# Risk management at UPL

UPL has put in place a proactive and structured risk and opportunity management framework across organisational levels. The breadth of the Company's operations provides increased resilience to risks and greater ability to capture opportunities.

UPL uses organisation-wide procedures for identifying and managing risks and opportunities. Guided by the procedures, the risk team supports the management by examining and analysing critical business transactions.

Each business function conducts risk and opportunity assessments and identifies measures for managing risks. The proposals are then processed by the risk management team, which issues a recommendation based on specific cases and the risks and opportunities associated with them. The final decision is made by the Board.

## Risk management process at UPL




| Risk | Impact | Mitigation | Result |
|---|---|---|---|
| Competition risk | Increased competition might affect the Company's prospects. | • The Company's wide product portfolio enhances its ability to address the multiple needs of customers across the global competitive crop protection products market.<br>• Access to cutting-edge technology increases UPL's productivity and reduces operational costs.<br>• The Company's strong product registration team across the globe ensures that the pipeline of new product registrations remains plentiful. | UPL has >12,400 product registrations across the globe. |
| Geographical risk | Slowdown in product offtake in a particular geography, impacting the Company's profitability. | • UPL is present in 138 countries across the globe and is supported by state-of-the-art manufacturing units across 48 locations globally.<br>• The Company has a strong presence in key agricultural markets across Asia, Africa, Latin America, Europe and North America. | 83% of the Company's revenues came from international markets. |

| Risk | Impact | Mitigation | Result |
|---|---|---|---|
| Industrial risk | Demand slowdown in downstream industries could slow the growth and lead to inventory pile-up. | • The Company is present across all key geographies and multiple crop segments, enabling it to de-risk itself from any regional or crop-specific slowdown. With food demand rising across the globe, reducing crop loss is the need of the hour.<br>• The Company offers solutions across the value chain starting from seeds to seed treatment products to pre - and post-harvest solutions. It introduced value-added solutions like Adarsh Farm Services and Adarsh Kisan Centre, among others, to emerge as one-stop solution provider for farmers around the world. | During periods when most peers reported lower growth or contraction, UPL consistently increased its revenues |
| Liquidity risk | Lack of adequate capital could impact the daily operations of the Company. | • UPL's cash profit reduced from ₹2,980 crore during FY2018 to ₹2,653 crore during FY2019.<br>• The Company's working capital cycle stood at 95 days of turnover equivalent during FY2019 (84 days in FY2018). | The Company's current ratio and quick ratio stood at 1.73 and 1.14, respectively, during FY2019. |
| R&D risk | Inability to introduce products regularly could impact business sustainability. | • The Company's 500+ strong R&D team works relentlessly on launching innovative formulations, mixtures and combinations; resulting in a steady stream of post-patent products, which offer greater efficacy than those offered by peers.<br>• The Company received 1,023 patents. | The Company's Innovation Rate in FY2019 was 17% |
| Marketing risk | Inability to market products successfully could decelerate growth. | • To be closer to customers, UPL set up formulation facilities near key markets, backed by strong distribution channels, ensuring that the Company's products are well-recognised all over the world.<br>• UPL analyses grassroots realities to strengthen demand forecasting.<br>• UPL has strengthened its branding and marketing competence to enhance user confidence. | The Company invested judiciously to promote brands FY2019. |

| Risk | Impact | Mitigation | Result |
|---|---|---|---|
| Margins risk | A decline in profitability could adversely impact the long-term prospects of the Company. | • The Company's unflagging commitment to profit optimization ensured that the Company was able to maintain margins even in difficult times<br>• The Company embarked on cost optimisation initiatives, which helped maintain profits.<br>• Bulk volume purchase and better negotiation with suppliers helped the Company reduce raw material costs and improve the bottomline.<br>• The Company's backward integration initiatives allowed it to surge ahead of sectoral peers.<br>• The Company's decision to set up active ingredient manufacturing facilities in India allowed it to leverage the benefits resulting from lower capex and labour costs. | The Company's EBITDA margin and net margin reduced by 126 and 474 bps, respectively, during FY2019.<br>The reduction was primarily on account of the Arysta acquisition-related adjustments. |
| Price risk | The Company's product might be outpriced in a competitive marketplace, resulting in the loss of market share. | UPL capitalised on the cost-effective availability of labour in India and sizeable production capacities that allows it to make most of the advantages stemming from superior economies of scale. | During FY2019, UPL optimised its manufacturing costs on the back of strategic improvements to its manufacturing processes. |
| Forex risk | Currency fluctuations could significantly dent the Company's bottomline. | • UPL takes adequate forward covers for open exposures.<br>• The Company's huge export volumes act as a natural hedge.<br>• UPL transacts in several major currencies such as the US dollar, Euro, Japanese yen and British pound.<br>• The Company uses a plain forward cover to hedge forex volatility. | The Company succeeded in protecting its margins. |

## Internal control systems and their adequacy

The Company believes that corporate efficiency, managerial effectiveness and asset safeguarding can be guaranteed by exercising adequate internal controls and ensuring procedural standardisation. At UPL, internal control is implemented through the following initiatives:

- Accurate and timely recording of transactions by utilising a multi-layered system of checks and balances
- Implementation of ERP enabling real-time access to mission-critical data
- Application of accounting policies in line with prescribed standards
- Periodic reviews of long-term plans and annual budgets
- Implementation of business intelligence to assess consumer preferences
- Constant monitoring of processes via routine audits

### Cautionary statement

The statements in the management discussion and analysis section with regard to projections, estimates and expectations have been made in good faith. The achievement of results is subject to risks, uncertainties and even less than accurate assumptions. Market data and information are gathered from various published and unpublished reports. Their accuracy, reliability and completeness cannot be assured.

# 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*
*(Resigned w.e.f. 1st August, 2018)*

Mr. Pradeep Goyal

Dr. Reena Ramachandran

Mr. Vinod Sethi

Mr. Hardeep Singh

Mr. Vasant P. Gandhi

## Chief Financial Officer

Mr. Anand Vora

## Company Secretary

Mr. M. B. Trivedi

## Auditors

B S R & Co. LLP

*Chartered Accountants*

## Administrative Office

UPL House, 610 B/2, Bandra Village,
Off Western Express Highway, Bandra (East)
Mumbai - 400 051
Phone: 91 22 7152 8000, Fax: 91 22 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

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

## Secretarial Department

Uniphos House, C.D. Marg, Khar (West)
Mumbai - 400 052
Phone: 91 22 2646 8000, Fax: 91 22 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 **35th ANNUAL GENERAL MEETING** of the Members of **UPL LIMITED** will be held on Wednesday, 28th August, 2019 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 standalone financial statement of the Company for the financial year ended on 31st March, 2019 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, 2019 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.

## SPECIAL BUSINESS:

4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020

   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, 2020, be paid remuneration amounting to ₹8,00,000/- (Rupees Eight Lakhs Only) plus Goods and Service Tax, as applicable, and out of pocket expenses if any."

5. 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."

6. To re-appoint Mr. Pradeep Vedprakash Goyal (DIN: 00008370) as an Independent Director of the Company

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pradeep Vedprakash Goyal (DIN: 00008370), and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years commencing from August 28, 2019 and whose office shall not be liable to retire by rotation."

7. To re-appoint Dr. Reena Ramachandran (DIN: 00212371) as an Independent Director of the Company

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Reena Ramachandran (DIN: 00212371), and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years commencing from August 28, 2019 and whose office shall not be liable to retire by rotation.

   **RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby granted to Dr. Reena Ramachandran (DIN 00212371), who has attained the age of seventy five (75) years, to continue to be a Non-Executive Independent Woman Director of the Company to hold office for a second term of 5 (five) years commencing from August 28, 2019.

# 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 35th 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 Members are requested to kindly send all their correspondence relating to the change of address, transmission/ transposition requests of shares, etc. directly to the Company's Registrar & Transfer Agents – Link Intime India Pvt. 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 dematerialized form, the intimation of change of address should be passed on to their respective Depository Participants.

6. Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 2nd September, 2019 to the Members whose names stand in the Company's Register of Members on 29th May, 2019 being the RECORD DATE 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.

7. 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.

8. 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.

9. 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 2010-11 and Interim Dividend for the year 2011-12 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/ Section 125(1) of the Companies Act, 2013.

   (b) Dividend for the years 2011-12 to 2017-18 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 23rd August, 2018, on the website of the Company i.e. www.upl-ltd.com and also on the website of the Ministry of Corporate Affairs.

10. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 30th September, 2018. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link https://www.upl-ltd.com/pdf/policies/IEPF_News.pdf . The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in

(b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the web link http://iepf.gov.in/IEPFA/refund.html or contact Link Intime India Pvt. Ltd. for lodging claim for refund of shares and / or dividend from the IEPF Authority.

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. TheCompany is providing facility of one-way live webcast of the proceedings of the AGM from 11 am (IST) till the conclusion of the AGM. Members can use their remote e-voting login and password to view the proceedings of the AGM by accessing NSDL website where the EVEN number of the Compnay will be displayed.

13. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) on "General Meetings" 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 35th 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.upl-ltd.com

**The remote e-voting period commences on August 25, 2019 (9:00 am) and ends on August 27, 2019 (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 21st August, 2019, 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. August 21, 2019.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28th August, 2019.

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 35th 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 35th 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. August 21, 2019 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.upl-ltd.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. August 21, 2019, 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.

Mumbai: 17th May, 2019

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

By Order of the Board of Directors
For UPL LIMITED

Rajnikant Devidas Shroff
*Chairman and Managing Director*
(DIN: 00180810)

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

The Explanatory Statement for Item Nos. 4 to 7 of the accompanying Notice set out hereinabove is as under:

### Item No. 4:

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, 2020.

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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

### Item No.5:

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, is 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.5, within the overall borrowing limits of the Company, as approved by the Members from time to time.

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. 5 of the Notice.

The Board commends the Special Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

### Item Nos. 6 and 7

The Members of the Company had appointed Mr. Pradeep Vedpraksh Goyal (DIN: 00008370) and Dr. Reena Ramachandran (DIN: 00212371), as Independent Directors of the Company for 5 (five) consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the calendar year 2019. The Members may note that pursuant to Section 149(10) of the Companies Act, 2013 ("the Act") an Independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board of a company but shall be eligible for re-appointment for a further term of up to 5 (five) consecutive years on passing of a special resolution by the Company.

The Nomination and Remuneration Committee of the Board of the Company had unanimously recommended to the Board, the re-appointment of Mr. Pradeep Vedpraksh Goyal and Dr. Reena Ramachandran as Independent Directors for another term not exceeding five (5) consecutive years commencing from 28th August, 2019.

The Nomination and Remuneration Committee, while recommending the re-appointment of Mr. Pradeep Vedpraksh Goyal and Dr. Reena Ramachandran, had considered various factors, such as, the number of meetings of Board of Directors, Committees of the Board and General Meetings attended by them, time devoted and their participation at the meetings; their knowledge; skill; expertise; etc., their contributions in attaining Company's objectives; their independent judgment in the opinion of the entire Board.

Based on the recommendation made by the Nomination and Remuneration Committee as above, the Board of Directors, at its meeting held on 17th May 2019, has unanimously decided to re-appoint Mr. Pradeep Vedpraksh Goyal and Dr. Reena Ramachandran, not liable to retire by rotation, for another term not exceeding 5 (five) consecutive years with effect from 28th August, 2019.

Mr. Pradeep Vedpraksh Goyal and Dr. Reena Ramachandran have given their consent to be re-appointed as such and also the confirmation that they are not disqualified to act as Director in terms of Section 164 of the Act. Further, they have also provided confirmation under Section 149(7) of the Act that they meet the criteria of independence as prescribed, both, under Section 149(6) of the Act read with relevant Rules and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

In the opinion of the Board, Mr. Pradeep Vedpraksh Goyal and Dr. Reena Ramachandran, fulfil the conditions specified in Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder read with Schedule IV to the Act and of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received notice in writing under the provisions of Section 160 of the Act from Members proposing the candidature of Mr. Pradeep Vedpraksh Goyal and Dr. Reena Ramachandran for re-appointment as Independent Directors of the Company.

Further, as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on 9th May 2018 with effect from 1st April 2019, consent of Shareholders by way of Special Resolution shall also be required for continuation of directorship of the Non-Executive Directors of the Company who have attained the age of 75 years. As Dr. Reena Ramachandran, Independent Non- Executive Director has attained the prescribed age limit, special resolution at Resolution No. 7 is proposed for approval by the Shareholders of the Company.

Copy of the draft letters for respective appointments of Mr. Pradeep Vedprakash Goyal and Dr. Reena Ramachandran as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

### Brief Profile of Mr Pradeep Vedprakash Goyal:

Mr. Pradeep Vedprakash Goyal is a qualified Engineer with a B.Tech in Metallurgical Engineering at IIT Kanpur in 1978, graduating with the first rank. He has completed Masters in Materials Science & Engineering at Massachusetts Institute of Technology, USA in 1980, with a full scholarship. He has an outstanding management ability in running the business successfully with significant performance as a Team Leader.

In 2006, Mr. Goyal has Established a state-of-the-art research center 'Industrial Microwave Research Center' (IMRC) in Mumbai, which is dedicated to develop microwave based environment friendly technologies for saving energy and to give something better to the society. IMRC is recognized as an "In-house R&D unit" by Govt. of India, Ministry of Science and Technology, Department of Scientific & Industrial Research. Research was initiated in varied fields with an aim to reduce energy consumption and develop clean processes.

Mr. Pradeep Vedpraksh Goyal is an active member of the Board, the Audit Committee and other committees of the Board. The Board is of the view that his continued association will be immensely valuable and beneficial to the Company and it is desirable to continue to avail services of Mr. Pradeep Vedpraksh Goyal as an Independent Director.

### Brief Profile of Dr. Reena Ramachandran:

She is former Chairman and Managing Director, Hindustan Organic Chemicals Limited. She has served as member, Task Force, Performance management Division, Cabinet secretariat; Member, Board of Governors, IIT (Kanpur); Senior Scientific officer, Ministry of Science and Technology; Member- Governing Board, Council of Scientific and Industrial Research (CSIR); Expert Member, Technical Advisory Committee on HR, Reserve Bank of India; Member of the expert committee of HRD Ministry for devising Policy perspective for Management Education; Member, Film Censor Board,. She has over 40 years of experience across petroleum, Petrochemicals and cement industry. She was General Manager, ONGC and Ex. Director PCRA/ GGM, Cement Research Institute, Ballabhgarh. She has over a decade of experience in Management education.

She was awarded Life Time Achievement Award by the ministry of Petroleum and Natural Gas for outstanding contribution to Oil and gas industry during 'Urja Sangam-2015'

She was also awarded as 'Mahila Shiromani' by Vice President of India, 1989. She has also been awarded 'Best Communicator' by Press Council, 1989, 'Manager of the Year' by ONGC,1987, 'Energy Man of the year' by IBPL Urja Research Foundation,1997, Elected Fellow of Indian National Academy of Engineering (INAE) & All India Management Association( AIMA), Dewang Mehta Life Time Achievement Award,2009, Exemplary Leader Award-2010 by CMO Asia, Singapore, Life Time Achievement Award in Higher Education by Higher Education Forum in 2011, and Distinguished Alumni award by Allahabad University Alumni association in 2015.

She is the Founder President of the Forum of Women in Public Sector (WIPS). She is also associated with Women Leadership initiative in All India Management association (AIMA) for over 25 years.

Dr. Reena Ramachandran is an active member of the Board and Nomination and Remuneration Committee of the Board. The Board is of the view that her continued association will be immensely valuable and beneficial to the Company and it is desirable to continue to avail services of Dr. Reena Ramachandran as an Independent Director.

The disclosures as required pursuant to Regulation 36 of the Listing Regulations and as per Secretarial Standards issued by the Institute of Company Secretaries of India are stated in the table annexed hereto.

Mr. Pradeep Vedprakash Goyal and Dr. Reena Ramachandran are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Pradeep Vedprakash Goyal and Dr. Reena Ramachandran may be deemed to be interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item Nos. 6 and 7 of the Notice for approval by the shareholders.

Mumbai: 17th May, 2019

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

Rajnikant Devidas Shroff
*Chairman and Managing Director*
(DIN: 00180810)

ANNEXURE

ADDITIONAL INFORMATION OF THE ABOVE DIRECTORS PURSUANT TO REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS (INFORMATION AS ON THE DATE OF THIS NOTICE)

| Name of the Director | Mr. Jaidev Rajnikant Shroff (DIN: 00191050) | Mr. Pradeep Vedprakash Goyal (DIN: 00008370) | Dr. Reena Ramachandran (DIN: 00212371) |
|---|---|---|---|
| Date of Birth | 4th October, 1965 | 22nd November, 1955 | 26th September, 1941 |
| Qualification(s) | Science Graduate | Metallurgy Engineer from IIT and Master Graduate from MIT, USA. | Double doctorate in Chemistry from Allahabad University & France |
| Date of First Appointment (appointment as an additional director on the Board) | 1st October, 1992 | 31st January, 2002 | 21st October, 2003 |
| Date of Last Re-appointment | 8th July, 2017 | 22nd August, 2014 | 22nd August, 2014 |
| Expertise in specific functional areas | He is well-recognized global leader in the chemical and agri-inputes industry with over 30 years of experience in India and internationally. | Metallurgy and Engineering Industry | Chemical industry and education field. |
| Shares held in the Company as on the date of the Notice | 5400109 Equity Shares | Nil | Nil |
| Directorships held in other listed companies* excluding foreign companies<br>*Only equity listed companies are considered (Based on disclosures received from the Director) | 1. Uniphos Enterprises Limited<br>2. Nivi Trading Limited<br>3. Ventura Guaranty Limited | 1. Pradeep Metals Limited<br>2. Uniphos Enterprises Limited<br>3. Hind Rectifiers Ltd. | None |
| Memberships of Committees in other listed companies*<br>(*Only Audit Committee and Stakeholders' Relationship Committee memberships in equity listed companies have been considered) | None | 1. Uniphos Enerprises Ltd., Chairman – Audit Committee and Stakeholders Relationship Committee<br>2. Hind Rectifiers Ltd., Member – Audit Committee and Stakeholders Relationship Committee | None |
| Remuneration last drawn for the financial year ended 31st March, 2019 (including sitting fees) | Nil | 14,00,000 (Being commission and sitting fees) | 12,75,000 (Being commission and sitting fees) |
| Terms and conditions of appointment | Non-Executive Director liable to retire by rotation. | Re-appointment as Non-Executive Independent Director of the Company to hold office for a second term of 5 (five) years commencing from August 28, 2019 and whose office shall not be liable to retire by rotation. He is entitled to sitting fees and commission, if any. | Re-appointment as Non-Executive Independent Woman Director of the Company to hold office for a second term of 5 (five) years commencing from August 28, 2019 and whose office shall not be liable to retire by rotation. She is entitled to sitting fees and commission, if any. |

# 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 2019.

## FINANCIAL RESULTS

(₹ in crore)

| | Consolidated | | Standalone | |
|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year |
| Total Revenue | 22,077 | 17,920 | 9,220 | 7,809 |
| Earnings before interest, tax, depreciation, amortisation, exceptionals, prior period adjustments and minority interest | 4053 | 3919 | 1,398 | 1,384 |
| Depreciation/amortization | 969 | 675 | 724 | 666 |
| Finance Cost | 963 | 783 | 185 | 135 |
| Exceptional items | 451 | 63 | 4 | 7 |
| Profit/(Loss) from Associates | 14 | (93) | | |
| Profit before tax | 1,684 | 2,305 | 486 | 576 |
| Provision for taxation | | | | |
| Current tax | 442 | 311 | 83 | 180 |
| Adjustments of tax relating to earlier years | (4) | (79) | (3) | (83) |
| Deferred tax | (273 | 43 | 1 | (69) |
| Profit after tax | | | | |
| Minority interest | 1,519 | 2,030 | 404 | 548 |
| | 72 | 8 | | |
| Net profit for the year | 1,447 | 2,022 | 404 | 548 |

## OPERATIONAL PERFORMANCE

a) The Company ended the year with growth in revenues of 14%. This growth comprised of 7% growth in volumes, 4% growth in price and favorable exchange impact of 3%. Performance highlights by region are as follows:-

In India the growth in sale of crop protection products was 4%. Rainfall in India during last year was below average (91% of long term average) and less than the forecast made. The country experienced fifth straight year of less than normal rains.

Apart from deficit in rainfall the problems for farm sector were aggravated on account of erratic rains. In some parts of the country there were heavy floods resulting in loss of life, crops and property. The affected states were mainly Madhya Pradesh, Uttar Pradesh, Bihar and Jharkhand.

With less rains, the rabi season was also not very encouraging. In spite of such difficult situation in the country, the Company has achieved revenue growth of 4%. The growth was observed in key insecticides and herbicides.

The Company launched a few non-selective herbicides during the year. The Company's initiative of Adarsh Kisan Centre expanded to more areas and the farming community appreciated the same.

In Latin America, the Company's revenue grew by 25%, while the crop protection industry grew by 11% in CY2018. This is a significant achievement, considering that Brazil and some of the other Latin American countries faced political and economic uncertainties. The growth was across all key product segments, notably Sperto and Unizeb line of products of the Company. These products are very well accepted in these countries.

In North America the herbicide portfolio recorded good growth and has been successful in addressing the issue of weed-resistance. The market sentiment was adversely impacted due to trade war between China and USA. The Company's efforts to improve sales is now bearing fruit after good rains returned last year in USA.

As indicated in the last Annual Report the European market has begun improving. Southern Europe witnessed wet weather resulting in growth in sale of fungicides. Also, the sugar beet season has been good, and this has driven sales of herbicides and fungicides.

As regards rest of the world, the revenue growth has been 6%. Africa and South East Asia countries have been the growth drivers in this region. The herbicide sales are improving in these markets. However, in Australia the extended drought impacted sales.

## ACQUISITION OF ARYSTA LIFESCIENCE

During the year the Company through its subsidiary, UPL Corporation Limited in Mauritius, acquired Arysta LifeScience. Arysta had a turnover close to US$ 2 billion. It too is a global provider of innovative crop protection solutions, including bio-solutions and seed treatment. Further, there is minimal overlap in the product portfolios of UPL and Arysta. The product portfolios of both companies are complementary, leading to significant cross-selling opportunities. In terms of regional presence, Arysta's stronger presence in Africa and Eastern Europe means that the combined entity will be able to offer a wide basket of solutions for various raw crops and specialty crops across a broad swathe of countries. This will comprise of crop protection products, bio-solutions and seed treatment products. This will encompass all aspects of crop life cycle, starting from seed up to post harvest. This acquisition will result in enhanced R&D capabilities for the group.

The acquisition was made for US$ 4.2 billion. This was funded through a combination of fresh equity and debt at UPL Corporation level. The debt of US$ 3 billion was provided by a syndicate of banks. The Company obtained all the regulatory approvals necessary to complete the acquisition in a period of six months.

With this acquisition the Company will be among top five global crop protection product companies.

## FUTURE OUTLOOK

We expect the global crop protection industry to generate higher volumes in 2019, supported by improvement in prices. UPL is ideally positioned to take advantage of these upsides. The acquisition of Arysta LifeScience is opportune in that sense. Arysta brings with it a vast marketing network, multiple distribution channels, access to newer markets, a much wider and complementary product portfolio, making the future of the combined Company very bright. Arysta's strong presence in fast growing segments like bio-solutions and seed treatment will ensure that the Company is future ready. The Company has established its brand image in the market as a trusted supplier, which guarantees quality products at competitive prices. The Company devises its marketing strategies in a manner that ensures a win-win scenario for all stakeholders at all times. Overall a very bright and promising future is expected for the Company.

## DIVIDEND

Your Directors have recommended dividend of 400% i.e. ₹8 per Equity Share of ₹2 each for the financial year ended 31st March, 2019, 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 29th May, 2019 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

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") the Company has formulated its Dividend Distribution Policy and the same is uploaded on the website of the Company which can be accessed at https://www.upl-ltd.com/policies-compliances-announcements.

## BONUS SHARES

To mark the golden jubilee of the Company, your Directors have announced issue of Bonus Shares in the ratio of one bonus share for every two shares held by the member. The same will be subject to the approval of the members and for this a separate Extra Ordinary General Meeting will be held. On approval by the members, the Bonus Shares will be issued to those members whose names appear in the register of members as on the record date which will be announced after the said Extra Ordinary General Meeting and to those members whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depositary Services (India) Limited.

## FINANCE

(a) Fixed Deposits

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31st March, 2019.

(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) 9,589 equity shares of ₹2 each to Employees under Employee Stock Option Plan of the Company.

## CREDIT RATING

The Company has a good reputation for prudent financial management and ability to meet its financial commitments. The Company's credit facilities in India have been rated by CARE as CARE AA+(Negative) for long term facilities and CARE A1+ for short term facilities and by CRISIL as CRISIL AA+(Negative) for long term facilities and CRISIL A1+ for short term facilities. Company's commercial paper are rated by CARE as CARE A1+ and by CRISIL as CRISIL A1+. Company's non-convertible debentures are rated by CARE as CARE AA+ (Negative) and by Brickwork Ratings as BWR AA+(Stable).

The international bonds issued by UPL Corporation Ltd, a subsidiary of the Company, have been rated by S&P as BBB-(Stable), Moody's Baa3 (Positive) & Fitch BBB-(Negative). It has issued 5 year US$ 500 mn US$ denominated Senior Notes under 144A/Reg S in October 2016 and a 10 year US$ 300 mn US$ denominated Senior Notes under Reg S in February/March 2018.

## ESOP

The details as required to be disclosed under the SEBI (Share Based Employee Benefits) Regulation, 2014 are put on the Company's website at the link https://www.upl-ltd.com/policies-compliances-announcements

## SAFETY AND ENVIRONMENT

### Safety

Safety and well-being of each and every one working for and on behalf of the Company remains to be of top priority for the Company. Your company has taken some significant steps in order to enhance its overall safety performance as part of business continuity process, to take it to the next level eventually to meet its vision of being best in class and installed a unique engagement initiative "Safety First" for making safety a way of life.

Initiatives like Zero Leak Programme, Mistake proofing thuman ough Poka-yoke, Safety Abnormality reporting, 5S have helped sustain our safety performance. Capability Building through level 0, 1 & 2 training and employee engagement initiatives are continuously being strengthened. Level 0, 1 & 2 trainings are training for safety and functional capability building, an employee can take charge only after he/she has successfully passed the assessment. Your company has a system of internal & external safety audit and average compliances of 2nd and 3rd party audit have been a significant 95+%.

"Safety First" is a unique engagement Initiative to bring about interdependent culture, which focuses on enhanced safety Leadership through communication, engagement, horizontally deploying best practices and corrective/preventive actions management, enhancing effectiveness of plant safety representatives and leadership involvement. Our company engaged services of overseas reputed consultants for imparting training on Safety Leadership on doing things differently making the same initiatives more impactful.

For the current year, our company had a LTIFR : 0.117 per 200 thousand hours worked. Company strongly focuses on the reporting of Safety Abnormalities, Man Machine and Man-Chemical interfaces and closure of the same through mistake proofing. 8 plants of the Company globally worked without any recordable incidents. Company made substantial improvement in execution of Green Field projects.

The Company has initiated a process of Activity based risk assessment and developing health and fire index as an additional measure for well being of the people employed as well as asset protection.

The motto remains: Everyone working for and on behalf of UPL - "Doing Safer is Doing Better".

### Environment

At the Company, sustainability is driven by smarter innovation and profitable growth. We believe that a business can be profitable by adopting sustainable practices ensuring harmony with the society and environment. We are constantly working to reduce our environmental footprint and find innovative product solutions that benefit the society. Our commitment to environmental protection extends beyond the scope of legal requirements. We are 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 released its second Sustainability Report as per GRI standards in accordance with comprehensive option. The Company's 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 2015-16.

| Water Consumption | Carbon Emissions | Waste Disposal | Wastewater Discharge |
|---|---|---|---|
| Target | Target | Target | Target |
| 30% reduction in specific water consumption in our manufacturing plants by 2020 from baseline 2015-16. | 30% reduction in specific $CO_2$ emissions in our manufacturing plants by 2020 from baseline 2015-16. | 30% reduction in specific waste disposal in our manufacturing plants by 2020 from baseline 2015-16. | 30% reduction in specific wastewater discharge in our manufacturing plants by 2020 from baseline 2015-16 |
| Performance | Performance | Performance | Performance |
| In 2018-19, water consumption per tonne of production in the Company's manufacturing plants reduced by 3% compared to 2015-16. * | In 2018-19, $CO_2$ emissions per tonne of production in the Company's manufacturing plants reduced by 13% compared to 2015-16. * | In 2018-19, waste disposal per tonne of production in the Company's manufacturing plants reduced by 22% compared to 2015-16. * | In 2018-19, wastewater discharge per tonne of production in the Company's manufacturing plants reduced by 11% compared to 2015-16. * |

**Note:** *we mitigated the product mix change impact & manage to reduce our environment footprint in our operation globally.

We have taken following initiatives this year to make our operating plant 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 the Company's commitment to sustainable development. Aiming to decrease water demand in our operating plants, following initiatives has been taken this year:

- Reduced 3 % water as compared to our baseline 2015-16 after mitigating product mix change impact
- Recycling of 140 KLD STP treated water in DVACl plant's Cooling Tower at Unit-0
- Saved 2KLD water through evaporative condenser in IKI plant at Unit-1`
- Installed full fledge rain water harvesting system at Unit-4 Halol
- Increased efficiency of steam condensate recovery system.
- Installed latest technology in Unit -1 & Unit-5 to recycle & reuse treated wastewater into cooling tower to decrease water demand.

### 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 % CO2 emissions as compared to our baseline 2015-16 after mitigating product mix change impact.
- Signed & executed green power purchase agreement for Unit-1 and Unit-5
- Installed Waste heat recovery system in fume incinerator of Unit-2
- Improved chiller performance by Increasing capacity of evaporator and replacement shell and tube type condenser with evaporative condenser at Unit-1
- Power generation from back pressure turbine at Unit-2 and Unit-5
- Installed Waste Heat recovery to condensate to preheat power plant boiler feed water leading to reduce coal consumption by 1620 MT/annum

### 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 has been taken this year:

- Reduced 22 % specific waste disposal as compared to baseline 2015-16 from our operating plants after mitigating product mix change impact.
- Reduced incinerable liquid waste by yield improvement at Unit-0 and Unit-1.
- Successful commissioning of Lime bulker handling facility in ammonia plant at Unit-1 to reduce lime dusting waste.
- Improved loss on drying (LOD) of ETP waste at Unit-5 and Unit-10 to reduce moisture content in waste quantity by installing Volute.

### Specific Wastewater Reduction Initiatives

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

- Reduced 11% specific wastewater discharge from 2015-16 baseline by operational excellence after mitigating product mix change impact.
- Achieved Zero Liquid discharge (ZLD) at Unit-10 Tarapur plant.
- Enhanced overall 61% wastewater treatment capacity.
- Installation of new system in cooling towers to avoid frequent blow down in Unit-3
- Dedicated technology group worked to achieve the environmental excellence and management standards thereby resulting in reduction of environmental footprint.

### International Sustainability Rating

Global risk and opportunities from natural resource scarcity to changing governance standards, from global workforce management to continuous evolving regulatory landscape, Environment Social and Governance (ESG) factors holds the potential to impact short term or long-term risk of an organisation. ESG risks and opportunities assessment assist company's management to integrate these factors into the business portfolio and management evaluation process to mitigate the impact and embrace upon the arising opportunities.

The Company believes in continuous improvement for growth and transparently communicating the performance to our investors and other stakeholders at large. This year we participated in rating indices like FTSE Russell and DJSI which undertakes a comprehensive exercise of evaluating various ESG parameters of the Company.

### Dow Jones Sustainability Index

S&P Dow Jones Indices partners with RobecoSAM, a specialist in sustainability investing, to provide investors with objective benchmarks for managing their sustainability investment portfolios. The DJSI allow the creation of portfolios of companies that fulfil certain sustainability criteria better than most of their peers within a given industry. It aims to represent the top 10% of the largest 800 companies in 20 emerging markets based on long-term economic, environmental and social criteria and the Company was selected in the top 10% companies which were invited to participate in the DJSI Emerging market index.

Our DJSI score in 2018 has improved 57% from 2017 score.

FTSE Russell index Series:

FTSE Russell is a British provider of stock market indices and associated data services, wholly owned by the London Stock Exchange (LSE). FTSE Russell has been at the forefront of innovating ESG indexing for nearly two decades. The FTSE4Good Index Series is a market-leading tool for investors seeking to invest in companies that demonstrate good sustainability practices.

Our FTSE score in 2018 has improved 70% from 2017 score. Therefore, the Company was awarded and listed in FTSE 4 Good Index for strong environmental, social and governance practices which were measured against globally recognised standards.

To understand more depth details about our sustainability practices. We have launched specific website for sustainability along with our corporate website on following link http://sustainability.upl-ltd.com/

## RESEARCH AND DEVELOPMENT

Company's Research and Development Centres located across the Globe play vital role in accomplishing company's mission of manufacturing and supplying crop protection and specialty products worldwide.

Highly equipped Research and Development Centres have best facilities and high qualified scientific staff. Products and processes are designed and developed at these Centres so that technical products are produced in a cost-effective way. At the same time care is taken that products and processes are environmentally friendly.

Company's commitment to safe practices and products leads to designing of products and processes which are safe to use. Principles of Green Chemistry are followed by these scientists for the research and development work.

Company's Research and Development Centres are developing innovative combinations for effective pest management across the Globe. The developed products are tested for chemical properties, toxicity, impurity profile, bio-efficacy, residue and packaging and so on. The required data is generated at Research and Development Centres and then get the products tested at GLP laboratory to generate the data for submission to the regulatory authority of the country.

Company respects Intellectual Property of others and creates its own Intellectual property for the products and processes developed by the Research and Development Centres. Patents are obtained in the countries of interest and appropriate measures are taken to safeguard the IP.

## CORPORATE SOCIAL RESPONSIBILITY

The Company's work for economic and social growth of community started almost 50 years back because it believes that humankind is one community, where each member is responsible for the wellbeing of the other.

The Company's manufacturing plants are in 4 states of India – Gujarat, Maharashtra, J&K and West Bengal. Many of its development interventions are focused in these states, but the Company has taken many initiatives of national importance beyond neighbouring communities too.

The Company believes in holistic and sustainable growth of society. Its commitment and interventions cater all the segment of the society and have been classified in 4 focus areas. They are:

1. Institutions of Excellence
2. Sustainable Livelihood
3. Nature Conservation
4. Local and National Need

The Company has built institutions of excellence to RAISE RESPONSIBLE AND SKILLED HUMAN CAPITAL in the region through Academic excellence, Holistic growth and Vocational & life skills. It has built and is managing

1. **Sandra Shroff Gnyan Dham School,** Vapi - 1,600 students /year
2. Gnyan Dham **Eklavya Model Residential** School, Ahwa - 350 students /year
3. **Sandra Shroff ROFEL College of Nursing**, Vapi - 55 students / year
4. **Shroff S Rotary Institute of Chemical Technology (SRICT),** Vataria, Ankleshwar - 330 students / year
5. **UPL Center for Agriculture Excellence** - 15,181 farmers trained.

This has resulted in continuous learning and development of around 2,500 students every year and more than 15,000 farmers trained till date.

Its **Agriculture development** initiative in CSR has empowered the farming community to experience a BETTER QUALITY OF LIFE through Enhanced profitability, Better nutrition and Capacity building. The Company has 9 initiative in 81 villages covering 3,111 farmer families.

The **Skill development and entrepreneurship** empowers youth and women to increase their INCOME EARNING CAPACITIES through 1) Developing and strengthening skills, 2) Improving resource accessibility and 3) Providing institutional support. It has 4 initiatives and Around 3,700 youth and women from 50 villages were trained/skilled.

The Company is working to empower rural women through formation and strengthening of **Self Help Groups (SHG) and promoting entrepreneurial culture** among the groups. This initiative not only empowers women financially, but also leads to their social and cultural growth. The Company is working with 1364 Women Members of 113 SHGs from 36 Villages.

The Company is working with various stakeholders to IMPROVE THE NATURAL HABITAT in the region through Information dissemination, Increased awareness and Focused efforts to preserve and protect the environment. The highlights are

- 85 Eco Clubs in community school with 3,396 members.
- Work on Sarus conservation project which has reached to 36 villages with 83 RSPG (Rural Sarus Protection Group) members
- 84,633 saplings and 1,20,000 Mangroves planted under social forestry.
- 6 group wells constructed, and 5 ponds deepened under water conservation.
- Conducted Green Ganesha workshop in 77 schools covering 8,590 students
- This year partnered to support Deer & Ungulate breeding project.

The Company works with individuals and organizations to ensure that GROWTH AND DEVELOPMENT NEEDS OF THE NATION ARE MET through 1) Proactive interventions in the interest of the nation, 2) Support to Trusts and Institutions and 3) Relief and Rehabilitation efforts. To achieve the above, many initiatives are taken with active support and involvement of all stakeholders.

- Worked on building capacity of NGOs/CBOs in Mumbai by empowering 6 organisation in 1st phase and will be starting 2nd phase with new set of organisations.
- Made 47 sanitation blocks, mostly in community schools. 9,225 students and 3,000 commuters/ day are using said facility.
- A total of 37,415 participants have been trained (on women and highway safety).
- Working with 436 farmer families from 2 villages under Vandri cluster development.
- Supporting Global Parli project, which is a successful example of how India's villages can be transformed through revival and empowerment. Progressive, economically viable and prosperous villages can be a reality through right interventions.
- Supported Farmer Producer Company (FPC) in Motihari, Bihar - 3 FPCs in Motihari were provided with Cattle Feed Pallet Manufacturing plant each, 3 FPCs were provided with a Turmeric Processing Plant each and 4 FPCs have been given a financial aid to establish Jaggery Manufacturing units to enhance the farmers income levels.
- Partnership with Save the Children India (SCI) to support Special Care Centre which is a school for hearing impaired and intellectually disabled children that provides holistic education, nutrition and transportation, in a healthy nurturing and learning environment. SCI is working towards betterment, empowerment and rights of special children.
- Supported Prayas Society for implementing the project "Asptal – Sansad Mobile Swasthya (SMS) Seva" at Hamirpur, Himachal Pradesh.
- Supported 6 Cerebral Palsy Athletes and staff to participate in the World CP Games in Sant Cugat, Spain from Aug 6-12, 2018. The Company is proud that one participant from India bagged 2 gold medals at the event.

A study done by International Labour Organization (ILO) found that India has one of the highest numbers of working children worldwide, with more than 5 million working in agriculture alone. A large number of Indian farmers are small and marginal, and they frequently resort to child labor to manage their fields. Child labour deprives children of their childhood and is harmful to their physical and mental development. United Against Child Labour (Project UACL) is Company's proactive initiative to eliminate all forms of child labour in seed supplier farms and to ensure education for all children. The Company has adopted a multi-pronged strategy towards this objective which includes advocacy, engagement, awareness and legal contract.

VIA70 – Company's citizen centric application for Mumbai is a part of an honest, non-political and non-profitable attempt to create a model for integrating urban citizens of India with the governance of their locality. The Company is trying to create a model for improved urban governance in the form of a citizen centric application. This application aims to bring transparency to the citizens about their rights and the public workers available for them to approach.

The Company is working on fostering the spirit of community development amongst the employees through employee volunteering known as We Are United (WAU). WAU is a well-structured employee volunteering program through which employees get an opportunity to use their talents and passion for the benefit of the community. Most of the activities undertaken by the WAU volunteers are around Company's manufacturing locations and corporate office. In year 2018-2019 a total of 147 employee volunteers from India have spent 4,863 hrs for community work.

UPL Company is working in 6 countries with more than 70 development programs and benefitting around 60 communities.

UPL Brazil works on a complimentary education program empowering the local youth to lead meaningful lives. UCPL Colombia is responding to surrounding communities "whole life cycle" need by promoting the social and economic development through education, entrepreneurship and the conservation of the environment. UPL Argentina has established Social Security office at plant for every neighbor community (in the past they need to travel 46 km to have access to social security office). UPL Mexico has been collecting and distributing winter clothing to the poorest of the poor since 2015.

## 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 https://www.upl-ltd.com/policies-compliances-announcements.

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.

In the past, the Company has taken all efforts to create awareness among the employees about the Policy. The Company also made all efforts to create awareness about the policy among the employees, who have joined during the year. 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 takes the safety and mental health of the employees very seriously. The Company has implemented a strict policy as required under the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. As the Company moves into a modern era, the Company has implemented this policy for not just women employees but have made it gender neutral. Currently, under this policy, all the employees- permanent, temporary and contractual are protected from any form of Sexual Harassment. All employees are mandated to attend a classroom training and confirm their adherence to the rules as mentioned on Company's website. In Financial Year 2018-19, a total of 389 employees were trained on POSH workshop conducted by Company's external partners and 3500 employees acknowledged to comply with the POSH policy. A knowledgeable and experienced internal committee comprising mainly of women and an unbiased party is currently functional to attend and redress complaints that arise under this policy. Further, there are sub committees at unit locations to ensure strict adherence of this policy and make a workplace free from biases and prejudices.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has robust systems for internal audit, risk assessment and mitigation with well-established processes both at the business and corporate levels. The Company has an inhouse independent Internal Audit Department with a team of qualified professionals, headed by Global Head - Internal Audit.

The scope and authority of the internal audit department is derived from the annual audit plan approved by the audit committee at the beginning of year. Reviews are conducted on an on-going basis, based on a comprehensive risk-based audit plan. Every quarter, the audit committee is presented with key internal controls issues/audit observations and action taken update on the internal control issues/audit observations highlighted in the previous Audit Committee presentations.

Internal Audit function plays a key role in providing to both the management and to the audit committee of the board, an objective view and re-assurance of the overall internal control systems and effectiveness of the risk management processes and the status of compliances with operating systems, internal policies and regulatory requirements across the Company including its subsidiaries. Internal audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations.

The Company has adequate internal controls in place across various business units and functions, which improves the efficiency, management effectiveness and safeguards assets of the organisation. The internal control is implemented through following initiatives:

- Accurate and timely recording of transactions with multi-layered system of checks and balances
- Implementation of ERP enabling real time data access
- Implementation of accounting policies in line with prescribed standards
- Periodic reviews of long-term plans and annual budgets
- Constant monitoring of processes and routine audits

## Internal Controls over Financial Reporting:

The Company has developed and implemented a Risk & Control Framework to ensure internal controls over financial reporting. This framework includes testing & monitoring over entity level controls, process level controls & IT general controls. The entity level controls includes testing & monitoring compliance to policies like code of conduct, conflict of interest, whistle blower policy, Organization structure, Insider trading policy, HR policy & IT security policy. The process level controls includes risk control matrix for monitoring key business processes (like order to cash, procure to pay, financial closure process, treasury management, hire to retire, taxation, etc.)

On a periodic basis testing of entity level, process level controls & IT general controls is carried out and status of testing of controls is presented to the Audit Committee. During the year, all the controls were tested and no key reportable weaknesses in design and effectiveness was observed. The Company strives to ensure robust internal controls over financial reporting.

## RISK MANAGEMENT FRAMEWORK

The Company has robust governance structure and risk management framework to identify and manage business risks in a proactive manner and at the same time enables the management to take advantage of any business opportunity arising.

Pursuant to Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, a Risk Management Committee is appointed consisting of three Executive / Promoter Directors of the Company. The Committee gets regular inputs from Senior Executives engaged in different functions and thereafter various risks are identified and mitigating plans are developed to resolve the same. If any identified risk is likely to have significant impact on the Company's operations, the Committee provides for support to the relevant executives and develops a detailed mitigation plan to overcome adverse effects of such risk. There is continuous monitoring by the Committee to ensure that the mitigation plans are effectively met in case such risks arises.

Some of the key Business Risks and their mitigation plans were discussed in the Board reports of earlier years. They are:-

i) Industry Risks
ii) R&D Risks
iii) Currency Fluctuation Risks
iv) Liquidity Risks
v) HR Risks
vi) Reputation Risks

Some of the other significant business risks identified and their mitigation plans are as under:-

i) Input Availability Risks – Of late China which is a key supplier of some of the essential inputs for the Company curtailed production and supply of the same in the international market due to environment concerns. This affected the production plan of the Company for some of its products. Efficient running of the plants require timely availability of various inputs. The Company however saw this as a great business opportunity and set up its own manufacturing plants to ensure regular supply of all inputs and thereby earning higher margins for its products. The Company has now achieved higher level of backward integration for its operations and is less dependent on outside supply. To further mitigate this risk the Company also identified and developed more than one alternative reliable sources of supply for such inputs. The Company does not expect this risk to be a major concern for its smooth operations.

ii) Acquisition Risk - Recently the Company has acquired, through its Mauritius subsidiary, Arysta LifeScience. The cost of acquisition of the same was US$ 4.2 billion. The Company has borrowed US$ 3 billion from a syndicate of banks and this has resulted into high gearing. Apart from the finance related risks, integration of two cultures and the working systems of staff of both the companies need to be aligned, otherwise this may lead to chaos and mis-management and loss of business and reputation. However, the Company considers this acquisition to be a great opportunity and a quantum leap of its business. Restructuring of the two entities will substantially reduce the administrative costs and the manpower cost. The combined turnover will increase manifold with improved margins. The Company has negotiated the terms of the borrowings such that it does not have to face any liquidity problem and enough cash generation will be available at the time of repayment of loan. To mitigate the risk of two different cultures and working systems of employees, the Company has set up a special integration team. In the past the Company has made many international acquisitions very successfully and the acquired companies have blended very well in the main stream. The CEO of the Group is personally involved to keep track of the integration activities. The Company does not expect this risk to be serious. in fact, with this acquisition the Company will be in the top five global crop protection product companies in the world.

iii) Cyber Security Risks - In today's world there is more and more reliance on IT systems. The Company's operations are spread out across the globe and are well connected with widespread use of internet. All communication equipment's such as mobiles, laptops, tablets etc. are widely used in all functions of the Company. Due to this, there are constant security threats to the data and possibility of misuse. Such cyber-attacks will result in loss of confidential data and also result in loss of business as well as reputation of the Company. To counter these risks, it is important to take suitable preventive measures to ensure data security at all times. The Company's IT systems are fully geared to meet the threat of any such attacks. Adequate control measures are also taken to ensure data security by continuous monitoring of data, security systems, limiting access to only necessary persons, event monitoring etc. Strong firewalls are in place and disaster recovery systems are established along with layers of security controls across locations in the system.

The Government has also responded to such threats by introducing legislation relating to cyber security. The Directors are made responsible for ensuring data security of the Company and taking adequate steps to ensure cyber security. The Company has also been vigilant against possible cyber-attacks and has taken preventive remedial measures to counter such attacks. The Risk Management Committee of the Board is appraised of steps taken to mitigate cyber security risks. Even though there have been many cyber threats all over the world such as Ransomware and other hacking threats, the Company is not impacted by the same because of strong data security measures taken.

## SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

The Company has a large number of subsidiary companies and associates, spread all across the globe.

Crop protection product companies need registrations to enable them to sell their products in different countries in the world. These registrations are granted by local government body of each country to a local entity established in that country. For example, in India, Central Insecticide Board gives such registration to Indian Companies. In each country there are similar government authorities granting registration to the local companies for sale of agrochemicals. Further such registrations are mandatorily required for sale of each agrochemical for each pack size and technical content. Thus for same agrochemicals, multiple registrations will be required for different technical content and difference pack size.

The Company has a very large portfolio of various agrochemicals. To expand its market reach and explore various geographies beyond the national frontiers, it has established a large number of subsidiary companies in different countries of the world. This will enable the Company to supply and market its products to such countries. Till last year the Company had approximately 80 overseas subsidiary and associate companies, apart from a few Indian subsidiaries. With the acquisition of Arysta LifeScience the number has gone up to more than 200 overseas subsidiary and associate companies. Some of these subsidiaries may not be relevant and the Company has undertaken restructuring exercise to wind up companies that are dormant or where there are more than adequate number of subsidiary companies in a country. This restructuring exercise when completed will result in significant cost reduction, apart from having better administrative and financial control and avoidance of duplication of efforts and at the same time catering to larger number of customers with more inclusive crop protection solutions.

The details of essential parameters of each such subsidiary / associate company like share capital, assets, liabilities, turnover, profits before and after tax are given separately in the report and members can refer to the same.

Most of these overseas subsidiaries and associate companies are marketing arms and their main activity is confined to marketing by servicing their local market with greater efficiency and ensuring timely availability of different products of the Company. Some other entities are holding companies which hold investments in other group entities.

There are a few companies whose activities are not confined to marketing / investment. Some of the companies are engaged in manufacturing or formulation or seeds or other products. They are:-

1. United Phosphorus (India) LLP ,India
2. Optima Farm Solutions Limited ,India
3. UPL Europe Limited ,U.K.
4. Cerexagri B.V. ,Netherlands
5. Cerexagri S.A.S. ,France
6. United Phosphorus Inc. ,USA
7. Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A. ,Brazil
8. UPL Argentina S A ,Argentina
9. UPL Colombia SAS ,Colombia
10. UPL Vietnam Co. Limited ,Vietnam
11. Arysta LifeScience India Limited ,India
12. Arysta LifeScience South Africa (Pty) Ltd ,South Africa
13. Arysta LifeScience S.A.S. ,France
14. Arysta LifeScience Ougrée Production Sprl ,Belgium
15. Wyjolab S.A. ,France
16. Natural Plant Protection S.A.S. ,France
17. Laboratoires Goëmar SAS ,France
18. Arysta LifeScience Korea Ltd. ,Korea
19. Arysta LifeScience Vietnam Co., Ltd. ,Vietnam
20. Callivoire SGFD S.A. ,COTE D'IVOIRE
21. UPL Agricultural Solutions Italy Srl ,Italy
22. Arysta LifeScience do Brasil Indústria Química e Agropecuária SA ,Brazil
23. Grupo Bioquimico Mexicano, S.A. de C.V. ,Mexico
24. Arysta LifeScience Colombia S.A.S ,Colombia
25. Arysta LifeScience Mexico, S.A. de C.V. ,Mexico

During the year Arysta LifeScience was acquired by the Company at its Mauritius subsidiary level. Apart from this, some of the companies which became or ceased to be subsidiaries are as under:

a) New Subsidiaries :

   Decco Gida Tanm ve Zirai Urunler San. Tic A.S.

b) Cessations of Subsidiaries -

   a. Blue Star B V (merged)

   b. DVA Technology Argentina SA(Liquidated).

## MATERIAL SUBSIDIARY

The Company has one unlisted material subsidiary as per the parameters laid down by the Companies Act, 2013, namely, UPL Corporation Limited in Mauritius.

The said subsidiary does trading business and also holds investments for the group. The Turnover is ₹1,692 Cr and the Profit before tax is ₹393 Cr. The said subsidiary has not sold, disposed off or leased assets of more than 20% of its assets during the current year.

Pursuant to Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Hardeep Singh, an Independent Director of the Company has been appointed as a Director on the Board of UPL Corporation Limited.

## 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 https://www.upl-ltd.com/ policies-compliances-announcements.

## INSURANCE

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

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

There are no significant and material order passed by the Regulators or Courts.

## AUDITORS:

a) Statutory Auditors

At the 33rd Annual General Meeting of the Company held on 8th July, 2017, the Members of the Company have approved 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 for a term of 5 (five) years from the Company's financial year 2017-18, to hold office from the conclusion of 33rd Annual General Meeting of the Company.

The report of the Statutory Auditors along with the Notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

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 2019-20 on a remuneration of ₹8.00 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. 4 of the Notice convening the Annual General Meeting.

For the year 2018-19, the due date for filing the Cost Audit Report is 27th September, 2019 and the same will be filed in due course. The Cost Audit Report for the year 2017-18 was filed on 24th August, 2018.

c) Secretarial Auditors

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

99.03% of the total paid-up equity shares of the Company are dematerialised as on 31st March, 2019.

## 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) Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

The earlier appointments of Mr. Pradeep Goyal (DIN: 00008370) and Dr. Reena Ramachandran (DIN: 00212371), the Independent Directors of the Company expire on the conclusion of forthcoming 35th Annual General Meeting of the members of the Company to be held on Wednesday, 28th August, 2019. The Board of Directors has re-appointed Mr. Pradeep Goyal (DIN: 00008370) and Dr. Reena Ramachandran (DIN: 00212371), Independent Directors for further period of 5 (five) years, with effect from 28th August, 2019, subject to the approval of the Members by Special Resolution and upon the terms and conditions as set out in the notice convening the 35th Annual General Meeting of the Company.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Companies Act, 203 proposing the candidature of these Directors for the office of Directors of the Company.

The special resolutions seeking approval of the Members of the Company for the re-appointment of Mr. Pradeep Goyal (DIN: 00008370) and Dr. Reena Ramachandran (DIN: 00212371) have been incorporated in the notice of the 35th Annual General Meeting of the Company along with brief details about them.

The information of Directors seeking re-appointment as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the notice convening the 35th 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.

During the year Mr. Kalyan Mohan Banerjee has resigned from the Board of Directors of the Company with effect from 1st August, 2018.

The earlier appointment of Mr. Vinod Rajindranath Sethi (DIN: 00106598), the Independent Director of the Company expires on the conclusion of forthcoming 35th Annual General Meeting of the members of the Company to be held on Wednesday, 28th August, 2019. Mr. Sethi has expressed his unwillingness to seek fresh re-appointment for further period.

The Board takes this opportunity to place on record its deep sense of appreciation for the support and invaluable contribution made by Mr. Kalyan Mohan Banerjee and Mr. Vinod Rajindranath Sethi during their tenure as Directors of the Company.

## 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. Structured questionnaire was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board functioning, Board culture, duties, responsibilities and performance by Individual Directors, their adherence to the Code of Conduct, reliability and timeliness of flow of information, independence of judgement etc.

Evaluation of Independent Directors was carried out by taking into account various parameters such as Directors contribution, attendance, expertise, knowledge of the subject, decision making capability and other related factors.

The meeting of Independent Directors was held on 31st January 2019 and at the said meeting the performance of evaluation of all the Directors of the Company including the Chairman was reviewed. The Independent Directors were fully satisfied with the performance of the Board, various committees, other Directors and Senior Management of the Company for running it in a highly professional manner. They also 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 Remuneration Policy has been disseminated on the Company's website at the link https://www.upl-ltd.com/policies-compliances-announcements

## FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

Pursuant to the SEBI Regulations, the familiarization program for the Independent Directors is worked out, with respect to their roles and responsibilities, nature of the industry in which the Company operates, its business model, risks and opportunities of the Company, etc. The Program is aligned with the requirements under the Act and other related regulations.

Under this familiarization program the Independent Directors are informed about the business plans and operations, the corporate philosophy and the vision and mission of the Company. They are taken through various financial parameters, control mechanism, budgeting system, adherence to compliances and other important matters. At the time of the appointment of Independent Directors the formal letter of appointment is issued to each of them giving details of their duties and responsibilities in the Company. During their tenure as Independent Directors, they are appraised of various policies of the Company such as CSR, Plant Safety, HR, Succession Policy for Directors and Senior Management. As the Company has worldwide operations, they are also updated with various strategic initiatives in the matters of operations of the Company. Factory visits of various plants in India and abroad are arranged and the safety measures taken by the Company at various plants to protect the personnel, property and environment are informed in detail to them. To update their knowledge in line with the latest changes in legislation and business practices, eminent faculty members are invited by the Company to address them.

Details of familiarization program of Independent Directors with the Company are available on the website of the Company https://www.upl-ltd.com/policies-compliances-announcements.

## HUMAN RESOURCES:

As on 31st March, 2019, the Company has 4,703 employees in India, and 11,411 employees globally.

The Company continuously strives to be the best globally. The Company believes that the core foundation of this vision is the people. The HR strategy is committed to creating an engaging workforce and an inspirational leadership that continuously powers this vision. With a welcome addition of 3,400 new associates, the Company has undertaken a comprehensive exercise to reinvent its HR systems to respond to this complexity with greater strength.

### Powering the New Organisation with a New Purpose

With the Arysta acquisition, the Company became globally the number one organisation in the post-patent space. It has a stronger portfolio, wider geographical reach and an employee base that went up more than 50%. A stronger organisation evolved a new purpose that energises all its associates around a new identity.

### OpenAg- No limits, No Borders.

The concept enabled the Company as an open organisation which is committed to sustainable agriculture globally. It is anchored around openness – Open Hearts, Open Collaboration, Open Intelligence, Open Access and Open Innovation. The concept of openness to new ideas, new concepts, looking beyond the horizons, openness to diversity and inclusion of new associates rallied the Company's associates around this purpose. It played a key role in realigning their identity in the transformed Company.

The work on defining the new values, corresponding behaviors and the new culture has already progressed well. This comprises of:

a) Building the Post-Acquisition Organisation Structure
The Company has built a newer organisation structure for a $5 billion enterprise staffed with the right level of competent professionals. Timely planning and good stakeholder involvement were key to the success of this organisational change.

b) Creating a Consistent Employee Experience: Launching my UPL
An employee's way of life is defined by the organizational processes and systems. These are then translated into workflows. The Company is known for consistently improving the quality of employee experience through out his service span . This takes place through the HR ERP systems. The Company is going ahead with the implementation of "myUPL"- a one stop employee self-service and transaction portal on the Success Factors platform. This is a great initiative in connecting employees across borders. The consistency in employee experience will make the integration process much more effective.

c) Creating a High Performance Work System
The integrated organization has made newer and bolder commitments to all stakeholders.To fulfill the same goal setting modules are rolled out on myUPL. It focuses on key goals and completely does away with routine activities. All employees are expected to focus on the high-impact goals. To support the same, the goal library of Success Factors and the goal cascade functionality is deployed.

d) Harnessing People Synergy in the new Organization
As part of building the new integrated organisation, all role overlaps, and role redundancies were identified. This ensures exploring opportunities to deploy new talent in newly devised roles.

Way Forward

a) Cascading new values and behaviors
The Company's integration plans revolve around how the Company merges two different cultures effectively. The Company formulated the best values and purpose to come up with a new brand for Company's integrated organization. For this the Company has scheduled top team effectiveness programs to contextualize the values and behaviors of various business functions.

b) Cultural baselining
The Company understands the complexity of the cultural differences and the challenges that it might pose during integration. Towards this, the Company has operationalised concepts that will make the transition easier powered by a dynamic strategy that anchors on culture, and integration. The Company's efforts will help bring the people together and make them feel more integrated in the Company so that they move in a positive direction. The Company will provide the people trainings and career guidance that they may need.

c) Building internal talent for leadership succession
As the HR processes for managing transition fall in place, there would be a focus on refining the competency framework for the new organisation. That would provide a starting point for initiating talent assessment and using that as an input, to build succession pipeline for key leadership roles.

## 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, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) That such accounting policies as mentioned in 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 31st March, 2019 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. The Registrar and Transfer Agent M/s Link Intime India Pvt. Ltd. is in the process of compiling the data for unclaimed shares. 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.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India relating to the meetings of the Board and General Meetings.

## 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 2018-19 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 along with the Auditors Report thereon form part of the Company's Annual Report. They are also put up on the website of the Company https://www.upl-ltd.com/ policies-compliances-announcements.

## COPY OF THE ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013 a copy of Annual Return has been placed on the website of the Company and the web link of such Annual Return is https://www.upl-ltd.com/ policies-compliances-announcements

## LISTING OF THE COMPANY'S EQUITY SHARES

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

## ACKNOWLEDGEMENT:

The 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.

Mumbai
17th May 2019

On behalf of the Board of Directors

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

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

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR policy and projects or programs.

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 is stated herein below.

Weblink: http://www.upl-ltd.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: ₹239.81 Crores

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

The Company is required to spend ₹4.80 crores towards CSR

5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year;

₹18.08 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 Expenses | 2.Over heads | | |
| 1 | **Smt. Sandraben Shroff Gnyan Dham School (SSSGDS)**, a Co-educational school establiched in year 1972, affiliated to CBSE syllabus for community in industrial town of Vapi. **https://www.srsgnyandham.org/** | Category (ii) | Promotion of Education | AT & P - Vapi 396195 | District - Valsad, Gujarat | 50,00,000 | 50,00,000 | -- | 50,00,000 | GNYAN DHAM VAPI CHARITABLE TRUST |
| 2 | **Eklavya Model Residential Schools (EMRS)** under PPP to provide quality education to meritorious tribal children. | Category (ii) | Promotion of Education | At & P – Ahwa | District – Dangs, Gujarat | 50,00,000 | 50,00,000 | -- | 50,00,000 | GNYAN DHAM VAPI CHARITABLE TRUST |

| 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 Expenses | 2.Over heads | | |
| 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) | Promotion of Education | At & P – Vataria 393135<br>Tal – Valia | District – Bharuch, Gujarat | 4,00,00,000 | 4,93,60,538 | -- | 4,93,60,538 | 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) | Promotion of Education | AT & P - Vapi 396195 | District - Valsad, Gujarat | 4,00,00,000 | 7,00,00,000 | -- | 7,00,00,000 | GNYAN DHAM VAPI CHARITABLE TRUST |
| 5 | **UPL Pragati** to create sustainable livelihood with a sharper focus on farming community, unskilled youth and women to improve the quality of life in the long term. The Strategy envisaged for operationalizing under UPL Pragati for the sustainable livelihood has three pillars, viz<br>Skill, Entrepreneurship and Agriculture | Category (i), (ii), (iii), (vi), (vii), (x) | (i) eradicating extreme hunger and poverty;<br>(ii) promotion of education;<br>(iii) promoting gender equality and empowering women;<br>(vi) ensuring environmental sustainability;<br>(vii) employment enhancing vocational skills;<br>(x) Rural Development / Slum Development | AT & P - Vapi<br>AT & P - Ankelshwar & Jhagadia<br>Villages in Dang | District - Valsad<br>District - Bharuch, Gujarat<br>District – Dangs, Gujarat | 5,10,91,486 | 1,40,00,000 | -- | 1,40,00,000 | S. R. Shroff Aajivika Trust (SRSAT) |

| 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 Expenses | 2.Over heads | | |
| 6. | **UPL Vasudha :** Environment conservation and responsible actions towards nature go a long way in making nature an alternate source of livelihood for the local population, who have close economic and cultural links with nature. The UPL Vasudha aims at improving the quality of life of the natural habitat in the region through information dissemination, increased awareness and focused efforts to preserve and protect the same. The intitiatives under UPL Vasudha are<br>1) UPL Sarus Conservation<br>2) UPL Social Forestry & Mangrove Plantation<br>3) UPL Eco-Clubs<br>4) UPL Green Ganesha | Category (ii), (vii) | (ii) promotion of education; | "AT & P - Vapi<br>AT & P - Ankelshwar & Jhagadia<br>AT & P - Dahej<br>Villages Kheda & Vadodara Dist" | "District - Valsad<br>District - Bharuch, Gujarat<br>District – Dangs, Gujarat" | | | | | S. R. Shroff Aajivika Trust (SRSAT) |
| 7 | **LOCAL AREA NEED** - Development Support to community around UPL location. Focused initiatives are<br>1) UPL Suraksha<br>2) UPL School Sanitation<br>3) UPL Unnati<br>4) VIA70<br>and support like School bag and book provisioning, Infrastructure support, Medical Support etc to surrounding community." | Category (i), (ii), (iii), (vi), (vii), (x) | (i) eradicating extreme hunger and poverty;<br>(ii) promotion of education;<br>(iii) promoting gender equality and empowering women;<br>(x) Rural Development / Slum Development | AT & P - Vapi<br>AT & P - Ankelshwar & Jhagadia<br>AT & P - Mumbai | District - Valsad<br>District - Bharuch, Gujarat | 3,00,00,000 | 1,17,38,829 | -- | 1,17,38,829 | "Direct by Company<br>Also with local NGO's working in area as mentioned in column 2" |

| 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 Expenses | 2.Over heads | | |
| 8. | NATIONAL NEED - Development Support for National cause and to organisation like<br>• Global Parli Project<br>• Friends of Tribal Society<br>• Veermata Jijabai Technological Institute<br>• Save the Children India<br>• Kamaraj Children Education Trust<br>• Rohini Education Society<br>• Mahatma Gandhi Vidyalay, MANCHAR<br>• Prayas Society<br>• Swami Vivekanand Education Trust | Category (i), (ii), (iii), (vi), (vii), (x) | (i) eradicating extreme hunger and poverty;<br>(ii) promotion of education;<br>(iii) promoting gender equality and empowering women;<br>(vi) ensuring environmental sustainability;<br>(vii) employment enhancing vocational skills;<br>(x) Rural Development / Slum Development | | | 6,14,50,000 | 2,56,51,000 | -- | 2,56,51,000 | Through NGO's mentioned in column 2 |

# 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;

4. 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.

5. 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 2 TO DIRECTOR'S REPORT

# SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019 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, 2019 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 and Listing of Debt Securities) Regulations, 2008,
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- e) 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 M/s N L Bhatia & Associates
*Practicing Company Secretaries*
UIN: P1996MH055800

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

Date: 17th May, 2019
Place: Mumbai

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, Standards 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
*Practising Company Secretaries*
UIN: P1996MH055800

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

Date: 17th May, 2019
Place: Mumbai

ANNEXURE 3 TO DIRECTOR'S REPORT

# 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, 2019.

| | | | |
|---|---|---|---|
| 1 | The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year | 1020953 R D Shorff | 181x |
| | | 1020957 Arun Ashar | 46x |
| 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 | 1020953 R. D. Shroff | 13% |
| | | 1020957 Arun Ashar | 10% |
| | | 1000007 M. B. Trivedi | 5% |
| | | 1203524 Anand Vora | 10% |
| 3 | The percentage increase in the median remuneration of employees in the financial year | | 8% |
| 4 | The number of permanent employees on the rolls of company | | 4703 |
| 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 financial year | 2% |
| | | Percentile increase in the Managerial remuneration | 3% |
| 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 |

# 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, 2019.

| Sr. No. | Name | Designation | Remuneration | Qualification | Date of .Joining | Age | Last Employement |
|---|---|---|---|---|---|---|---|
| 1 | R D Shroff | Chairman & Managing Director | 130809859 | B.Sc. | 29/05/1969 | 85 | Nil |
| 2 | Ajit Premnath | COO & Global Business Head - Crop Protection | 35183764 | M.Sc., MBA (Marketing) | 01/08/2015 | 61 | UPL Europ Ltd. |
| 3 | Farokh N Hilloo | Global Sales Director | 28530819 | B.A, Diploma in Import Export Management | 08/07/1991 | 57 | Indian Commercial Company Ltd. |
| 4 | Vidya Sagar Kaushik | President - Corporate Affairs and Industry Relations | 29694574 | B.Sc., PGDM | 01/04/2011 | 66 | Bayer Ag. |
| 5 | K R Srivastava | CEO - Specialty Chemicals | 32082720 | B.Chem., PGDBMA (IIM), DSM | 20/07/1999 | 61 | Pharmaceutical Products of India Ltd. |
| 6 | Anand Kantilal Vora | Chief Financial Officer | 37573161 | B. Com, CA | 05/08/2013 | 54 | Bunge India |
| 7 | Ashutosh Kumar Awasthi | Chief Executive Officer | 17934680 | B.Tech., MBA | 11/06/2008 | 50 | Piramal Glass Ltd. |
| 8 | Arun Ashar | Director - Finance | 31424564 | B.Com., ACA | 01/07/1994 | 70 | Excel Industries Ltd. |
| 9 | Rohit Kumar | Director - Legal | 23550618 | LLB | 01/07/2010 | 40 | Freehills |
| 10 | Kishore Gurbux Chandiramani | Director - Global Institutional Business | 18960560 | B.Sc, MMM | 01/04/2014 | 55 | Gharda Chemicals Limited |
| 11 | Janakiraman Rajaraman | Director - Global Procurement | 17622212 | BE, MBA | 01/07/2014 | 52 | Heinz India |
| 12 | Sameer Tandon | Regional Director - India | 21351900 | BE. | 01/12/2016 | 49 | Orient Electric limited |
| 13 | Nitin Achyut Kolhatkar | Vice President - Finance | 20589398 | M.Com, ICWA | 11/10/2011 | 55 | Arshiya Ind. Ltd. |
| 14 | Raj Kumar Tiwari | Global Director - Supply Chain & Manufacturing | 20501855 | B.Tech., PGDM | 06/09/2011 | 48 | CEAT Tyres |
| 15 | A Balaji | Chief Information Officer | 14999816 | B.Com, A.C.A | 25/03/2015 | 51 | Piramal Enterprise Ltd |
| 16 | Swapnil Onkar Ganvir | Executive Pilot | 12447328 | B. Com | 15/06/2012 | 41 | Air India Express |
| 17 | Prashant B Belgamwar | Business Director - South Asia, Advanta | 14579459 | B.Sc. M.Sc. | 09/09/2016 | 54 | Syngenta India Limited |
| 18 | Mahesh Vijay Wataney | Director - Industrial Chemical Business | 11212569 | BE. MMS | 04/03/2013 | 50 | Kansai Newtac |
| 19 | Sunil Raghunath Potale* | Vice President - Specialty Chemicals | 14174612 | | 11/02/1999 | 59 | |

| Sr. No. | Name | Designation | Remuneration | Qualification | Date of .Joining | Age | Last Employement |
|---|---|---|---|---|---|---|---|
| 20 | P.Suresh Reddy * | Business Head | 14311741 | B.Sc. M.Sc. Agriculture | 15/07/2003 | 53 | Fmc India Pvt. Ltd |
| 21 | Sandeep Chowdhury * | Senior General Manager - Legal | 10963670 | MBA / B.Tech / Diploma | 01/04/2017 | 44 | ADVANTA SEEDS DMCC |
| 22 | M B Trivedi | Company Secretary | 10279288 | CA, CS | 17/07/1978 | 66 | S. V. Ghatalia & Co. |
| 23 | Rahul R Jadhav | Sr. General Manager - Accounts | 10747668 | M.COM | 01/09/1992 | 50 | Bayer Inida Ltd |
| 24 | S Balasubramanian | Director - Environment Business | 20562770 | M.SC | 01/12/1994 | 54 | M/S.Jeena & Co |
| 25 | Amul M Desai | Director - Manufacturing | 10221514 | | 20/03/1990 | 59 | |
| 26 | K M Banerjee | Executive Director | 10992555 | B.Tech | 01/07/1977 | 76 | |
| 27 | Ashish Dobhal | Senior General Manager - Global Sales Operations | 10355836 | M.Sc | 04/03/2003 | 43 | |
| 28 | Shyam Sunder Periwal | Vice President - Internal Audit | 10321194 | CS | 08/03/2004 | 51 | Otis Elavator Co (I) |
| 29 | D Melwyn Moses | Director - Manufacturing | 10012349 | BE Mechanical Engineering | 15/10/2004 | 47 | Merisant I.P.Ltd |
| 30 | Subhat Kumar Jindal | Senior General Manager - Manufacturing | 11865788 | BE Chemical Engineering | 02/06/2015 | 51 | Lanxess India Pvt/ Ltd |
| 31 | Shrenik Mehta | Global Portfolio Lead - Fungicides | 11310907 | Post Graduation Finance | 18/04/2016 | 43 | DCM Shriram |
| 32 | Mritunjay Chaubey | Vice President - Environment | 10253602 | BE/Ph.D. | 01/07/2016 | 47 | Unilever |
| 33 | Parasu Veera Uppara | Head - Technology & Business Development, Specialty Chemicals | 10433916 | BTECH / MTECH / PHD | 22/08/2016 | 46 | Reliance Industries Ltd. |
| 34 | Vishal Sodha | Global Head - IPR | 11438535 | BSC / MSC / PHD / LLB | 09/09/2016 | 42 | Apotex Pharmachem India Pvt. Ltd. |
| 35 | Maneesh Bhalla | Head - Projects | 13204887 | BE / MFM | 17/11/2016 | 51 | Reliance Industries Limited |
| 36 | Sanjay Singh | Global Chief Human Resource Officer | 11017171 | MBA | 05/09/2018 | 50 | CG POWER AND INDUSTRIAL SOLUTIONS LIMITED |

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 5 TO DIRECTOR'S REPORT

# 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 2018-19

i. **The following Energy conservation measures were taken during the year 2018-19.**

The Company has dedicated 'Energy Cell' which is continuously working for achieving Energy excellence, by identifying and implementing new and innovative measures across The Company's plants. The Team closely monitors specific energy consumption pattern across all manufacturing sites. It also conducts Periodic Internal & external energy audits. This has resulted in reduction of energy and CO2 footprint. Energy Cell is also involved in building internal capability by imparting Trainings and demonstration of new technologies.

Key Focus area has been on heat integration in processes and waste heat recovery.

Major Energy saving initiatives are mentioned below;

1. Reduced utility cost of product by utility changeover from chilled water to cooling water in process.
2. Increment in mean time between cleaning and power reduction by Installation of VFD for ID blower.
3. Purchasing steam from community boiler.
4. Smart sensor for motor condition monitoring through cloud.
5. Excess steam sale to neighbor plants.
6. Power Purchase from Renewable sources. (5.7 MW from Wind)
7. Waste heat recovery from boiler flue gases by installing condensing economizer.
8. Reduced downtime & improved power generation capacity of power plant by installing surface condenser inline ball cleaning system.
9. 4 Effect MEE plant in place of single stage evaporation.
10. Roof top solar photo voltaic power generation of 760 KW.
11. Installed Back Pressure Turbine at multilocation to utilize kinetic energy, in place of steam PRV station.
12. We have installed Rain Water Harvesting system across The Company's units. This will not only harvest rain water but also save pumping power.

ii. **Steps taken by the Company to utilize alternate source & reduce energy consumption.**

1. To purchase additional Renewable **Wind power purchase and achieve total 10 MWe**.
2. To purchase Renewable **Solar Photo voltaic power @ 10 MWe**.
3. To recover **Kinetic energy** of PRV station and generate power using **Back pressure Turbine**. We have installed 4 such Turbines and 5 more are under process. Total power generation potential is @ **32 MW**.
4. To implement horizontal deployment of innovative measures, like process pinch, **Heat integration**, achieving higher overall efficiency, **Closed loop** condensate & Flash recovery system, Evaporative condenser etc.
5. To achieve ISO 50001, Energy management system for PL01.

iii. **Capital Investment on energy conservation equipment's:**

1. A total of 24 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. The Company's units have been recipients of multiple awards as a recognition of our energy conservation measures and Sustainability.

## B. Technology Absorption, Adaptation and Innovation

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

1. A second plant for an important herbicide was commissioned. The plant operates on a process which is designed to be cost effective by way of reduction in number of steps, raw materials cost and operational cost.
2. The production of an herbicide active ingredient was started on commercial scale

for manufacture and commercialization of a combination formulation meant mainly for corn crop.

3. A process for producing an intermediate of a previously commercialised herbicide, was commercialized after successful development with desired yield and quality. The intermediate is now produced in-house
4. Production of three specialty chemicals on a commercial scale was started and products with desired quality and yield are being produced.
5. The manufacturing process for an herbicide safener was improved to make it more cost effective and improved production yield.
6. Many new pesticide formulations were commercialized for launch both in the domestic and international markets.
7. Processes for several active ingredients were developed successfully at Research and Development Centres for future commercialization.
8. A large number of formulations of various active ingredients were successfully developed in the Research and Development Centres for future introduction
9. Processes were developed for the intermediates of at least three technical as an initiative to be self-dependent
10. The quality of many actives and formulation products were improved and the process implemented in the plant
11. Collaborative work with external agencies like Universities, Research Institutes and scientists in their individual capacity has resulted into innovations and new technology implementation at product and process stages and has been useful in upgradation of the existing technologies

ii. Benefits derived by the Company:

i. A second plant for an herbicide production was commissioned to increase in-house production of the technical active. This will result in sustained quality of the product and make the Company less dependent on vendors

ii. An herbicide active ingredient to be used in a combination formulation was produced in-house. This will result in cost-reduction and assured quality of the formulation

iii. New products introduced globally, resulting in business expansion

iv. Accomplishment of process development for several active ingredients will be helpful in the future implementation in the plants at commercial scale

v. Industrial process development and execution will result in expansion in revenue

vi. Production of Industrial chemicals and Specialty Chemicals will result in more revenue generation

vii. Process development of active ingredients with backward integration will result in cost-effectiveness and quality products

viii. Several pre-mix formulations are developed which will result into market launches in future

ix. For the existing technical products, improvement in quality and/or increase in yield have been worked out

x. The marketed formulations have been worked upon for improved quality and cost effectiveness

xi. Patent protection for the products and processes will help in reduced competition

xii. There have been increasing number of regulatory approvals in many countries for many products which will help in faster product launches

iii. Expenditure incurred on R & D

| | |
|---|---|
| Capital | 1158.93 Lacs |
| Recurring | 20371.44 Lacs |
| Total | 21530.37 Lacs |
| Total R & D expenditure - 2.54% (as a percentage of turnover) | |

## C. Foreign Exchange Earnings and Outgo:

| | | |
|---|---|---|
| 1. | Total Foreign Exchange earned | ₹519,521 Lacs |
| 2. | Total Foreign Exchange outgo | ₹340,978 Lacs |

# Report on 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 10 Directors as on 31st March, 2019.

Five Board Meetings were held during the year, in accordance with the minimum requirement of four meetings. The dates on which the meetings were held are as follows: 27th April, 2018, 20th July, 2018, 31st July, 2018, 26th October, 2018 and 31st January, 2019.

Composition and category of directors, other Directorships and Committee memberships as on 31st March, 2019:

| 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. Rajnikant Devidas Shroff @ DIN: 00180810 | Promoter and Executive Chairman and Managing Director | 5 | Present | 8 | 1 | - | N. A |
| Mrs. Sandra Rajnikant Shroff @ DIN: 00189012 | Promoter and Non-Executive Vice Chairman | 3 | Present | 7 | - | - | Nil |
| Mr. Jaidev Rajnikant Shroff @ DIN: 00191050 | Promoter and Non-Executive Director | 4 | Present | 3 | - | - | 54,00,109 Equity Shares . |
| Mr. Vikram Rajnikant Shroff @ DIN: 00191472 | Promoter and Non-Executive Director | 5 | Absent | 4 | - | - | 45,02,883 Equity Shares. |
| Mr. Arun Chandrasen Ashar DIN: 00192088 | Non-Promoter and Executive Director | 5 | Present | 7 | 4 | 1 | N.A |
| Mr. Kalyan Mohan Benerjee # DIN: 00276866 | Non-Promoter and Executive Director | 1 | N.A. | 1 | - | - | N.A |
| Mr.Pradeep Vedprakash Goyal DIN: 00008370 | Independent and Non-Executive Director | 5 | Absent | 3 | 2 | 2 | Nil |
| Dr. Reena Ramachandran DIN: 00212371 | Independent and Non-Executive Director | 5 | Present | 1 | 1 | - | Nil |
| Mr. Pradip Pranjivan Madhavji # DIN: 00549826 | Independent and Non-Executive Director | 1 | N.A. | 2 | 2 | 1 | Nil |
| Mr. Vinod Rajindranath Sethi DIN: 00106598 | Independent and Non-Executive Director | 5 | Absent | 2 | 1 | - | Nil |
| Mr. Hardeep Singh DIN: 00088096 | Independent and Non-Executive Director | 5 | Present | 3 | 2 | 1 | 32,538 Equity Shares. |
| Mr. Vasant Prakash Gandhi DIN: 00863653 | Independent and Non-Executive Director | 5 | Present | 1 | 1 | 1 | Nil |

Notes:* Excludes Directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

@ Mr. Rajnikant Devidas Shroff and Mrs. Sandra Rajnikant Shroff are spouse of each other and father and mother respectively of Mr. Jaidev Rajnikant Shroff and Mr. Vikram Rajnikant Shroff. Mr. Jaidev Rajnikant Shroff and Mr. Vikram Rajnikant Shroff are sons of Mr. Rajnikant Devidas Shroff and Mrs. Sandra Rajnikant Shroff and brothers of each other.

# Resigned during the year.

The details of familiarization programmes imparted to Independent Directors have been disclosed on the Company's website www.upl-ltd.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. Looking 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. Reviewing 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 27th April, 2018, 31st July, 2018, 26th October, 2018 and 31st January, 2019.

Composition of members of Audit Committee is as follows:

| Composition | Mr. Pradip Pranjivan Madhavji @ | Mr. Hardeep Singh *Chairman* | Mr. Pradeep Vedprakash Goyal | Mr. Vasant Prakash Gandhi |
|---|---|---|---|---|
| Meetings attended during the year | 1 | 4 | 4 | 4 |

@ Resigned with effect from 27th April, 2018.

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. Hardeep Singh 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 Vedprakash Goyal and Mr. Hardeep Singh.

One meeting of the Nomination and Remuneration Committee was held on 27th April, 2018.

Composition of members of Nomination and Remuneration Committee is as follows:

| Composition | Dr. (Mrs.) Reena Ramachandran, *Chairman* | Mr. Pradeep Vedprakash Goyal | Mr. Pradip Pranjivan Madhavji@ | Mr. Hardeep Singh |
|---|---|---|---|---|
| Meeting attended during the year | 1 | 1 | 1 | 1 |

@ Resigned with effect from 27th April, 2018.

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, 2019 to three Whole-time Directors is as follows:

₹ In lacs

| Name of Director | Salary | Perquisites | Retirement Benefits | Commission | Total |
|---|---|---|---|---|---|
| Mr. Rajnikant Devidas Shroff<br>*Chairman and Managing Director* | 510 | 211 | 162 | 450 | 1333 |
| Mr. Kalyan Mohan Banerjee @<br>*Whole-time Director* | 8 | 44 | 3 | 15 | 70 |
| Mr. Arun Chandrasen Ashar<br>*Whole- time Director* | 126 | 77 | 40 | 60 | 303 |

@ Resigned with effect from 1st August, 2018.

The Company has paid the sitting fees for the year ended 31st March, 2019 to Independent and Non-Executive Directors for attending Board Meeting, Audit Committee Meetings, Remuneration Committee Meeting, CSR Committee Meeting and Stakeholders Relationship Committee Meeting as follows:

Mr. Pradeep Vedprakash Goyal ₹4,00,000/-, Dr. Reena Ramachandran ₹2,75,000/-, Mr. Pradip Pranjivan Madhavji ₹90,000/-, Mr. Vinod R. Sethi ₹2,50,000/-, Mr. Hardeep Singh ₹3,25,000/-and Mr. Vasant P. Gandhi ₹3,25,000/-.

In addition, the Company has paid commission to Independent and Non-Executive Directors of ₹10 lacs each to Mr. Pradeep Goyal, Dr. Reena Ramachandran, Mr. Pradip Madhavji, Mr. Vinod Rajindranath Sethi, Mr. Hardeep Singh and Mr. Vasant Prakash Gandhi.

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 one Independent, one Promoter and one Executive Director 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 31st January, 2019.

Composition of members of Stakeholders Relationship Committee is as follows:

| Composition | Mr. Pradip Pranjivan Madhavji @ | Mr. Pradeep Vedprakash Goyal *Chairman* | Mrs. Sandra Rajnikant Shroff | Mr. Arun Chandrasen Ashar |
|---|---|---|---|---|
| Meeting attended during the year | - | 1 | 1 | 1 |

@ Resigned with effect from 27th April, 2018.

Compliance Officer:
Mr. M. B. Trivedi, Company Secretary

The Company also has its separate shares transfer committee consisting of Mrs. Sandra Rajnikant Shroff and Mr. Arun Chandrasen 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.

No complaint was pending at the beginning of the year and the total number of complaints received during the year under review were 81 of which 62 complaints were addressed to the satisfaction of shareholders on or before 31st March, 2019 and 19 complaint were pending as on or before 31st March, 2019.

Twenty-one requests for transfers were pending for approval as on 31st March, 2019, out of which nine were processed under objections on or before 15th May, 2019 and twelve was approved and dealt with on 8th April, 2019.

## 7. General Body Meetings

(A) Annual General Meetings:

Location and time for last three Annual General Meetings were:

| Year | AGM | Location | Date | Time |
|---|---|---|---|---|
| 2015-16 | 32nd AGM | Hotel Green View Hall<br>N. H. No. 8, Vapi, Gujarat - 396 195. | 29/06/2016 | 10.00 a.m. |
| 2016-17 | 33rd AGM | Hotel Green View Hall<br>N. H. No. 8, Vapi, Gujarat - 396 195. | 08/07/2017 | 11.00 a.m. |
| 2017-18 | 34th AGM | Hotel Green View Hall<br>N. H. No. 8, Vapi, Gujarat - 396 195. | 23/08/2018 | 11.00 a.m. |

The following special resolutions were passed by the members during the last three Annual General Meetings:

2015-16

a) Private placement of Non-Convertible Debentures.

2016-17

a) Private placement of Non-Convertible Debentures.

b) Approval of UPL Limited -Employees Stock Option Plan 2017.

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

2017-18

a) Private placement of Non-Convertible Debentures.

b) Re-appointment of Mr. Rajnikant Devidas Shroff as Chairman and Managing Director for a further period of five years from the expiry of his present term of office, i.e., with effect from 1st October, 2018 and of payment of remuneration.

c) Re-appointment of Mr. Arun Chandrasen Ashar as Whole-time Director designated as Director-Finance for a further period of five years from the expiry of his present term of office, i.e., with effect from 1st October, 2018 and of payment of remuneration.

The following special resolutions were passed by the members during Extra-Ordinary General Meeting of the members of the Company held on 22nd March, 2019.

a) Continuation of Directorship by Mrs. Sandra Rajnikant Shroff (DIN: 00189012) as Non-Executive Director of the Company, liable to retire by rotation.

b) Continuation of Directorship by Dr. Reena Ramachandran (DIN: 00212371) as an Independent Non-Executive Woman Director of the Company.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of voting pattern

2018-19

- No 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.upl-ltd.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.upl-ltd.com.

The Management Discussion and Analysis (MD&A) forms a part of the annual report.

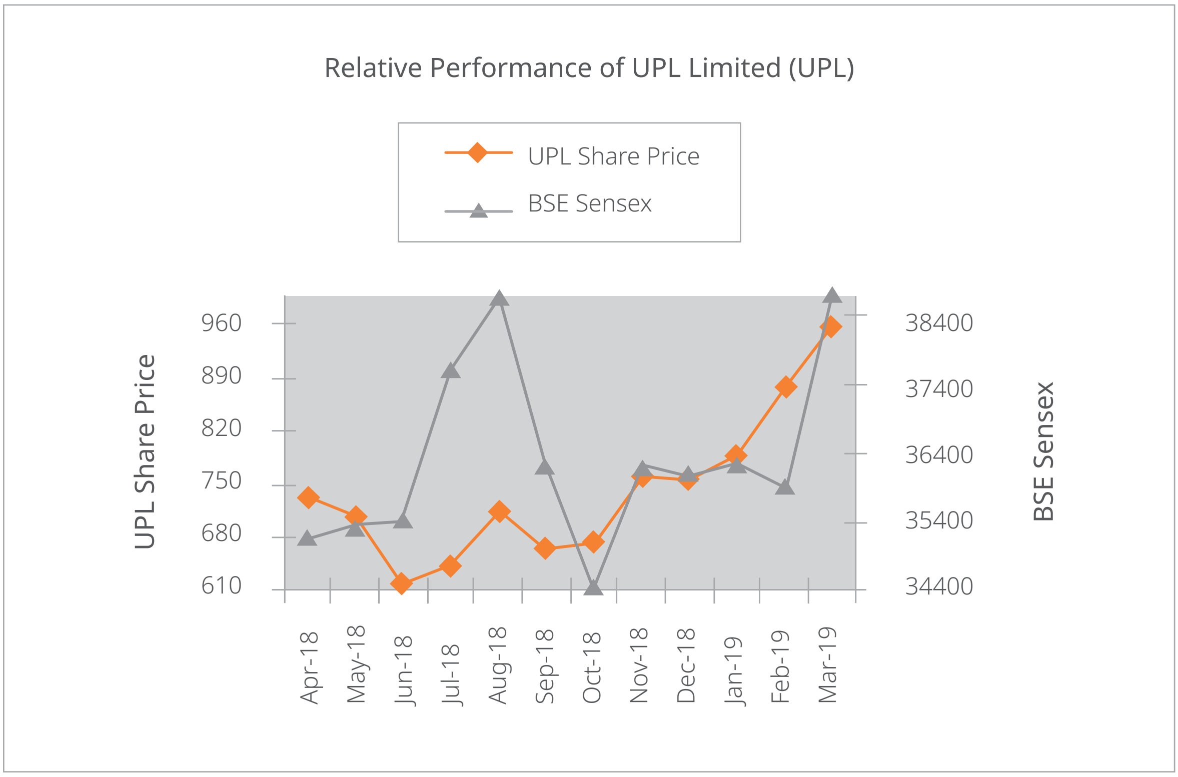
## 9. General Shareholder Information

| | |
|---|---|
| **9.1. Annual General Meeting** | |
| Date | 28th August, 2019 at 11.00 a.m. |
| Venue | : Hotel Green View Hall<br>N. H. No. 8, Vapi - 396195, Gujarat. |
| **9.2. Financial calendar** | |
| Annual General Meeting – | 28th August, 2019 |
| Results for quarter ending June 30th, 2019 | On or before 14th August, 2019 |
| Results for quarter ending September 30th, 2019 | On or before 14th November, 2019 |
| Results for quarter ending December 31st, 2019 | On or before 14th February, 2020 |
| Results for quarter/ year ending March 31st, 2020 | Last week of April, 2020/May, 2020. |
| **9.3. Dividend payment date** | On or after 2nd September, 2019 |
| **9.4.** (a) Listing of Equity Shares on Stock Exchanges at | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and<br>National Stock Exchange of India Ltd. Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (East), MUMBAI 400 051 |
| (b) Listing of GDR on the Stock Exchange at | 42103942 GDR, arising out of amalgamation of erstwhile Advanta Ltd. with the Company, are listed at Singapore Stock Exchange Ltd. |
| The Company has paid the annual listing fees to each of the stock exchange. | |
| **9.5.** (a) Security Code/Symbol | BSE Ltd.: 512070<br>National Stock Exchange of India Ltd.: UPL<br>Singapore Stock Exchange Ltd.: BYS |
| (b) Demat ISIN Number in NSDL & CDSL for Equity Shares of ₹2/- each | INE628A01036 |

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, 2018 | 776.75 | 725.00 | 774.90 | 725.10 |
| May, 2018 | 742.00 | 673.25 | 741.00 | 672.75 |
| June, 2018 | 715.70 | 603.15 | 716.85 | 604.30 |
| July, 2018 | 662.10 | 537.90 | 662.65 | 537.25 |
| August, 2018 | 721.00 | 599.60 | 721.90 | 599.20 |
| September, 2018 | 738.40 | 590.00 | 738.90 | 588.50 |
| October, 2018 | 677.50 | 582.20 | 677.20 | 582.15 |
| November, 2018 | 790.00 | 660.00 | 789.40 | 670.00 |
| December, 2018 | 794.25 | 722.20 | 794.30 | 771.20 |
| January, 2019 | 790.00 | 743.60 | 789.90 | 743.10 |
| February, 2019 | 881.00 | 758.65 | 881.60 | 758.00 |
| March, 2019 | 958.90 | 862.75 | 962.90 | 863.55 |

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.

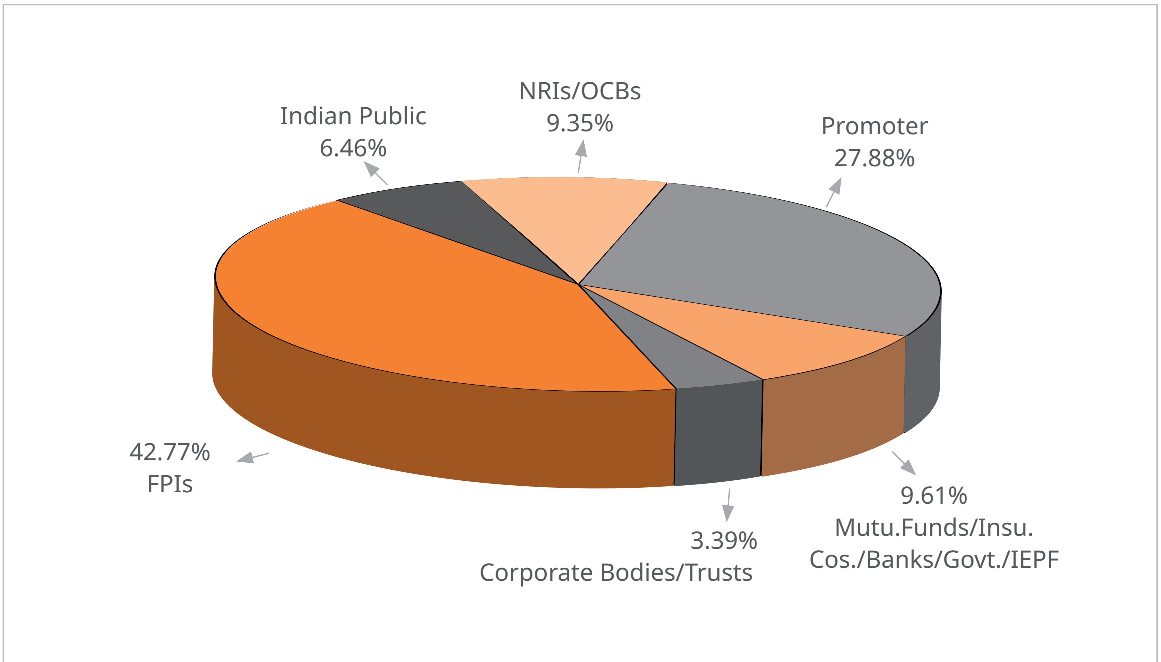


| | |
|---|---|
| 9.8. Registrar and Share Transfer Agent (Share for transmission/transposition and communication regarding share certificate, dividends and change of address). | Link Intime India Pvt. Ltd.<br>Unit: UPL Limited<br>C-101, 247 Park, LBS Marg,<br>Vikhroli (West), Mumbai- 400 083. |
| Also, for the benefit of the Shareholders, the documents will be accepted at the following office of the Company: | UPL Limited<br>Secretarial Department<br>Uniphos House,<br>C. D. Marg, 11th Road,<br>Madhu Park, Khar (West),<br>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, 2019:

| Shareholding of Nominal Value of (₹) | Shareholders | | Share Amount | |
|---|---|---|---|---|
| | Numbers | % of Total Nos. | In (₹) | % of Total Amt. |
| 1 – 1,000 | 74119 | 86.55 | 12169722 | 1.19 |
| 1,001 – 2,000 | 4132 | 4.82 | 6668936 | 0.65 |
| 2,001 – 4,000 | 3184 | 3.72 | 10254930 | 1.01 |
| 4,001 – 6,000 | 1053 | 1.23 | 5322828 | 0.52 |
| 6,001 – 8,000 | 727 | 0.85 | 5314146 | 0.52 |
| 8,001 – 10,000 | 388 | 0.45 | 3524582 | 0.35 |
| 10,001 – 20,000 | 894 | 1.04 | 12483606 | 1.23 |
| 20,001 and above | 1145 | 1.34 | 962946590 | 94.53 |
| Total | 85642 | 100 | 1018685340 | 100 |

9.11 Shareholding pattern as on 31st March, 2019:



| | |
|---|---|
| 9.12. Dematerialization of shares | 99.03% of the outstanding shares have been dematerialized up to 31st March, 2019. Trading in Equity Shares of the Company is permitted only in dematerialized 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 2018–2019 is given below:

| | BSE Ltd. (BSE) | National Stock Exchange of India Ltd. (NSE) | BSE+NSE |
|---|---|---|---|
| In no. of shares (in thousand) | 152.02 | 2070.82 | 2222.84 |

(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, 2019 there are Outstanding GDRs represent 42353062 shares (8.32%). |
| 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, Tarapore and Hyderabad. |
| 9.16 Address for Correspondence<br>(i) Investor correspondence | For Shares held in Physical Form<br>Link Intime India Pvt. Ltd.<br>Unit: UPL Limited<br>C-101, 247 Park, LBS Marg,<br>Vikhroli (West), Mumbai- 400 083. |
| | Telephone No(s): 91-22-49186270<br>Fax No.: 91-22-49186060<br>Email: rnt.helpdesk@linkintime.co.in<br>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<br>Secretarial Department<br>Uniphos House,<br>C. D. Marg, 11th Road,<br>Madhu Park, Khar (West),<br>Mumbai 400 052.<br>Telephone No.: 91-22-26468009/10 |
| | For Shares held in Demat form<br>To the Depository Participant(s) |
| (ii) Any query on Annual Report | Mr. M. B. Trivedi, Company Secretary<br>UPL Limited<br>Legal & Secretarial Department<br>Uniphos House, C. D. Marg<br>Madhu Park, Khar (West), Mumbai 400 052.<br>E-Mail : trivedimb@uniphos.com |
| (iii) Exclusive e-mail ID of the grievance redressal division | upl.investors@upl-ltd.com |
| (iv) Corporate website | www.upl-ltd.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.upl-ltd.com.

(f) Policy on dealing with related party transaction has been disclosed on the Company's website www.upl-ltd.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.upl-ltd.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,
May , 2019

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

# 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, 2019

On behalf of the Board of Directors of
UPL Limited

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

Mumbai,
May 17, 2019

# Compliance Certificate

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Rajnikant Devidas 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 2018-2019.

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.

RAJNIKANT DEVIDAS SHROFF
*Chairman and Managing Director*

ANAND VORA
*Chief Financial Officer*

# Auditor's certificate on Corporate Governance

To,
The Members of
**UPL Limited**
UPL House
610 B/2, Bandra Village
Off Western Express Highway Bandra (East)
Mumbai 400 051
17 May 2019

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018.

1. This Certificate is issued in accordance with the terms of our agreement dated 09 March 201 9.

2. This Report contains details of compliance of conditions of Corporate Governance by UPL Limited ('The Company') for the year ended 31 March 2019, as stipulated in Regulations 17- 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and 2018 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance Whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certifications for Special Purposes issued by the Institute of Chartered Accountant of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company .

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For B S R & Co. LLP
*Chartered Accountants*
ICAI Firm Registration Number: 101248W/W-100022

Bhavesh Dhupelia
Membership No: 042070
Certificate UDIN No: 19042070AAAAA07139
Partner

17 May 2019
Mumbai

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
**UPL Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UPL Limited** having **CIN: L24219GJ1985PLC025132** and having registered office at 3-11, G.I.D.C., Vapi, Distt. Valsad-396195 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Rajnikant Devidas Shroff | 00180810 | 01/10/1992 |
| 2. | Sandra Rajnikant Shroff | 00189012 | 01/10/1992 |
| 3. | Hardeep Singh | 00088096 | 02/02/2015 |
| 4. | Pradeep Vedprakash Goyal | 00008370 | 31/01/2002 |
| 5. | Vinod Rajindranath Sethi | 00106598 | 30/01/2006 |
| 6. | Jaidev Rajnikant Shroff | 00191050 | 01/10/1992 |
| 7. | Vikram Rajnikant Shroff | 00191472 | 22/04/2006 |
| 8. | Arun Chandrasen Ashar | 00192088 | 01/03/1993 |
| 9. | Reena Ramachandran | 00212371 | 21/10/2003 |
| 10. | Vasant Pakash Gandhi | 00863653 | 23/11/2015 |
| 11. | Kalyan Banerjee<br>*resigned w.e.f August 01, 2018 | 00276866 | 01/10/2008 |
| 12. | Pradip Madhavji<br>*resigned w.e.f. April 27, 2018 | 00549826 | 29/01/2004 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Bharat Upadhyay
*Partner*
FCS: 5436
CP. No. 4457

Date: 17th May, 2019
Place: Mumbai

# Business Responsibility Report

For the year 2018-2019

## 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.upl-ltd.com |
| 5. | E-mail id | trivedimb@upl-ltd.com |
| 6. | Financial Year Reported | April 2018 to March 2019 |
| 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 (as in balance sheet) | a) Industrial chemicals<br>b) Agrochemicals<br>c) Hybrid seeds |
| 9. | Total number of locations where business activity is undertaken by the Company: | |
| | a. Number of International Locations | 75 |
| | b. Number of National Locations | 26 Depots & 10 companies |
| 10. | Markets served by the Company – Local/State/National/International: | a. Global Market, 120 countries in the world |

## Section B: Financial Details of the Company

| | | |
|---|---|---|
| 1. | Paid Up Capital (INR) | ₹102 crores |
| 2. | Total Turnover (INR) | 8,660 crores |
| 3. | Total Profit after Taxes (INR) | 405 crores |
| 4. | Total Spending on Corporate Social Responsibility (CSR as percentage of Profit after Tax) | 18.00 crores (4.44% of Profit after Tax) |
| 5. | List of activities in which the expenditure in 4 above has been incurred. | ➢ National Institutions (Gnyandham, EMRS, Nursing, SRICT, U-CAE)<br>➢ Sustainable Livelihood<br>➢ Nature conservation<br>➢ 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%)**

   Yes. All the Supplier/ Vendors which cater to the needs of UPL in terms of good and services as well as our affiliates globally come under the purview of our Supplier Code of Conduct. These entity include our supplier, contractors, contract manufacturers, tollers and joint venture partners whom share a contractual and commercial relationship with us. The policy specifies lays down our expectations from our value chain partners.

## Section D: BR Information

1. Details of Director/Directors responsible for BR

a) 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@upl-ltd.com |

2. Principle-wise (as per NVGs) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

<table>
<tr><th>No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1</td><td>Do you have policy/policies for...</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Has the policy been formulated in consultation with relevant stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">Yes, all the policies have been developed in consultation with the Management of the Company.</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Does the policy conform to any national /international standards? If yes, specify? (50 words)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies are formulated as per principles of National Voluntary Guidelines (NVG)</td></tr>
<tr><td rowspan="3">4</td><td>Has the policy been approved by the Board?</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies are approved by the board and signed by the heads of the respective department responsible for the implementation of the policies.</td></tr>
<tr><td>5</td><td>Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">6</td><td rowspan="2">Indicate the link to view the policy online?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies are available on our internet portal which can be viewed at http://www.upl-ltd.com</td></tr>
<tr><td>7</td><td>Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>8</td><td>Does the Company have in-house structure to implement its policy/ policies?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>9</td><td>Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>10</td><td>Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
</table>

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

| 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 2017-18

## Section E: Principle Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

A. 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 is in the core of all our business practices and activities. Being a responsible brand we have policies in place that establish a robust mechanism to ensure ethical conduct and transparency. Clauses pertaining to our anti-bribery, conflict of interest, compliance with Government rules, intellectual property, confidentiality, advertising, fair dealings and equal opportunity are covered in our Code of Conduct. This Code extends to all employees, directors and senior management personnel. Our strict adherence to ethical practices trickles down to our value chain through a separate code of conduct guidance for our suppliers, contractors, contract manufacturers, tollers and joint venture partners. This policy guideline lays down principles with respect to ethics, intellectual property, legal requirements, employment practices, health, safety, environmental and quality practices, conflict minerals, procurement from civil war zones, communications, monitoring and compliance.

B. How many stakeholder 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.

The Company has incorporated a stakeholder relationship committee which comprises of three independent directors. UPL's whistle blower policy is applicable to all our relevant stakeholders. In the current financial year we have received 01 number of complains and same was resloved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

UPL understands impacts of its business on environment & society and takes responsibility to develop its products, favoring betterment of environment and society. In every action of the Company, the farmer is at the beginning and in the center of our activities. UPL invests in cost efficient products for our beneficiaries. Our products are energy efficient & consumes lower resources during utilization resulting in creating positive environmental footprint. Following are the three key products whose design address social and environmental concerns:

a. Herbicide

b. Insecticide

c. Fungicide

UPL believes in adapting new technologies which has a positive impact on environment and social dimensions along with economic dimensions. UPL has an in-house team for the evaluation and development of new technologies which helps us to make our processes more efficient.

Following are some technological upgradation adopted by UPL;

- We have implemented DAF-MBBR technology to reduce physical and organic impurities of wastewater
- We have implemented Zero Liquid discharge (ZLD) system at Unit-10 Tarapur (Maharashtra) to make it ZLD Plant
- We have started recycling 140 m3/day Sewage treated plant water in DVACl plant's cooling tower at Unit-0 Vapi, Gujarat.
- Installed rain water Harvesting system at Unit-4 Halol
- Installed Scaleban technology to recycle & reuse ETP treated wastewater in cooling tower at Unit- 1 Ankleshwar and Unit-5 Jhagadia, Gujarat
- We have signed and executed Green power purchase agreement of total 4.2 MWh wind energy for Unit-1 Ankleshwar and Unit-5 Jhagadia, Gujarat.
- Improved Loss on dry (LOD) of ETP waste at Unit-5 Jhagadia (Gujarat) and Unit-10 Tarapur (Maharashtra) to reduce moisture content by installing Volute dewatering system

1. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is actively working on its products to reduce overall impacts through incorporation of advance and effective technologies, few of the achievements are mentioned below.

1. In reporting year, we have recycled around 12% of water by various water recycling system like Reverse Osmosis (RO), Rain water Harvesting, steam condensate recovery and STP treated effluent recycling.
2. By Using renewable energy through Green Power purchase agreement, we have reduced around 6755 tons CO2

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is committed to reduce its environmental and social footprints through its activities. We thoughtfully design our products keeping our customers in mind and their requirements. We train farmers through our CSR activities on modern agricultural techniques which helps them to reduce their overall water consumption and electricity consumption.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

Yes, the Company has a sustainable procurement policy in place which is a guidance to our internal team and for suppliers/ vendors before onboarding them. Our internal team performs audits and our suppliers/ vendors also sign a declaration on "commitment to sustainability" which is the agreement from their side to maintain the laws and standards set by the Company.

The Company is also working with its Global Sustainability team to design sustainable practices, particularly for its supply chain. These practices primarily focus on improvements in process to improve energy efficiency, waste management, water management, and compliances regarding sustainability.

3. 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?

Yes, the Company understands the importance of development of its local suppliers and vendors and takes special initiatives to build their capacity and capability. UPL has training calendar in place on sustainable practices for suppliers and vendors, this includes physical interactions and online training modules.

We connect with local suppliers and vendors located nearby our plants to procure most of our packaging materials, this includes materials as Plastic bottles, Corrugated boxes, Fiber drums, Flexible laminates, HDPE Woven bags, etc. UPL also procures raw materials locally such as MnSO4, Salt, Caustic soda, Chlorine, Hydrated Lime, ZnSO4, 3-4 DCA, Specialized Starch, China clay, Mg turning, Ethanol, Sulphur, Ammonia, Chloral, Acids etc.

4. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

Yes, UPL has mechanisms in place to recycle its waste, most of our plants are "Zero Liquid Discharge". We recycled certain waste by 100%, which includes Ammonium chloride, Ammonium acetate, Methyl chloride, sodium sulfate, ammonium sulphate, calcium chloride, hydrochloric acid, MDC residue, HNO3, etc. Product recoveries are above 95 %, however some products are recovered 100%.

Other waste is treated as per required process and disposed safely.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees-

Total number of employees as on 31st March, 2019 is 4,703.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis –

Total number of employees hired on temporary/ contractual/ casual basis as on 31st March, 2019 is 7,773.

3. Please indicate the number of permanent women employees –

   Total number of permanent women employees as on 31st March, 2019 is 166.

4. Please indicate the number of permanent employees with disability –

   Total number of permanent employees with disability as on 31st March, 2019 is 22.

5. Do you have an employee association that is recognized by management?

   The Company does not have any recognized employee association.

6. What percentage of your permanent employees are a member of this recognized employee association?

   Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   The Company has implemented a policy on sexual harassment, UPL has initiated e-learning program for awareness of the policy and was mandated for employees. The Company has incorporated a corporate level committee to monitor the implementation of this policy with a presiding officer along with a unit level committee at all manufacturing units. This committee consist of male and female members both.

   We also have a Child Labor Policy which is strictly followed and it is applicable to all contract and permanent workforce.

| Category | No. of complaints during financial year | No. of complaints pending at the end of the financial year |
|---|---|---|
| Child Labour / Forced Labour / Involuntary Labour | Nil | Nil |
| Sexual Harassment | Nil | Nil |
| Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   UPL takes safety of its employees very seriously and has taken up programmes to train our workforce on how to main occupation health and safety.

   Safety – 14 PSM elements are the basis for Safety Processes. Trainings are provided accordingly to the workforce. Our internal team has developed few rituals on safety which is followed with full respect.

   - Daily Safety Talk: Daily briefing on safety before start of the shift.
   - Monthly we cover a particular safety theme by the unit safety representative.

   The Company also invests in trainings to upgrade the skills of our employees based on requirements and demand. A Calendar based training program is published for both behavior and functional development of the employees. Based on the availability and nominations the employees are provided with the trainings and certifications. No employee in manufacturing functions can take charge of respective activities unless they have undergone Level 0, 1 & 2 training minimum duration for which is 23 days. This training basically is intended for safety and functional expertise including safety in operating related functions.

   Company has several other training programmes which essentially addresses the areas of safety on various activities like construction safety, Chemical safety, emergency response, Process Safety Management, electrical safety etc. UPL does not differentiate between company employees or contractual employees.

   UPL has a defined Health and Safety policy which is available on the Intranet and accessible to all employees.

| Category | Total Hours of Training | | Hours of Training for Employees at Management level | | Hours of Training for Employees at Non-Management level | | Temporary Employees | | Contractual Employees | | Permanent Employees with Disabilities | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| a) Safety | 26013 | 126 | 102 | 0 | 25911 | 126 | - | - | - | - | - | - |
| b) Skill Upgradation | 41874 | 366 | 1764 | 24 | 40110 | 342 | - | - | - | - | - | - |
| c) Others | 16597 | 241 | 931 | 4 | 15665 | 236 | - | - | - | - | - | - |

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/No

   Yes, UPL has identified and mapped all its stakeholders

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes , UPL has identified its disadvantaged, vulnerable & marginalized stakeholders.

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, the Company has taken initiatives to engage with its disadvantaged, vulnerable and marginalized stakeholders through its Corporate Social Responsibility projects. The initiatives are planned and focused to generate livelihoods in a sustainable way for the targeted groups of Small farmers, Unemployed youth and Poor women. The Company focus on three development parameters, which are;

   1. Agriculture development
   2. Skill development
   3. Entrepreneurship

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?

   Yes, the human rights policy is applicable to the contractors associated with UPL limited.

   UPL has policies on Human Rights which are very robust and stringently followed by our stakeholders.

   These policies are for the protection of dignity and self-respect of our stakeholders and focus on to provide a harassment free work culture. The Company has adopted a fair culture and encourages its stakeholders to utilize our grievance redressal mechanisms which is accessible to all. This helps us to resolve the grievances with top scrutiny and urgency.

   The Company eludes all kind of discrimination based on the gender, caste, creed, religion, disability, marital status, pregnancy, culture, ancestry, socioeconomic status etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   As part of our policy, we have ethics committee, chaired by the principal ethics Counsellor with sub committees at every plant to redress any violation pertaining to human rights. No complaint received during 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, the environmental policy of the Company is applicable to group, joint venture, 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, UPL has undertaken several initiatives to address issues related to climate change. To know more details please prefer our Annual Sustainability report and excusive sustainability website on following link: http://sustainability.upl-ltd.com/

3. Does the Company identify and assess potential environmental risks? Y/N

   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?

   Yes, UPL had undertaken the project of fuel change from Naptha to Natural Gas at power plant. The Company also got registered 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.

Yes, the Company has taken various initiatives to make its processes clean and energy efficient, details are as mentioned below;

1. Clean technology adopted for manufacturing
   - Membrane cell Technology for caustic chlorine manufacturing
   - CS2 manufacturing using natural gas
   - Use of natural gas in Boiler
   - Recycle of steam condensate
   - Installed water recycling system (RO) & water recycled in to process
   - MDC residue (Spent solvent) Sold to recyclers / end users
   - Use of energy efficient LED lighting system across UPL sites
2. 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 sent for thermal destruction in TGTU
   - Mn(OH)2 recovered from ML
   - Recycle of drums for packaging

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   UPL always monitors its waste generation limits, this helps the Company to ensure that generated waste is within the limits provided by Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB).

7. **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:**

   Yes, the Company is member of various trade associations and chambers which helps UPL to identify and understand the common concerns of the business and its impacts on the communities. 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 ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, the Company lobbies with industry association and also with Government bodies to resolve the issues related to chemical and pesticide industry. UPL gets actively involved at industry forums and with Ministry through meetings and dialogues providing valuable suggestions favoring business and public good.

   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

**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 Philosophy always believes in holistic and sustainable growth of society. Three simple words, which lie at the core of the UPL philosophy (Doing Things Better), have been the guiding force in all our community interventions. All our CSR programs are determined with the trust that humankind is one community, where each member is responsible for the wellbeing of the other, hence our interventions are not restricted to the development of our neighboring communities only. We work on programs that cater to the wider national interest, our CSR efforts are focused in Gujarat and they have also touched lives in many other states including Maharashtra, West Bengal, Kashmir, Tamil Nadu and Himachal Pradesh.

Our commitment and interventions cater all the segment of the society and have been classified in 4 focus areas, they are:

- Institutions for Nation Buildings
- Sustainable Livelihoods
- Nature Conservation
- Local and National Needs

For more detail's login to https://www.upl-ltd.com/sustainability

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Yes, the Company has a dedicated in-house experienced CSR team/ UPL promoted foundation to make the blueprint and execute the CSR programmes. UPL also engages with third parties, Government organizations, NGO's and CBO's to perform specific programmes based on community needs and requirements.

3. Have you done any impact assessment of your initiative?

Yes, the Company conducts third-party impact assessment for all the CSR initiatives to measure the long-term impact of the interventions in a period of three years. Lately, the Company has conducted the study in 2016 where the results were very encouraging both at the macro and micro level. Few highlights of the assessment are pointed as below:

a. Impact on Financial wellbeing of neighboring community:

i. Under skill development initiatives, an average monthly income of youth in the region increased from ₹4,750 to ₹7,750 after getting trained from the center and getting gainfully employed. which is an increment of 63%.

ii. Under women empowerment program, the study found that an average monthly income of an SHG member is ₹3,155 as compared to a non SHG members ₹1,500, where both were engaging in income generation activity.

iii. Under skill based entrepreneurial development program, an average monthly income increased from ₹1,240 to ₹2,060 after getting trained, which is an increment of 66%.

iv. 18% increase in land productivity there by improving the profitability from paddy farming. Profits per acre from paddy increased from ₹ 1,472 to ₹3,199 after SRI application.

v. Under the initiative of Kitchen Garden development, weekly expense on green vegetables reduced from ₹146 to ₹99 after the interventions.

vi. The average monthly income of a nursing graduate of Sandra Shroff ROFEL College of Nursing, Vapi is ₹23,200 as compared to that of a simple graduate who gainfully employed ₹14,333/

b. Impact on Socio Cultural Environment

i. Women members experience enhances self-reliance, self-expression and advocacy, 100% of the women have advocated the program to others and have successfully enrolled more women in to SHGs. All the SHGs have experienced an increase in decision making powers in social and economic domains.

ii. 67% students feel more empowered to take decisions, while 44% felt their social status has improved after graduating from SRICT.

c. Impact on Human Resource Development

i. 69% of the youth experienced improvement in knowledge and skills at the skill development institute.

ii. 100% respondent children know the important of wearing footwear, washing hands, using dustbins and brushing teeth under School Sanitation program.

iii. 56% members improved their skills, 31% improved their knowledge and 13% experienced enhanced confidence in Valsad under women empowerment initiatives.

Additionally, the in-house team conducts need assessment survey before execution of the programmes/ projects and performs regular internal monitoring to validate the initiative in between.

4. What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.

Direct contribution to community development projects is ₹ 18.00 crores which is 4.4 % of profit after tax.

## Our CSR footprint in India

1. Gujarat
    - Vapi Cluster
    - Dang Cluster
    - Ankleshwar Cluster (Bharuch)
    - Jhagadia Cluster (Bharuch)
    - Dahej Cluster (Bharuch)
    - Vandri Cluster (Narmada)


2. Maharashtra
    - Mumbai Cluster
    - Marathwada Cluster

3. Other parts of country
    - Samba in Jammu
    - Haldia in West Bengal
    - Tiruvarur in Tamil Nadu
    - Kullu in Himachal Pradesh

## Efforts and impacts at a glace

Sustainable livelihoods - through agriculture interventions

UPL Agriculture Development @ Dang

5 years

45 villages

20 farmer groups

2,050 farmers

UPL Agriculture Development @ Ankleshwar

4 years

14 villages

18 farmer groups

276 farmers

UPL Agriculture Development @ Jhagadia
4 years
13 villages
9 farmer groups
145 farmers

UPL Agriculture Development @ Vapi
3 years
10 villages
10 farmer groups
200 farmers

UPL AKRSP(I) SRI
6 years
25 villages
1,500 farmers

Livelihood Enhancement of Tribals (Waghai block)
2 years
2 villages

UPL BoriBagicha
4 years
58 villages
2,191 farmers

Animal Husbandry
3 years
21 villages
185 households
1,992 artificial insemination

Agriculture Market Linkage

1 year (pilot phase)

UPL Agriculture Development @ Vandri

3 Years

4 Villages

436 Farmers

UPL Centre for Agriculture Excellence

17 Years

15181 Farmers

## Sustainable livelihood through skill development of youth and women

UPL Niyojaniy (Skill development program for dropouts)

5 Years

1327 Youth Trained

798 Placed in Industries

Skill Based Entrepreneurial Development Program

5 Years

1054 Participants trained

UPL Udyamita

5 Years

113 SHGs

36 Villages

1364 Women Members

Establishment of Micro-Enterprise

4 Micro-Enterprise

58 Members

## Environment and Nature Conservation (UPL VASUDHA)

Eco Club Project

Eco Club
5 Years
85 Eco Clubs
11821 members

Sarus Conservation Project, Kheda

4 Years

36 Villages

11997 Students

2306 Villagers

726 Sarus Officially Documented in Kheda

UPL Social Forestry

3 Years

84633 Saplings Planted

1,20,000 Mangroves Planted

Green Ganesha Workshop

4 Years

77 Schools

8590 Students

Water Conservation/ Resource Development Activities

1 Year

7 Group Wells,

2 Check dam

5 Deepening Ponds

25812 Cubic meter water conserved

## Projects of Local and National Interests

UPL School Sanitation

4 years

47 school sanitation blocks built

9,225 students are using the facility regularly

3,000 commuters/ day are using the facility

Safety Trainings

5 years

37,415 participants trained

UPL Unnati

3 years

9 Community Based Organizations empowered

United Against Child Labour

1 year

131 volunteers associated

3,010 growers made aware


Support to Motihari Farmer Producer Company(FPC)

10 FPCs formed

3,000 farmer members

Global Parli

3 years

106 villages

726 farmers

Vandri Cluster Development

3 years

4 villages

436 farmer families

UPL Deer & Ungulate Breeding Project

1 Year


Project "Asptal" – Mobile Medical Service at Hamirpur, Himachal Pradesh

1 Year

1 Medical Unit


Support to Seva Yagna Samiti, Bharuch for Neonatal Care

2 Years

198 new-born treated

Employee Engagement Program of UPL (We are United)

| Financial Year | No. of volunteers | Volunteer Hours | Man-days devoted for Community Development Program |
|---|---|---|---|
| 2014-2015 | 102 | 2727 | 341 |
| 2015-2016 | 152 | 3871 | 484 |
| 2016-2017 | 123 | 3866 | 483 |
| 2017-2018 | 125 | 3023 | 378 |
| 2018-2019 | 147 | 4863 | 608 |
| Total | | 18350 | 2294 |

## Institutions for Nation Building:

Smt. Sandraben Shroff GnyanDham School, Vapi

46 years

1600 students/year

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.

Our approaches of CSR initiatives emphasis on community participation in all stages of the project cycle. All our interventions focus on the needs, strengths and growth of the community. The below diagram explains the approaches, we adopt to implement any interventions

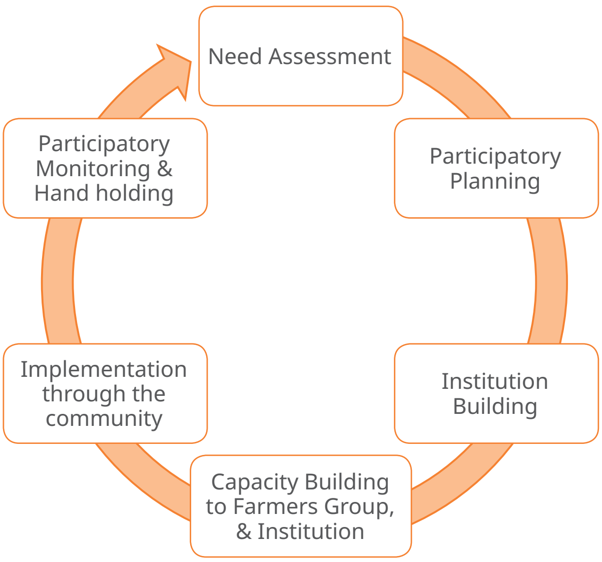


Figure: 1. Left above-Net Planning with community, 2. Right above- Transect walk –PRA, 3 & 4: Below Left & Right: Technical Survey and physical verification at ground (at Vandri)

Multiple interventions have been designed and implemented in Dang district to provide sustainable livelihood through improved agricultural practices, where all the interventions were planned and implemented with the support of farmers groups at the village level.

In Vandri Cluster development program, each activity was implemented through community from planning to final execution. It was ensured that the communities were involved in planning, procuring, implementing and ensuring quality of work implementation. Apart from their participation, they also contributed financially/through labour for individual work (25 %) and community work (10%). The whole project owned by the community at Vandri.

**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.**

   AT UPL, several internal mechanisms have been devised to track and attend to any consumer/customer complaints that arise. ERP systems track any complaint entered from the front -end sales team and ensure auto escalation if the same is not addressed expeditiously.

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)**

   UPL is a responsible corporate and our product labels display all information that is essential to ensure safe and efficacious use of our products. Product labels are compliant with all CIB regulations and legal metrology guidelines.

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.**

   No such cases were filed against the Company.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company strives to meet customer needs and provide best possible solutions to help them tide of their agriculture problems. Customer/consumer feedback is taken on a regular basis by deploying different kinds of surveys.

Both inhouse surveys as well as third party surveys through market research agencies were carried out. Internal surveys focussed mainly on dealer and farmer satisfaction and insights on need gaps.

An inhouse Survey with customers was carried out as a part of the manufacturing excellence by the factory team in Punjab, Haryana, Gujarat, Maharashtra to understand satisfaction with UPL products and services in terms of quality of packaging, delivery and product efficacy. The survey revealed high levels of satisfaction. Some shortcomings that were identified were acted upon systematically in a phase wise manner.

Inhouse customer surveys are also done by UPL Adarsha Kisan Center on regular basis with Farmer and Dealer to understand satisfaction levels and concerns if any.

The Company has its call centers at various locations in India like Mumbai, Visakhapatnam and Chandigarh under the brand of "Adarsh Kisan Center"(AKC). Our customers can connect with us through a toll-free number provided on all product packaging, they can lodge a complaint against any of our products or services as well. All the queries and complaints from customers are taken on priority and resolved. In case if a customer requires further assistance, the case is escalated to the field executive team of UPL, a person from our field team visits the location and resolves the issue personally. We use our call centers to take feedback from registered farmers at AKC, this scope of survey is broad which includes product availability, usage and market access of harvest.

External Surveys through Market Research agencies were done with farmers to understand insights on product usage, need gaps, and farmer satisfaction. Quality, ease of use, value for money when compared to competing brands were also measured.

# Statement of AOC 1 Form

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

## Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Amount in crores (₹)

| Sr. 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 | Investments (excluding investments made in subsidiaries) | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Shroffs United Chemicals Limited | | INR | 1.00 | 0 | 0 | 0 | 0 | - | 0 | 0 | (0) | 0 | - | 100% |
| 2 | SWAL Corporation Limited | | INR | 1.00 | 1 | 108 | 577 | 468 | - | 634 | 18 | (6) | 13 | - | 100% |
| 3 | United Phosphorus (India) LLP | | INR | 1.00 | 2 | 35 | 817 | 781 | - | 1,583 | 32 | (11) | 20 | - | 100% |
| 4 | United Phosphorus Global LLP | | INR | 1.00 | 0 | 0 | 0 | 0 | - | - | 0 | (0) | 0 | - | 100% |
| 5 | Optima Farm Solutions Limited | | INR | 1.00 | 2 | 38 | 43 | 4 | - | 132 | 17 | (5) | 12 | - | 100% |
| 6 | UPL Europe Limited | | EUR | 77.66 | 4,178 | 886 | 18,421 | 13,357 | - | 864 | 7 | (21) | (14) | - | 78% |
| 7 | UPL Deutschland GmbH | | EUR | 77.66 | 0 | 46 | 367 | 321 | - | 368 | 37 | (12) | 25 | - | 78% |
| 8 | UPL Polska Sp z.o.o. | | PLN | 18.05 | 0 | (0) | 0 | 0 | - | - | (0) | - | (0) | - | 78% |
| 9 | UPL Benelux B.V. | | EUR | 77.66 | 0 | 117 | 237 | 121 | - | 285 | 31 | (8) | 24 | - | 78% |
| 10 | Cerexagri B.V. | | EUR | 77.66 | 176 | 246 | 987 | 566 | - | 972 | 32 | (8) | 24 | - | 78% |
| 11 | Blue Star B.V. | | EUR | 77.66 | - | - | - | - | - | - | (0) | - | (0) | - | - |
| 12 | United Phosphorus Holdings Cooperatief U.A. | | EUR | 77.66 | 6,998 | (108) | 13,694 | 6,804 | - | 3 | (109) | (6) | (115) | - | 78% |
| 13 | United Phosphorus Holdings B.V. | | EUR | 77.66 | 0 | 4,447 | 6,438 | 2,015 | 23 | 3 | (16) | 5 | (10) | - | 78% |
| 14 | Decco Worldwide Post-Harvest Holdings Cooperatief U.A. | | EUR | 77.66 | 29 | (0) | 29 | 1 | - | 3 | (0) | - | (0) | - | 78% |
| 15 | Decco Worldwide Post-Harvest Holdings B.V. | | EUR | 77.66 | 0 | 37 | 170 | 132 | - | 3 | (4) | - | (4) | - | 78% |
| 16 | United Phosphorus Holding, Brazil B.V. | | EUR | 77.66 | 0 | 2,910 | 3,130 | 310 | 89 | 3 | (15) | 3 | (12) | - | 78% |
| 17 | UPL Italia S.R.L. | | EUR | 77.66 | 1 | 63 | 332 | 269 | - | 309 | 19 | (6) | 14 | - | 78% |
| 18 | UPL Iberia, S.A. | | EUR | 77.66 | 2 | 57 | 127 | 68 | - | 207 | 20 | (5) | 15 | - | 78% |
| 19 | Decco Iberica Postcosecha, S.A.U. | | EUR | 77.66 | 1 | 101 | 133 | 30 | - | 140 | 21 | (5) | 16 | - | 78% |
| 20 | Transterra Invest, S. L. U. | | EUR | 77.66 | 67 | (11) | 605 | 549 | - | - | (3) | (2) | (5) | - | 78% |
| 21 | Cerexagri S.A.S. | | EUR | 77.66 | 103 | 231 | 465 | 131 | - | 410 | 13 | (0) | 12 | - | 78% |
| 22 | Neo-Fog S.A. | | EUR | 77.66 | 2 | 24 | 33 | 7 | - | 33 | 10 | (3) | 7 | - | 78% |

Amount in crores (₹)

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 23 | UPL France | | EUR | 77.66 | 27 | 84 | 251 | 140 | - | 466 | 31 | (9) | 22 | - | 78% |
| 24 | United Phosphorus Switzerland Limited | | CHF | 69.44 | 1 | 1 | 1 | 0 | - | - | 0 | (0) | 0 | - | 78% |
| 25 | Agrodan, ApS | | DKK | 10.40 | 3 | 0 | 3 | 0 | - | - | 0 | (0) | 0 | - | 78% |
| 26 | Decco Italia SRL | | EUR | 77.66 | 8 | 41 | 73 | 24 | - | 44 | 4 | (1) | 3 | - | 78% |
| 27 | Limited Liability Company "UPL" | | RUB | 1.07 | 19 | (6) | 76 | 63 | - | 31 | (2) | 4 | 2 | - | 78% |
| 28 | Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA) | | EUR | 77.66 | 0 | (0) | 0 | 0 | - | 1 | 0 | (0) | 0 | - | 78% |
| 29 | United Phosphorus Inc. | | USD | 69.16 | 6,705 | (4,680) | 10,996 | 8,978 | 7 | 3,617 | (5,924) | 17 | (5,908) | - | 78% |
| 30 | UPI Finance LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 31 | Cerexagri, Inc. (PA) | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 32 | UPL Delaware, Inc. | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 33 | Canegrass LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 55% |
| 34 | Decco US Post-Harvest Inc | | USD | 69.16 | 0 | 46 | 177 | 131 | - | 244 | (47) | 11 | (36) | - | 78% |
| 35 | Essentiv LCC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 39% |
| 36 | RiceCo LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 37 | Riceco International, Inc. | | USD | 69.16 | 0 | 266 | 302 | 36 | - | 128 | 22 | - | 22 | - | 78% |
| 38 | UPL Corporation Limited | | USD | 69.16 | 125 | 11,301 | 40,682 | 29,290 | 35 | 1,692 | 393 | (8) | 385 | - | 78% |
| 39 | UPL Limited | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | - |
| 40 | UPL Management DMCC | | USD | 69.16 | 0 | 157 | 193 | 36 | - | 188 | 27 | - | 27 | - | 78% |
| 41 | UPL Limited | | USD | 69.16 | 0 | 2,957 | 3,938 | 1,025 | 44 | 2,802 | 523 | - | 523 | - | 78% |
| 42 | UPL Agro S.A. de C.V. | | MXN | 3.58 | 53 | (42) | 422 | 411 | - | 487 | (8) | 0 | (8) | - | 78% |
| 43 | Decco Jifkins Mexico Sapi | | MXN | 3.58 | 0 | (12) | 10 | 22 | - | 10 | (4) | - | (4) | - | 78% |
| 44 | Perrey Participações S.A | | BRL | 17.75 | - | - | - | - | - | - | - | - | - | - | 78% |
| 45 | Uniphos Industria e Comercio de Produtos Quimicos Ltda. | | BRL | 17.75 | 1,908 | (894) | 1,021 | 8 | - | - | (68) | (7) | (75) | - | 78% |
| 46 | Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A. | | BRL | 17.75 | 1,306 | 355 | 7,248 | 5,587 | - | 4,446 | (168) | 55 | (113) | - | 78% |
| 47 | UPL Costa Rica S.A. | | CRC | 0.11 | 0 | (13) | 225 | 237 | - | 332 | 2 | - | 2 | - | 78% |
| 48 | UPL Bolivia S.R.L | | BOB | 10.01 | 4 | (11) | 106 | 113 | - | 51 | (8) | - | (8) | - | 78% |
| 49 | UPL Paraguay S.A. | | PYG | 0.01 | 5 | (5) | 121 | 122 | - | 70 | 4 | - | 4 | - | 78% |
| 50 | Icona Sanluis S.A. | | USD | 69.16 | 2 | (26) | 14 | 38 | - | - | (6) | - | (6) | - | 78% |
| 51 | DVA Technology Argentina S.A. | | BRL | 17.75 | - | - | - | - | - | - | - | - | - | - | - |
| 52 | UPL Argentina S A | | USD | 69.16 | 227 | (434) | 414 | 622 | - | 356 | (214) | - | (214) | - | 78% |
| 53 | Decco Chile SpA | | CLP | 0.10 | 0 | 19 | 32 | 13 | - | 53 | 10 | (3) | 7 | - | 78% |

Amount in crores (₹)

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 54 | UPL Colombia SAS | | COP | 21.78 | 1 | (6) | 194 | 199 | - | 174 | (11) | (2) | (13) | - | 78% |
| 55 | United Phosphorus Cayman Limited | | USD | 69.16 | - | 56 | 696 | 640 | - | 385 | (20) | 5 | (15) | - | 78% |
| 56 | UP Aviation Limited | | USD | 69.16 | 0 | 12 | 47 | 35 | - | - | 4 | - | 4 | - | 78% |
| 57 | UPL Australia Limited | | AUD | 49.05 | 0 | 42 | 94 | 51 | - | 120 | 8 | (2) | 7 | - | 78% |
| 58 | UPL New Zealand Limited | | NZD | 47.02 | 0 | 3 | 4 | 0 | - | 6 | 1 | (0) | 0 | - | 78% |
| 59 | UPL Shanghai Limited | | RMB | 10.30 | - | - | - | - | - | - | - | - | - | - | 78% |
| 60 | UPL Jiangsu Limited | | RMB | 10.30 | - | - | - | - | - | - | - | - | - | - | 55% |
| 61 | UPL Limited (Korea) | | KRW | 0.06 | 0 | 0 | 9 | 9 | - | 2 | (2) | - | (2) | - | 78% |
| 62 | PT.UPL Indonesia | | IDR | 4.86 | 0 | 1 | 74 | 73 | - | 70 | (4) | - | (4) | - | 78% |
| 63 | PT Catur Agrodaya Mandiri | | IDR | 4.86 | 1 | (11) | 67 | 78 | - | 72 | 6 | (3) | 2 | - | 78% |
| 64 | UPL Limited | | USD | 69.16 | 0 | 252 | 687 | 435 | - | 744 | 24 | (0) | 24 | - | 78% |
| 65 | UPL Philippines Inc. | | PHP | 1.31 | 4 | 3 | 104 | 97 | - | 99 | 1 | (1) | 1 | - | 78% |
| 66 | UPL Vietnam Co. Limited | | VND | 2.98 | 4 | 105 | 223 | 113 | - | 237 | 31 | (6) | 25 | - | 78% |
| 67 | UPL Limited, Japan | | JPY | 62.44 | 6 | 4,022 | 6,965 | 3,020 | 82 | 207 | (44) | (1) | (45) | - | 78% |
| 68 | Anning Decco Fine Chemical Co. Limited | | RMB | 10.30 | 8 | 22 | 35 | 5 | - | 34 | 6 | (1) | 5 | - | 43% |
| 69 | UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi | | TRY | 12.26 | 118 | (40) | 300 | 222 | - | 247 | (42) | 7 | (35) | - | 78% |
| 70 | UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S. | | TRY | 12.26 | 10 | (24) | 29 | 43 | - | 16 | (31) | 2 | (29) | - | 78% |
| 71 | Safepack Products Limited | | ILS | 19.05 | - | 30 | 67 | 37 | - | 35 | (12) | (1) | (12) | - | 78% |
| 72 | Citrashine (Pty) Ltd | | ZAR | 4.76 | 0 | (4) | 27 | 31 | - | 35 | 0 | 1 | 1 | - | 78% |
| 73 | UPL Africa SARL | | XOF | 0.12 | - | - | - | - | - | - | - | - | - | - | - |
| 74 | Prolong Limited | | ILS | 19.05 | - | (0) | 2 | 2 | - | 0 | (3) | - | (3) | - | 78% |
| 75 | Agrinet Solutions Limited | | INR | 1.00 | 2 | 1 | 1 | 0 | 2 | - | (0) | - | (0) | - | 50% |
| 76 | Advanta Holdings B.V. | | EUR | 77.66 | 230 | 367 | 2,012 | 1,415 | - | - | (28) | (8) | (36) | - | 78% |
| 77 | Advanta Netherlands Holding B.V. | | EUR | 77.66 | 0 | 341 | 391 | 50 | - | 14 | (14) | - | (14) | - | 78% |
| 78 | Advanta US LLC (formerly known as Advanta U.S. Inc.) | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 79 | Advanta Seeds International | | USD | 69.16 | 73 | 686 | 1,068 | 309 | - | 263 | 75 | (3) | 73 | - | 78% |
| 80 | Advanta Seeds DMCC | | AED | 18.83 | 1 | 154 | 204 | 49 | - | 32 | (5) | - | (5) | - | 78% |
| 81 | Advanta Comercio De Sementes LTDA. | | BRL | 17.75 | 387 | (294) | 286 | 383 | 190 | 133 | (83) | - | (83) | - | 78% |
| 82 | Advanta Semillas SAIC | | ARS | 1.59 | 63 | (122) | 181 | 239 | - | 200 | (80) | - | (80) | - | 78% |
| 83 | Advanta Seeds Pty Ltd | | AUD | 49.05 | 25 | 252 | 301 | 74 | 50 | 259 | 63 | (17) | 46 | - | 78% |
| 84 | Pacific Seeds (Thai) Limited | | THB | 2.18 | 13 | 381 | 547 | 153 | - | 432 | 136 | (27) | 109 | - | 78% |
| 85 | Pacific Seeds Holdings (Thailand) Limited | | THB | 2.18 | 0 | 156 | 156 | 0 | - | - | (0) | - | (0) | - | 78% |

Amount in crores (₹)

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 86 | PT Advanta Seeds Indonesia | | IDR | 4.86 | 11 | (20) | 53 | 62 | - | 89 | 3 | (1) | 3 | - | 78% |
| 87 | Advanta Seeds Ukraine LLC | | UAH | 2.54 | 0 | 4 | 5 | 0 | - | 2 | (2) | - | (2) | - | 78% |
| 88 | UPL Limited Mauritius (Formely known as UPL Agro Limited Mauritius) | | USD | 69.16 | 0 | 491 | 1,783 | 1,291 | - | 2,488 | 412 | - | 412 | - | 78% |
| 89 | Riceco International Bangladesh Ltd | | BDT | 0.82 | 0 | 2 | 7 | 5 | - | 18 | 2 | (1) | 1 | - | 78% |
| 90 | Uniphos Malaysia Sdn Bhd | | MYR | 16.94 | 2 | (0) | 2 | 0 | - | - | 0 | - | 0 | - | 78% |
| 91 | Decco Gıda Tarım ve Zirai Ürünler San. Tic A.S. | | TRY | 12.26 | 4 | 3 | 36 | 29 | - | 33 | 4 | (1) | 3 | - | 78% |
| 92 | Arysta LifeScience Australia Pty Ltd. | | AUD | 49.05 | 2 | 78 | 201 | 121 | - | 51 | 9 | (3) | 6 | - | 78% |
| 93 | Arysta LifeScience Iberia SLU | | EUR | 77.66 | 18 | 28 | 129 | 83 | - | 59 | 9 | (2) | 7 | - | 78% |
| 94 | Arysta LifeScience France SAS | | EUR | 77.66 | 3 | (37) | 177 | 210 | - | 87 | (4) | - | (4) | - | 78% |
| 95 | Arysta Lifescience Italia SrL | | EUR | 77.66 | 0 | 74 | 256 | 182 | - | 1 | 2 | (0) | 2 | - | 78% |
| 96 | Arysta LifeScience Benelux SPRL | | EUR | 77.66 | 95 | 577 | 1,337 | 665 | - | 445 | 136 | (44) | 92 | - | 78% |
| 97 | ANESA S.A. | | EUR | 77.66 | 85 | 32 | 117 | 0 | - | - | (0) | - | (0) | - | 78% |
| 98 | Arysta LifeScience (Mauritius) Ltd | | USD | 69.16 | 349 | 94 | 582 | 139 | - | 90 | 14 | (0) | 14 | - | 78% |
| 99 | Arysta LifeScience South Africa (Pty) Ltd | | ZAR | 4.76 | 0 | 135 | 758 | 650 | 27 | 136 | (6) | 2 | (4) | - | 78% |
| 100 | Arysta LifeScience Argentina S.A. | | USD | 69.16 | 256 | (76) | 317 | 136 | - | 9 | (10) | (2) | (13) | - | 78% |
| 101 | Arysta LifeScience do Brasil Indústria Química e Agropecuária SA | | BRL | 17.75 | 569 | 534 | 2,917 | 1,825 | 10 | 157 | (46) | 14 | (32) | - | 68% |
| 102 | Volcano Agrociencia Industria e Comercio de Defensivos Agricolas Ltda | | BRL | 17.75 | 9 | (3) | 14 | 9 | - | - | (0) | - | (0) | - | 78% |
| 103 | Arysta LifeScience Chile S.A. | | USD | 69.16 | 66 | 241 | 373 | 66 | - | 39 | 4 | (1) | 3 | - | 78% |
| 104 | Arysta LifeScience Colombia S.A.S | | COP | 21.78 | 0 | 0 | 0 | 0 | - | 0 | 0 | (0) | 0 | - | 78% |
| 105 | Arysta LifeScience Mexico, S.A.de C.V | | MXN | 3.58 | 44 | 267 | 815 | 505 | - | 85 | (16) | 10 | (6) | - | 78% |
| 106 | Grupo Bioquimico Mexicano, S.A. de C.V. | | MXN | 3.58 | 220 | 523 | 897 | 154 | - | 46 | 13 | (2) | 11 | - | 78% |
| 107 | Arysta LifeScience Costa Rica SA. | | CRC | 0.11 | 0 | (1) | 11 | 12 | - | 2 | 0 | (0) | 0 | - | 78% |
| 108 | MacDermid (Shanghai) Chemical Ltd. | | RMB | 10.30 | 8 | (1) | 7 | 0 | - | - | (0) | - | (0) | - | 78% |

Amount in crores (₹)

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 109 | Arysta-LifeScience Ecuador S.A. | | USD | 69.16 | 7 | 3 | 19 | 10 | - | 1 | (1) | - | (1) | - | 78% |
| 110 | Arysta LifeScience Hellas S.A. Plant Protection, Nutrition and Other Related Products and Services | | EUR | 77.66 | 12 | 0 | 125 | 113 | - | 27 | 1 | (0) | 1 | - | 78% |
| 111 | PPWJ Sci | | EUR | 77.66 | - | 1 | 1 | 0 | - | - | (0) | - | (0) | - | 78% |
| 112 | Arysta LifeScience Japan Holdings Goudou Kaisha | | JPY | 62.44 | 0 | 1,434 | 1,434 | 0 | - | - | (0) | - | (0) | - | 78% |
| 113 | Arysta LifeScience Cameroun SA | | XOF | 0.12 | 10 | (13) | 145 | 148 | - | 15 | 2 | (0) | 2 | - | 78% |
| 114 | Arysta LifeScience (Shanghai) Co., Ltd. | | RMB | 10.30 | 22 | 19 | 128 | 86 | - | 36 | (4) | - | (4) | - | 78% |
| 115 | Arysta Health and Nutrition Sciences Corporation | | JPY | 62.44 | 31 | 487 | 596 | 86 | 7 | 86 | 15 | (3) | 12 | - | 78% |
| 116 | Arysta LifeScience Corporation | | JPY | 62.44 | 6 | 1,010 | 6,112 | 5,108 | 13 | 222 | (40) | 4 | (36) | - | 78% |
| 117 | Arysta LifeScience S.A.S. | | EUR | 77.66 | 146 | 1,403 | 2,093 | 549 | 4 | 386 | 95 | (33) | 62 | - | 78% |
| 118 | Arysta LifeScience Germany GmbH | | EUR | 77.66 | 19 | (18) | 66 | 65 | - | 33 | 1 | (0) | 1 | - | 78% |
| 119 | Arysta LifeScience Polska Sp. z.o.o | | PLN | 18.05 | 3 | 77 | 242 | 163 | 0 | 71 | 5 | (1) | 4 | - | 78% |
| 120 | Arysta LifeScience Peru S.A.C | | USD | 69.16 | 0 | 2 | 3 | 1 | - | 1 | 0 | - | 0 | - | 78% |
| 121 | GBM USA LLC | | USD | 69.16 | 0 | (8) | - | 8 | - | - | - | - | - | - | 78% |
| 122 | Arysta LifeScience S.R.L. | | BOB | 10.01 | 0 | 41 | 78 | 37 | - | 8 | (3) | - | (3) | - | 52% |
| 123 | MacDermid Agricultural Solutions Australia Pty Ltd | | AUD | 49.05 | 0 | 35 | 35 | - | - | - | - | - | - | - | 78% |
| 124 | Arysta LifeScience Services LLP | | USD | 69.16 | 1 | - | 1 | - | - | - | - | - | - | - | 78% |
| 125 | Arysta LifeScience India Limited | | INR | 1.00 | 5 | 103 | 206 | 98 | 0 | 32 | 3 | (0) | 3 | - | 78% |
| 126 | Arysta LifeScience Agriservice Private Limited | | INR | 1.00 | 0 | 0 | 0 | 0 | - | - | 0 | - | 0 | - | 78% |
| 127 | Arysta Agro Private Limited | | INR | 1.00 | 0 | (0) | 0 | 0 | - | - | (0) | - | (0) | - | 78% |
| 128 | Arysta LifeScience Ougrée Production Sprl | | EUR | 77.66 | 24 | 29 | 134 | 81 | - | 6 | 5 | (2) | 3 | - | 78% |
| 129 | Arysta LifeScience U.K. BRL Limited | | USD | 69.16 | 30 | 4,341 | 4,381 | 10 | - | 86 | 2 | 7 | 9 | - | 78% |
| 130 | Arysta LifeScience UK & Ireland Ltd | | GBP | 90.64 | 0 | 7 | 74 | 67 | - | 14 | 0 | 0 | 1 | - | 78% |
| 131 | Arysta LifeScience Global Services Limited | | EUR | 77.66 | 22 | (87) | 384 | 449 | - | 1 | (2) | 0 | (2) | - | 78% |

Amount in crores (₹)

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 132 | Arysta LifeScience U.K. JPY Limited | | JPY | 62.44 | 0 | (1) | 0 | 1 | - | - | (0) | - | (0) | - | 78% |
| 133 | Arysta LifeScience U.K. Limited | | GBP | 90.64 | 54 | 18 | 77 | 5 | - | - | (0) | - | (0) | - | 78% |
| 134 | Arysta Lifescience U.K. Holdings Limited | | USD | 69.16 | 1,193 | (375) | 2,974 | 2,156 | - | - | (1) | - | (1) | - | 78% |
| 135 | Arysta LifeScience Romania SRL | | RON | 16.31 | 7 | 6 | 120 | 108 | - | 52 | 8 | (1) | 7 | - | 78% |
| 136 | Arysta LifeScience Global Limited | | USD | 69.16 | 4,108 | (167) | 6,276 | 2,335 | - | 80 | 35 | - | 35 | - | 78% |
| 137 | Arysta LifeScience U.K. CAD Limited | | CAD | 51.56 | 0 | (1) | 0 | 1 | - | - | (0) | - | (0) | - | 78% |
| 138 | Arysta LifeScience European Investments Limited | | USD | 69.16 | 61 | (266) | 1,193 | 1,398 | - | - | (9) | - | (9) | - | 78% |
| 139 | Arysta LifeScience Great Britain Ltd | | GBP | 90.64 | 19 | (363) | 389 | 733 | - | 19 | 9 | 2 | 11 | - | 78% |
| 140 | Arysta LifeScience U.K. USD Limited | | USD | 69.16 | 1,291 | 2,562 | 10,511 | 6,658 | - | 9 | (80) | - | (80) | - | 78% |
| 141 | Arysta LifeScience U.K. EUR Limited | | EUR | 77.66 | 923 | 131 | 1,056 | 3 | - | 7 | 6 | - | 6 | - | 78% |
| 142 | Arysta LifeScience Netherlands BV | | EUR | 77.66 | 0 | 199 | 315 | 116 | - | 53 | 8 | (2) | 6 | - | 78% |
| 143 | MacDermid Agricultural Solutions Holdings BV | | EUR | 77.66 | 4,867 | 3,737 | 11,382 | 2,778 | - | 22 | 39 | (9) | 31 | - | 78% |
| 144 | MacDermid Agricultural Solutions Netherlands Cooperatief UA | | EUR | 77.66 | 4,950 | 52 | 5,004 | 3 | - | - | (0) | (0) | (0) | - | 78% |
| 145 | Arysta LifeScience Technology BV | | EUR | 77.66 | 680 | 234 | 914 | 0 | - | 0 | (0) | (0) | (0) | - | 78% |
| 146 | Dutch Agricultural Formations CV | | EUR | 77.66 | 6,645 | 10 | 6,657 | 2 | - | - | 10 | - | 10 | - | 78% |
| 147 | Netherlands Agricultural Technologies CV | | EUR | 77.66 | 4,872 | 86 | 4,959 | (0) | - | - | - | - | - | - | 78% |
| 148 | MacDermid Agricultural Solutions Italy Srl | | EUR | 77.66 | 248 | (106) | 161 | 19 | - | 1 | (4) | - | (4) | - | 78% |
| 149 | Arysta LifeScience Bulgaria EOOD | | BGN | 39.71 | 1 | 9 | 42 | 32 | - | 22 | 3 | 0 | 3 | - | 78% |
| 150 | Santamix Iberica SL | | EUR | 77.66 | 5 | (10) | 4 | 9 | - | 3 | (0) | - | (0) | - | 78% |
| 151 | Veto-Pharma SA | | EUR | 77.66 | - | (0) | - | 0 | - | - | - | - | - | - | 78% |
| 152 | Wyjolab S.A. | | EUR | 77.66 | - | 0 | - | (0) | - | - | - | - | - | - | 78% |
| 153 | Platform Sales Suisse GmbH | | EUR | 77.66 | 0 | (387) | 694 | 1,081 | - | 80 | (39) | (0) | (39) | - | 78% |
| 154 | Natural Plant Protection S.A.S. | | EUR | 77.66 | 14 | 39 | 60 | 8 | - | 10 | 5 | (4) | 1 | - | 78% |

Amount in crores (₹)

| Sr. 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 | Investments (excluding investments made in subsidiaries) | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 155 | Arysta LifeScience Holdings France SAS | | EUR | 77.66 | 381 | (97) | 871 | 587 | - | - | (4) | (3) | (7) | - | 78% |
| 156 | Goëmar Développement SAS | | EUR | 77.66 | 93 | 108 | 287 | 86 | - | - | (1) | - | (1) | - | 78% |
| 157 | Laboratoires Goëmar SAS | | EUR | 77.66 | 17 | 113 | 240 | 110 | 0 | 57 | 28 | (8) | 19 | - | 78% |
| 158 | Arysta Animal Health SAS | | EUR | 77.66 | 14 | 136 | 173 | 24 | - | 15 | (1) | 3 | 2 | - | 78% |
| 159 | Betel Reunion S.A. | | EUR | 77.66 | 2 | 3 | 5 | 1 | - | 1 | (0) | - | (0) | - | 51% |
| 160 | Arysta LifeScience Europe Sarl | | EUR | 77.66 | 0 | (0) | 12 | 12 | - | - | (0) | - | (0) | - | 78% |
| 161 | Arysta LifeScience Czech s.r.o. | | CZK | 3.01 | 2 | 25 | 60 | 33 | - | 22 | 4 | (1) | 3 | - | 78% |
| 162 | Arysta LifeScience Magyarorszag Kft. | | HUF | 0.24 | 3 | 46 | 116 | 66 | 0 | 41 | 7 | (0) | 7 | - | 78% |
| 163 | Arysta LifeScience Vostok Ltd. | | RUB | 1.07 | 28 | (47) | 9 | 28 | - | - | (0) | (1) | (1) | - | 78% |
| 164 | Arysta LifeScience RUS LLC | | RUB | 1.07 | 53 | 82 | 359 | 225 | - | 66 | 18 | 3 | 15 | - | 78% |
| 165 | Arysta LifeScience Slovakia S.R.O. | | EUR | 77.66 | 2 | 5 | 33 | 25 | - | 10 | 2 | (0) | 1 | - | 78% |
| 166 | Arysta LifeScience Ukraine LLC | | UAH | 2.54 | 0 | 39 | 154 | 114 | - | 31 | 20 | 3 | 17 | - | 78% |
| 167 | Arysta LifeScience Kiev LLC | | UAH | 2.54 | 0 | 0 | 0 | - | - | - | - | - | - | - | 78% |
| 168 | Arysta LifeScience Inc. | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 169 | Arysta LifeScience Management Company, LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 170 | Arysta LifeScience SPC, LLC | | USD | 69.16 | 0 | - | 0 | - | - | - | - | - | - | - | 78% |
| 171 | Arysta LifeScience America Inc. | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 172 | Arysta LifeScience Canada, Inc. | | CAD | 51.56 | 920 | 431 | 1,866 | 515 | - | 84 | 7 | 4 | 11 | - | 78% |
| 173 | Arysta LifeScience Canada BC Inc. | | CAD | 51.56 | - | 972 | 2,663 | 1,691 | - | 7 | (2) | 5 | 3 | - | 78% |
| 174 | Arysta LifeScience North America, LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 175 | Arysta LifeScience NA Holding LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 176 | Dutch Agricultural Investment Partners LLC | | USD | 69.16 | 3 | - | 3 | - | - | - | - | - | - | - | 78% |
| 177 | Netherlands Agricultural Investment Partners LLC | | USD | 69.16 | 46 | 2 | 49 | 0 | - | 1 | 1 | - | 1 | - | 78% |
| 178 | Arysta LifeScience Investments LLC | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 179 | Arysta LifeScience Mexico Holding S.A.de C.V | | MXN | 3.58 | 319 | (265) | 68 | 13 | - | - | (0) | 0 | (0) | - | 78% |

Amount in crores (₹)

| Sr. 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 | Investments (excluding investments made in subsidiaries) | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 180 | Bioenzymas S.A. de C.V. | | MXN | 3.58 | 1 | 12 | 13 | 1 | - | 0 | 0 | (0) | 0 | - | 78% |
| 181 | Desarrollos Inmobiliarios Alianza de Coahuila, S.A. de C.V. | | MXN | 3.58 | 1 | (0) | 0 | 0 | - | - | (0) | - | (0) | - | 78% |
| 182 | Agroquimicos y Semillas, S.A. de C.V. | | MXN | 3.58 | 0 | 16 | 17 | 1 | - | 0 | 0 | (0) | 0 | - | 78% |
| 183 | Omega Agroindustrial, S.A. de C.V. | | MXN | 3.58 | 0 | 9 | 27 | 18 | - | 2 | (3) | 0 | (3) | - | 78% |
| 184 | Servicios Agricolas Mundiales SA de CV | | MXN | 3.58 | 1 | 7 | 19 | 11 | - | - | 2 | (1) | 2 | - | 78% |
| 185 | Tecno Extractos Vegetales, S.A. de C.V. | | MXN | 3.58 | 16 | 84 | 104 | 5 | - | 3 | 2 | (1) | 2 | - | 78% |
| 186 | Tesaurus Mexico S.A. de C.V. | | MXN | 3.58 | 0 | 0 | 0 | - | - | - | - | - | - | - | 78% |
| 187 | Arysta LifeScience de Guatemala, S.A. | | GTQ | 8.99 | 16 | (5) | 57 | 46 | - | 4 | (1) | 0 | (1) | - | 78% |
| 188 | Arysta LifeScience Paraguay S.R.L. | | USD | 69.16 | 2 | 19 | 135 | 114 | - | 15 | 1 | (0) | 1 | - | 78% |
| 189 | Etec Crop Solutions Limited | | NZD | 47.02 | 0 | 47 | 71 | 24 | 0 | 14 | 2 | (0) | 1 | - | 78% |
| 190 | MacDermid (Nanjing) Chemical Ltd. | | CNY | 10.30 | - | 5 | 5 | 0 | - | - | (0) | - | (0) | - | 0% |
| 191 | Arysta LifeScience Korea Ltd. | | KRW | 0.06 | 12 | (13) | 48 | 49 | - | 7 | 1 | - | 1 | - | 78% |
| 192 | Arysta LifeScience Pakistan (Pvt.) LTD. | | PKR | 0.49 | 3 | 22 | 61 | 36 | - | 2 | (1) | 0 | (1) | - | 78% |
| 193 | Myanmar Arysta LifeScience Co., Ltd. | | MMK | 0.05 | 0 | 67 | 96 | 29 | - | 1 | (0) | 0 | (0) | - | 78% |
| 194 | Arysta LifeScience (Thailand) Co., Ltd. | | THB | 2.18 | 6 | 45 | 63 | 12 | - | 1 | (2) | (0) | (2) | - | 78% |
| 195 | Chemtura (Thailand) Ltd | | THB | 2.18 | 0 | 4 | 4 | 0 | - | - | (0) | - | (0) | - | 78% |
| 196 | Pt. Arysta LifeScience Tirta Indonesia | | IDR | 4.86 | 2 | 26 | 42 | 13 | - | 3 | (1) | - | (1) | - | 39% |
| 197 | Arysta LifeScience Philippines Inc. | | PHP | 1.31 | 0 | (50) | 10 | 60 | - | 0 | (1) | (0) | (1) | - | 78% |
| 198 | Arysta LifeScience Vietnam Co., Ltd. | | VND | 2.98 | 5 | 71 | 144 | 68 | - | 4 | 4 | (1) | 3 | - | 78% |
| 199 | Arysta LifeScience Asia Pte., Ltd. | | USD | 69.16 | 29 | 45 | 84 | 10 | - | - | 0 | - | 0 | - | 78% |
| 200 | Arysta LifeScience Turkey Tarim Urunleri Limited Sirketi | | TRY | 12.26 | 1 | (1) | 1 | 0 | - | - | (0) | - | (0) | - | 78% |
| 201 | Agrifocus Limitada | | MZN | 1.09 | 1 | 93 | 117 | 23 | - | 12 | 5 | (1) | 4 | - | 78% |
| 202 | Anchorprops 39 (Pty) Ltd | | ZAR | 4.76 | 0 | 3 | 6 | 3 | - | - | 0 | - | 0 | - | 78% |
| 203 | Arysta LifeScience Holdings SA (Pty) Ltd | | ZAR | 4.76 | 0 | 7 | 93 | 86 | - | - | (0) | - | (0) | - | 78% |

Amount in crores (₹)

| Sr. 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 | Investments (excluding investments made in subsidiaries) | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 204 | Callietha Investments (Pty) Ltd | | ZAR | 4.76 | 0 | 16 | 23 | 7 | - | - | - | - | - | - | 78% |
| 205 | Volcano Agroscience (Pty) Ltd | | ZAR | 4.76 | 0 | 124 | 151 | 37 | 10 | 42 | 1 | (1) | 1 | - | 78% |
| 206 | Volcano Chemicals (Pty) Ltd | | ZAR | 4.76 | 0 | 0 | 0 | - | - | - | - | - | - | - | 78% |
| 207 | Kempton Chemicals (Pty) Ltd | | ZAR | 4.76 | - | - | - | - | - | - | - | - | - | - | 78% |
| 208 | Sidewalk Trading (Pty) Ltd | | ZAR | 4.76 | 0 | (0) | 0 | 0 | - | - | (0) | - | (0) | - | 78% |
| 209 | Arysta LifeScience Kenya Ltd. | | KES | 0.69 | 0 | 6 | 53 | 47 | - | 12 | 2 | (0) | 1 | - | 78% |
| 210 | Arysta LifeScience Tanzania Ltd | | TZS | 0.03 | 0 | (3) | 15 | 17 | - | 2 | (0) | (0) | (1) | - | 78% |
| 211 | Arysta LifeScience Egypt Ltd | | EGP | 3.99 | 1 | 1 | 3 | 1 | - | 0 | (0) | (0) | (0) | - | 78% |
| 212 | Arysta LifeScience Togo SAU | | XOF | 0.12 | 5 | (2) | 4 | 2 | - | 0 | (0) | (0) | (0) | - | 78% |
| 213 | Calli Ghana Ltd. | | GHS | 12.93 | 1 | (10) | 23 | 33 | - | 3 | (1) | - | (1) | - | 78% |
| 214 | Callivoire SGFD S.A. | | XOF | 0.12 | 2 | 45 | 151 | 104 | - | 21 | (2) | 1 | (1) | - | 78% |
| 215 | Mali Protection Des Cultures (M.P.C.) SA | | XOF | 0.12 | 4 | 3 | 123 | 116 | - | 42 | 3 | 0 | 3 | - | 66% |
| 216 | Agriphar Poland Sp. Zoo | | PLN | 18.05 | 0 | (0) | - | 0 | - | - | (0) | - | (0) | - | 78% |
| 217 | Arysta LifeScience Switzerland Sarl | | CHF | 69.44 | 0 | 0 | 0 | 0 | - | - | (0) | (0) | (0) | - | 78% |
| 218 | Arysta LifeScience CentroAmerica, S.A. | | GTQ | 8.99 | 0 | - | 0 | - | - | - | - | - | - | - | 78% |
| 219 | Arvesta Corporation | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 220 | Arysta LifeScience Registrations Great Britain Ltd | | GBP | 90.64 | - | - | - | - | - | - | - | - | - | - | 78% |
| 221 | Agriphar SDN BHD | | MYR | 16.94 | - | - | - | - | - | - | - | - | - | - | 78% |
| 222 | Agriphar de Costa Rica SA | | CRC | 0.11 | - | - | - | - | - | - | - | - | - | - | 78% |
| 223 | Agriphar de Colombia SAS | | COP | 21.78 | - | - | - | - | - | - | - | - | - | - | 78% |
| 224 | Industrias Agriphar SA | | GTQ | 8.99 | - | - | - | - | - | - | - | - | - | - | 78% |
| 225 | Agripraza Ltda. | | EUR | 77.66 | - | - | - | - | - | - | - | - | - | - | 78% |
| 226 | Arysta LifeScience Corporation Republica Dominicana, SRL | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 227 | Grupo Bioquimico Mexicano Republica Dominicana SA | | DOP | 1.36 | - | - | - | - | - | - | - | - | - | - | 78% |
| 228 | Arysta LifeScience Ecuador S.A. | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 229 | Arvesta Paraguay S.A. | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 230 | Arysta Agroquimicos y Fertilzantes Uruguay SA | | USD | 69.16 | - | - | - | - | - | - | - | - | - | - | 78% |
| 231 | Arysta LifeScience U.K. USD-2 Limited | | GBP | 90.64 | - | - | - | - | - | - | - | - | - | - | 78% |

| | Details of Investments of subsidiary companies: | INR Crs |
|---|---|---|
| 1 | 200 [March 2018: 200] Equity shares fully paid up in Hodogaya UPL Co. Ltd | 23 |
| 2 | 5,675 [March 2018: 5,675] Equity Shares fully paid-up in 3SB Produtos Agricolas SA [includes goodwill of ₹66 Crores [March 2018 ₹73 Crores] | 89 |
| 3 | Equity shares in Amira Nature foods Limited | 35 |
| 4 | 1,891,630 [March 31, 2018: Nil] Equity Shares of USD 3.35 each fully paid-up in Agrofresh Solutions Inc. (Listed on the NASDAQ) | 44 |
| 5 | 103,016,215 [March 2018:103,016,215] Equity shares of ₹1 each, fully paid-up in Serra Bonita Sementes S.A.[includes goodwill of ₹(12) Crores [March 2018 ₹(14) crores] | 190 |
| 6 | 11,700,000 [March 2018: 11,700,000 Equity shares fully paid up in Ishihara Sangyo Kaisha Ltd. | 82 |
| 7 | 415 [March 2018: 415] Optionally convertible Debentures of ₹50,000 each of Bloom Packaging Pvt. Ltd. | 2 |
| 8 | 88,223 [March 2018: 88,223] Equity shares of 1 AUD each fully paid-up in Longreach Plant Breeders Management Private Limited [includes goodwill of ₹18 Crores, [March 2018: ₹18 Crores] | 50 |
| 9 | Investment in task force | 7 |
| 10 | 17,85,000 [March 2018: Nil] Equity shares of CNY 0.30 each, fully paid up in DAC (Dillian Advanced Chemical) | 1 |
| 11 | 260 [March 2018: Nil] Equity shares of ₹1 each, fully paid-up in Agronamics [includes goodwill of ₹4 crores] | 5 |
| 12 | 7,44,526 [March 2018: Nil] Equity shares of ₹1 each, fully paid-up in Novon Protecta [includes goodwill of ₹(2) crores] | 7 |
| 13 | 2,510 [March 2018: Nil] Equity shares of ₹0.01 each, fully paid-up in Agrifokus [includes goodwill of ₹(5) crores] | 4 |
| 14 | 1,004 [March 2018: Nil] Equity shares of ₹1 each, fully paid-up in Novon Retail [includes goodwill of ₹4 crores] | 7 |
| 15 | 251 [March 2018: Nil] Equity shares of ₹1 each, fully paid up in Silvix Forestry [includes goodwill of ₹1 lakh] | 0 |
| 16 | 1,920 [March 2018: Nil] Equity shares of ₹0.10 each, fully paid-up in Nexus AG [includes goodwill of ₹4 crores] | 10 |
| 17 | 4,478 [March 2018: Nil] Equity shares of XOF 10,000 each, fully paid-up in Société des Produits Industriels et Agricoles | 4 |
| 18 | 7,41,800 [March 2018: Nil] Equity shares of TWD 9.53 each, fully paid-up in Grand Biotechnology Co., Ltd. | 2 |
| 19 | 3,44,000 [March 2018: Nil] Equity shares of JPY 267.91 each, fully paid-up in Kyoyu Agri | 6 |
| 20 | 5,24,427 [March 2018: Nil] Equity shares of EUR 1.37 each, fully paid-up in ISAGRO S.P.A. (B) | 5 |
| 21 | 126 [March 2018: Nil] Equity shares of HUF 10,000 each, fully paid-up in Cseber | 0 |
| 22 | 1,000 [March 2018: Nil] Equity shares of PLN 103.02 each, fully paid-up in Elevator Sieradz | 0 |
| 23 | 1,000 [March 2018: Nil] Equity shares, fully paid-up in Rogatory letter (A) | 9 |
| 24 | MEIJI LUKANG PHARMACEUTICAL CO.,LTD | 8 |
| | Grand Total | 590 |

Note:

1 United Phosphorus Inc., U.S.A. results include the results of UPL Delaware, Inc., Cerexagri Inc; Canegrass LLC, Riceco LLC, UPI Finance LLC,Advanta US LLC (formerly known as Advanta U.S. Inc.),Arysta LifeScience Inc.,Arysta LifeScience Management Company, LLC,Arysta LifeScience America Inc.,Arysta LifeScience NA Holding LLC,Arysta LifeScience North America, LLC and Arysta LifeScience Investments LLC

2 Decco US Post-Harvest Inc results include the results of Essentiv LCC.

3 United Phosphorus Limited, Hongkong results includes the results of United Phosphorus (Shanghai) Company Limited and UPL Jiangsu Limited.

4 UPL Agro Limited, Riceco Bangladesh and Uniphos Malaysia Sdn Bhd have been acquired in previous year.

5 UPL Jiangsu Limited has been formed in previous year.

6 UPL Mauritius got merged with UPL Corporation in previous year.

7 Exchange rate in INR is per thousand of COP, IDR & VND and for JPY Exchange rate in INR is per hundred.

8 During the year, The Group has acquired Arysta life science Inc and its subsidiaries which are part of above entity wise detail of part A.

# Statement of AOC 1 Form

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of associate companies/joint ventures**

## Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint venture

₹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. | Serra Bonita Sementes S.A. @ | Polycoat Technologies 2010 Limited | LongReach Plant Breeders PTY LTD | Hodogaya UPL Co. Ltd. | Agronamic (Pty) Ltd. # | Novon Protecta (Pty) Ltd # | Novon Protecta (Pty) Ltd # | Novon Retail Company (Pty) Ltd. # | Silvix Forestry (Pty) Ltd. # | Dalian Advance Chemical Co.Ltd.# | Nexus AG (Pty) Ltd # | Société des Produits Industriels et Agricoles # |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Last Audited/ Reviewed Balance sheet date | 31.03.2019 | 31.03.2019 | 31.12.2018 | 31.12.2018 | 31.12.2018 | 31.12.2018 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 |
| 2 | Date on which the Associate or Joint Venture was associated or acquired | | | | | | | | | | | | | | | | |
| 3 | Shares of Associates/Joint ventures held by the Company for the year end | | | | | | | | | | | | | | | | |
| | No. | 37,681 | 33,50,000 | 8,72,98,237 | 5,675 | 10,30,16,215 | 200 | 88,223 | 200 | 260 | 7,44,526 | 2,510 | 1,004 | 251 | 17,85,000 | 1,920 | 4,478 |
| | Amount of Investment in Associate/Joint venture | 13 | 5 | 0 | 89 | 190 | - | 50 | 23 | 5 | 7 | 4 | 7 | 0 | 1 | 10 | 4 |
| | Extend of Holding % | 32% | 28% | 45% | 45% | 33% | 20% | 70% | 40% | 28% | 25% | 25% | 25% | 25% | 21% | 25% | 32% |
| 4 | 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 | 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 | 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 | 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 | 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 | 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 |
| 5 | Reason why to associate/joint venture is not consolidated | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6 | Networth attributable to share holding as per latest Audited/Reviewed Balance sheet | 9 | 5 | 0 | 25 | 202 | - | 32 | 23 | 1 | 9 | 8 | 3 | 0 | 1 | 6 | 4 |
| 7 | Profit/(Loss) for the year | | | | | | | | | | | | | | | | |
| i | i. Considered in consolidation | (1) | 1 | 0 | (1) | 2 | - | 9 | 2 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | - |
| ii | ii. Not considered in consolidation | | | | | | | | | | | | | | | | |

Notes:

@ Serra Bonita Sementes S.A. was acquired in previous year ended 31 March 2018

# All names of Arysta associates, are acquired along with Arysta Group acquisition during the year.

# Independent Auditors' Report

To the members of
UPL limited

## Report on the Audit of the Standalone Financial Statements Opinion

We have audited the standalone financial statements of UPL Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of matter

We draw attention to Note 45 of the standalone financial statements, relating to the accounting treatment of goodwill aggregating Rs. 3,697 crores arising on amalgamation of erstwhile Advanta limited with the Company accounted during the year ended 31 March 2017 and amortization of the said goodwill arising therefrom both of which are different from the treatment 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 31 March 2019 would have been higher by Rs. 370 crores. Our opinion is not modified in respect of this matter.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Revenue recognition and rebates accrual**<br>(Refer note 2.2(b) to accounting policies.)<br>a) Revenue recognition<br>The timing of revenue recognition is relevant to the reported performance of the Company.<br>b) Rebates accrual<br>The Company provides rebates and has arrangements with various customers. Some of these arrangements involve estimation when determining the amount of liability to be recognised as at the year end.<br>Our focus was on assessing if the rebates and related provisions made were based on relevant agreements and Company policies and approvals | a) Revenue recognition<br>We tested the accuracy of revenue cut off around the year end. Our work comprised the agreement of sales transactions to supporting documentation and performing analytical procedures across various sales categories.<br>b) Rebates accrual<br>We have reviewed business processes and tested the design and implementation of controls surrounding the rebate expense accrual provision. We also compared year end customer rebate accruals and rebate costs in the year, to prior year amounts and analysed the rebate trend. We have also verified the appropriateness of rebate provision calculations by agreeing amounts recognised to terms of agreements, approvals and other supporting workings. |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Inventory valuation**<br>(Refer note 2.2(i) to accounting policies.)<br><br>We identified valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and because of the significant degree of management judgment involved in evaluating slow-moving, obsolete inventory and the net realizable value of such inventories. | We obtained the inventory ageing report and understood with management their procedures to identify slow moving and obsolete inventories.<br><br>We analysed the ageing profile of inventories to identify slow and obsolete inventories.<br><br>We tested the standard cost assessment and year-end adjustment to actual cost by performing walkthroughs of the costing exercise and testing the actual costs of production for a representative sample of products.<br><br>We assessed the adequacy of the allowance for obsolete inventories by checking, on a sample basis, whether inventory items were categorized appropriately in the relevant ageing bracket and assessed the reasonableness of the allowance percentages applied.<br><br>We also inquired for any obsolete or slow-moving inventories identified during our inventory count observation and also separately performed net realisable value testing on selected inventory items to check that inventories are carried at the lower of cost and net realisable value. |

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 purposes 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 standalone balance sheet, the statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone 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 financial statements comply with the Ind AS specified under section 133 of the Act;

      (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) 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:

(a) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements; - Refer Note 35(c) to the standalone financial statements;

(b) The Company did not have any long-term contracts including derivative contracts as at the year end for which there were any material foreseeable losses;

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

(d) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For B S R & Co. LLP
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
*Partner*
Membership No: 042070

Place: Mumbai
Date: 17 May 2019

# Annexure A to the Independent Auditors' Report - 31 March 2019

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification

(c) In our opinion and according to the information and explanations given to us by the management and on the basis of an examination of the records of the Company, the title deeds of the immovable properties as disclosed in Note 3 of the standalone financial statements are held in the name of the Company, except in the case of leasehold land, freehold land and buildings with a carrying value of Rs. 11 crores, Rs. 2 crores and Rs.47 lakhs (Gross block of Rs. 11 crores, Rs. 2 crores and Rs.1 crore) as at 31 March 2019 respectively, wherein as explained to us, the Company is not able to reconcile with fixed assets register with the title deeds and hence we are unable to comment on the same

(ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year- end, written confirmations have been obtained by management and in respect of goods-in- transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account

(iii) The Company has granted unsecured loan to two companies covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) One of the aforesaid loans along with interest thereon has been fully repaid during the year. In respect of another loan, which is repayable on demand, we are informed that the amount of interest and principal demanded by the company has been fully paid during the year and thus, there has been no default on the part of parties to whom the money has been lent.

(c) There are no amounts overdue for more than ninety days at the balance sheet date in respect of the aforesaid loan

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans granted, investments made and providing guarantees, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits under Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, para 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of Customs and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delay in a few cases except for the provident fund dues as referred to in Note 35(d) of financial statements.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of customs and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable. Also, refer note 35 (d) to the standalone the financial statements. Refer Note 35(d) of financial statements.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Duty of customs, Goods and service tax, duty of excise and value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below

| Nature of the Statute | Nature of dues | Amount (in Crores) | Amount paid under protest (in Crores) | Period to which amounts relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income tax Act, 1961 | Income tax demands | 5 | - | AY*1995-96 to AY 1997-98, AY 2008-09 to AY 2010-11 and AY 2015-16 | Supereme Court, High Court, Commisioner Income-tax and Income- tax Appellate Tribunal |
| Sales tax Act | Sales tax demands | 22 | 9 | FY 1985-86, 1995-96, 2005-06 to 2007-08, 2011-12, to 2014-15 | Supreme Court, Jt Commissioner of Sales tax, Sales tax Tribunal |
| Central Excise/ Finance Act | Excise duty/ Service tax demands | 68 | 1 | FY 1989-90, 1994-2004 and 2007-2015 | Commissioner (Appeals) Central Excise and Service tax Appellate Tribunal |
| Custom Act | Custom duty demands | 34 | - | FY 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 | - | FY 1992 to 1997 | Bombay High Court |

* AY – Assessment year, FY – Financial year

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from financial institution, bank or dues to debenture holders. The Company did not have any loans or borrowings from the government during the year.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, 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 Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, para 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with provisions of Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures was made during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under the clause 3(xvi) of the Order is not applicable to the Company

For B S R & Co. LLP
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
*Partner*
Membership No: 042070

Place: Mumbai
Date: 17 May 2019

# Annexure B to the Independent Auditors' Report - 31 March 2019

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

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

## Opinion

We have audited the internal financial controls with reference to the standalone financial statements of UPL Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

## Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with reference to financial statements.

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
*Partner*
Membership No: 042070

Place: Mumbai
Date: 17 May 2019

# Standalone Balance Sheet as at March 31, 2019

₹ In Crores

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 2,455 | 1,947 |
| Capital work-in-progress | 3 | 821 | 624 |
| Goodwill | 4 | 2,225 | 2,595 |
| Other intangible assets | 4 | 301 | 360 |
| Intangible assets under development | 4 | 68 | 39 |
| Financial assets | | | |
| (i) Investments | 5 | 1,441 | 594 |
| (ii) Loans | 6 | 76 | 905 |
| (iii) Other financial assets | 7 | 35 | 35 |
| Income tax assets (Net) | | 148 | 166 |
| Other non-current assets | 8 | 181 | 224 |
| | | 7,751 | 7,489 |
| Current assets | | | |
| Inventories | 9 | 1,866 | 1,452 |
| Financial assets | | | |
| (i) Trade receivables | 10 | 2,733 | 2,017 |
| (ii) Cash and cash equivalents | 11 | 77 | 93 |
| (iii) Bank balances other than cash and cash equivalents | 11A | 23 | 33 |
| (iv) Loans | 6 | 79 | 105 |
| (v) Other financial assets | 7 | 243 | 174 |
| Other current assets | 8 | 1,131 | 687 |
| | | 6,152 | 4,561 |
| Total Assets | | 13,903 | 12,050 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 12 | 102 | 102 |
| Other equity | 13 | 7,870 | 7,867 |
| | | 7,972 | 7,969 |
| Liabilities | | | |
| Non-current liabilities: | | | |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 458 | 682 |
| (ii) Other financial liabilities | 15 | 4 | 139 |
| Deferred tax liabilities (net) | 19 | 67 | 64 |
| | | 529 | 885 |
| Current liabilities: | | | |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 907 | 313 |
| (ii) Trade payables | | | |
| - Outstanding dues of micro and small enterprises | 17 | 26 | 17 |
| - Outstanding dues of other than micro and small enterprises | 18 | 2,791 | 2,336 |
| (iii) Other financial liabilities | 15 | 429 | 377 |
| Other current liabilities | 16 | 1,146 | 62 |
| Provisions | 20 | 103 | 91 |
| | | 5,403 | 3,196 |
| Total equity and liabilities | | 13,903 | 12,050 |
| Summary of significant accounting policies | 2.2 | | |
| See accompanying notes to the financial statements | 1-49 | | |

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Standalone Statement of Profit and Loss for the year ended March 31, 2019

₹ In Crores

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 21 | 8,660 | 7,374 |
| Other income | 22 | 560 | 435 |
| **Total Income** | | **9,220** | **7,809** |
| **Expenses** | | | |
| Cost of materials consumed | 23 | 4,741 | 3,517 |
| Purchases of stock-in-trade | | 521 | 404 |
| Changes in inventories of finished goods (including stock-in-trade) and work-in-progress | 24 | (160) | 2 |
| Excise duty | | - | 111 |
| Employee benefit expenses | 25 | 551 | 486 |
| Finance costs | 26 | 185 | 135 |
| Depreciation and amortisation expenses | 27 | 724 | 666 |
| Other expenses | 28 | 2,168 | 1,905 |
| **Total Expenses** | | **8,730** | **7,226** |
| **Profit before exceptional items and tax** | | **490** | **583** |
| Exceptional items | 43 | 4 | 7 |
| **Profit before tax** | | **486** | **576** |
| **Tax expenses** | | | |
| Current tax | 19 | 83 | 180 |
| Adjustments of tax relating to earlier years | 19 | (3) | (83) |
| Deferred tax (credit)/charge | 19 | 1 | (69) |
| **Total tax expenses** | | 81 | 28 |
| **Profit For The Year** | | 405 | 548 |
| **Other Comprehensive Income (OCI)** | 30 | | |
| (i) Items that will not be reclassified to profit or loss | | 6 | 3 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 2 | 0 |
| **Total Other Comprehensive Income for the year, net of tax** | | 4 | 3 |
| **Total Comprehensive Income for the year** | | 409 | 551 |
| **Earnings per equity share (in INR) of face value of Rs. 2 each** | | | |
| Basic | 31 | 7.96 | 10.78 |
| Diluted | 31 | 7.96 | 10.78 |
| Summary of significant accounting policies | 2.2 | | |
| See accompanying notes to the financial statements | 1-49 | | |

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

**For and on behalf of the Board of Directors of UPL Limited**
**CIN No.-L24219GJ1985PLC025132**

**R.D. Shroff**
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

**A.C. Ashar**
Whole-time Director
Din No.- 00192088
Place: Mumbai

**Anand Vora**
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

**M.B.Trivedi**
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Standalone Statement of Cash Flows for the year ended March 31, 2019

₹ In Crores

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Cash flow from operating activities | | |
| Profit before exceptional items and tax | 490 | 583 |
| Adjustments for | | |
| Depreciation of property, plant and equipment | 284 | 226 |
| Amortization of intangible assets | 440 | 440 |
| Assets written off | 5 | 9 |
| Interest Income | (65) | (69) |
| Profit on sale of assets (net) | (0) | - |
| Profit on sale of Investment | (46) | - |
| Fair value gain/(loss) on financial instruments at fair value through profit or loss | (7) | 7 |
| Dividend Income on Long-term investments in Subsidiary | (412) | (356) |
| Share in profit from investment in United Phosphorus (India) LLP | (19) | (6) |
| Allowances for doubtful debts and advances (net) | 31 | 8 |
| Finance costs | 185 | 135 |
| Unrealised exchange difference (net) | (6) | 1 |
| Liabilities / provisions no longer required written back (net) | (12) | (45) |
| Working capital adjustments | | |
| (Increase)/decrease in trade receivables | (791) | (51) |
| (Increase)/decrease in inventories | (414) | (97) |
| (Increase)/decrease in non-current and current financial assets | (2) | 2 |
| (Increase)/decrease in other non-current and current assets | (445) | (299) |
| Increase/(decrease) in other non-current and current trade payables | 472 | 151 |
| Increase/(decrease) in other non-current and current financial liabilities | (58) | 1 |
| Increase/(decrease)in other current liabilities | 1,084 | (32) |
| Increase/(decrease) in provisions and Net employee defined benefit liabilities | 17 | 11 |
| | 730 | 619 |
| Income tax paid (including TDS) (net) | (62) | (115) |
| Cash Flow Before Exceptional items | 639 | 504 |
| Exceptional Items | (4) | (7) |
| Net cash flows from / (used in) operating activities | 635 | 497 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment (including CWIP) | (987) | (741) |
| Purchase of intangible assets (including CWIP) | (40) | (28) |
| Proceeds from sale of property, plant and equipment | 0 | - |
| Profit on sale of Mutual funds | 2 | - |
| Proceeds from redemption of preference shares of subsidiary | 254 | - |
| Purchase of non current investments | (1,029) | - |
| Dividend on investments | 412 | 356 |
| Interest received | 82 | 50 |
| Sundry loans - Given | - | (12) |
| Sundry loans - Repayment received | 5 | 9 |
| Fixed deposits and margin money (net) | 10 | (21) |
| Advances and loans to subsidiaries - Given | (77) | (102) |
| Advances and loans to subsidiaries - Repayment received | 929 | 184 |
| Net cash flows from / (used in) investing activities | (439) | (305) |

# Standalone Statement of Cash Flows for the year ended March 31, 2019

₹ In Crores

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Cash flow from financing activities | | |
| Interest and finance cost paid | (351) | (95) |
| Proceeds from borrowings | 2,737 | 425 |
| Repayments of borrowings | (2,221) | (127) |
| Redemption of Optionally convertible preference shares | - | (2) |
| Proceeds from exercise of share options | 0 | 1 |
| Payment of dividend | (406) | (360) |
| Net cash flows from / (used in) financing activities | (241) | (158) |
| Net increase / (decrease) in cash and cash equivalents | (16) | 34 |
| Cash and cash equivalents at the beginning of the year (Refer note 11) | 93 | 59 |
| Cash and cash equivalents at the end (Refer note 11) | 77 | 93 |

**Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.**

| Particulars | Notes | March 31, 2018 | Cash flows | Accquisition | Foreign exchange movement | Fair value change | Other adjustments | March 31, 2019 |
|---|---|---|---|---|---|---|---|---|
| Unsecured Redeemable Non convertible Debentures (NCDs) | 14 and 15 | 809 | (75) | - | - | - | (3) | 731 |
| Cash credit, packing credit and working capital demand loan accounts | 14 | 313 | 594 | | | | | 907 |
| Total liabilities from financing activities | | 1,122 | 519 | - | - | - | (3) | 1,638 |

Notes:

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.

See accompanying notes to the financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Standalone Statement of Changes in Equity for the year ended March 31, 2019

## A. Equity Share Capital

₹ In Crores

| | Equity shares of INR 2 each | | Compulsorily Convertible Preference Shares (CCPS) | |
|---|---|---|---|---|
| Issued, subscribed and fully paid | Nos. | INR Crores | Nos. | INR Crores |
| As at April1, 2017 | 50,70,17,118 | 101 | 8,19,40,125 | 82 |
| Changes during the year | 23,15,963 | 1 | (8,19,40,125) | (82) |
| **At March 31, 2018** | **50,93,33,081** | **102** | - | - |
| Changes during the year | 9,589 | 0 | - | - |
| **At March 31, 2019** | **50,93,42,670** | **102** | - | - |

## B. Other Equity

For the year ended March 31, 2019

₹ In Crores

| | Reserve and Surplus | | | | | | | Equity Instruments through Other Comprehensive Income | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| | Capital redemption reserve | Capital reserve | Debenture redemption reserve | Securities premium reserve | Share Based Payment reserve | General reserve | Retained earnings | | |
| As at April1, 2018 | 38 | 86 | 141 | 4,607 | 0 | 1,848 | 1,143 | 5 | 7,868 |
| Profit for the year | - | - | - | - | - | - | 405 | - | 405 |
| Other comprehensive income (refer note 30) | - | - | - | - | - | - | 3 | 1 | 4 |
| **Total comprehensive income** | - | - | - | - | - | - | - | - | - |
| Dividends paid during the year (refer note 12B) | - | - | - | - | - | - | (407) | - | (407) |
| Share options received (refer note 34) | - | - | - | 0 | 0 | - | - | - | 0 |
| Transfer from retained earnings/(Debenture Redemption Reserve) | - | - | (1) | - | - | - | 1 | - | - |
| As at March 31, 2019 | 38 | 86 | 140 | 4,607 | 0 | 1,848 | 1,144 | 6 | 7,870 |

# Standalone Statement of Changes in Equity for the year ended March 31, 2019

For the year ended March 31, 2018

₹ In Crores

| | Reserve and Surplus | | | | | | | | Equity Instruments through Other Comprehensive Income | Total 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 | | |
| As at April1, 2017 | 36 | 86 | 127 | 4,498 | 2 | 1,848 | 0 | 968 | 2 | 7,567 |
| Profit for the year | - | - | - | - | - | - | - | 548 | - | 548 |
| Other comprehensive income (refer note 30) | - | - | - | - | - | - | - | 0 | 3 | 3 |
| Total comprehensive income | | | | | | | | | | |
| Dividends paid during the year (refer note 12c) | - | - | - | - | - | - | - | (357) | - | (357) |
| Share options received (refer note 34) | - | - | - | 4 | (2) | - | - | - | - | 2 |
| Conversion of Optionally convertible preference shares and Compulsorily convertible preference shares | - | - | - | 105 | - | - | (0) | - | - | 104 |
| Transfer from retained earnings | 2 | - | 14 | - | - | - | - | (16) | - | - |
| As at March 31, 2018 | 38 | 86 | 141 | 4,607 | 0 | 1,848 | - | 1,143 | 5 | 7,867 |

See accompanying notes to the financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

**R.D. Shroff**
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

**A.C. Ashar**
Whole-time Director
Din No.- 00192088
Place: Mumbai

**Anand Vora**
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

**M.B.Trivedi**
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 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 standalone financial statements were authorised for issue in accordance with the resolution of the directors on May 17, 2019.

## 2. Accounting Policies

### 2.1 Basis of Preparation

The standalone 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 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, 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 standalone financial statements are presented in Indian Rupees ('INR') or ('Rs') which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated. Wherever an amount is represented as Rs. '0' (zero) it construes a value less than rupees fifty lakhs.

Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone 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 effected 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 standalone 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 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.

#### 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,

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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 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

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

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

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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)/Goods and Service Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

### Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method)based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### 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.

### Export Incentive

Duty free imports of raw materials under Advance License for Imports as per the Export and Import Policy are matched with the exports made against the said licenses and the benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head “Revenue from Operations” as ‘Export Incentive’

### Dividends and Royalties

Dividend income is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

## 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

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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.

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 fair value of the consideration transferred over the net of fair value of identifiable assets acquired and liability assumed.
- Subsequent measurement is at cost less any 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. 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 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 is reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition 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 de-recognised.

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 Standalone Financial Statements for the year ended March 31, 2019

A summary of the policies applied to the Company's intangible assets is as follows

| Nature of tangible Assets | Useful Life (years) | Amortisation method used |
|---|---|---|
| Product Acquisitions | Fifteen years | Amortised on straight-line basis from the month of additions to match their future economic benefits |
| Germ plasm | 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 standalone 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone 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 standalone 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 summaries 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, 17,18, 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

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. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

Work in progess, finished products and by-products are valued at lower of cost or net realisable value. 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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 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 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 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

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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.

Re-measurements, comprising of actuarial 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. Re-measurements are not reclassified to statement of 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 cost and then measured at fair value at each reporting date 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 its 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 de-recognition 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 at 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

### Equity investments

All equity investments in the 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.

### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily de-recognised (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 standalone 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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 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 de-recognised 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.

### De-recognition

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

# Notes to Standalone Financial Statements for the year ended March 31, 2019

an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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 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. Fair value changes are recognised in the statement of profit and loss.

## p. Cash and cash equivalents

Cash and cash equivalents 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 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 are recognised to the extent that it is reasonably certain 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:

# Notes to Standalone Financial Statements for the year ended March 31, 2019

- 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 reasonably certain 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 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 interest 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 are allocated to the conversion option that is recognised and included in equity if the 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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 standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

w. **Contingent 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 standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent asset are disclosed in the standalone 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**

**Ind AS 116-Leases:**

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Company is required to adopt Ind AS 116, Leases from 1 April, 2019. Ind AS 116 introduces a single, on- balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact (summarised below) on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight- line basis whilst the lease liability reduces by the principal amount of repayments;
- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Company at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.
- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).
- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

  Impact on adoption of above changes in standards is not material.

## 2.3 Changes in accounting policies

a. The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the new accounting standard are described below.

b. Several other amendments and interpretations apply for the first time in April 1, 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

c. The Company adopted Ind AS 115 as per the modified retrospective approach, which requires the cumulative effect on adoption of Ind AS 115 to retained earnings at April 1, 2018. The adoption of Ind AS 115 did not have any impact on the financial statements of the Company as at and for the year ended March 31, 2019.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 3. Property, plant and equipment

₹ In Crores

| | Land - Freehold | Land - Leasehold | Building | Plant and Equipment | Laboratory Equipment | Office Equipment | Furniture, Fixtures and Equipment | Vehicles | Leasehold Improvements | Capital Work -in-Progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost or valuation | | | | | | | | | | | |
| At March 31, 2017 | 93 | 151 | 179 | 2,396 | 29 | 51 | 54 | 33 | 56 | 249 | 3,291 |
| Additions | - | - | 35 | 397 | 5 | 6 | 6 | 1 | - | 561 | 1,011 |
| Disposals | - | - | (1) | (71) | (0) | (0) | (0) | (1) | - | - | (73) |
| Capitalised | - | - | - | - | - | - | - | - | - | (186) | (186) |
| At March 31, 2018 | 93 | 151 | 213 | 2,722 | 34 | 57 | 60 | 33 | 56 | 624 | 4,043 |
| Additions | 1 | 0 | 42 | 720 | 7 | 11 | 15 | 1 | - | 901 | 1,698 |
| Disposals | - | - | (0) | (21) | (0) | (2) | (0) | (0) | - | - | (23) |
| Capitalised | - | - | - | - | - | - | - | - | - | (704) | (704) |
| At March 31, 2019 | 94 | 151 | 255 | 3,421 | 41 | 66 | 75 | 34 | 56 | 821 | 5,014 |
| Accumulated Depreciation | | | | | | | | | | | |
| At March 31, 2017 | - | - | 48 | 1,119 | 7 | 42 | 38 | 24 | 31 | - | 1,309 |
| Depreciation (refer note 27) | - | - | 7 | 196 | 3 | 7 | 6 | 3 | 4 | - | 226 |
| Disposals | - | - | (1) | (61) | (0) | (1) | (0) | (0) | - | - | (64) |
| At March 31, 2018 | - | - | 54 | 1,254 | 10 | 48 | 44 | 27 | 35 | - | 1,471 |
| Depreciation (refer note 27) | - | - | 9 | 249 | 4 | 8 | 8 | 2 | 4 | - | 284 |
| Disposals | - | - | (0) | (16) | (0) | (2) | (0) | (0) | - | - | (18) |
| At March 31, 2019 | - | - | 63 | 1,487 | 14 | 54 | 52 | 29 | 39 | - | 1,737 |
| Net book value | | | | | | | | | | | |
| At March 31, 2019 | 94 | 151 | 192 | 1,934 | 27 | 12 | 23 | 5 | 17 | 821 | 3,276 |
| At March 31, 2018 | 93 | 151 | 159 | 1,468 | 24 | 9 | 16 | 6 | 21 | 624 | 2,571 |

All the title deeds are in the name of the Company, except in the case of leasehold land, freehold land and buildings with a carrying value of Rs. 11 crores, Rs. 2 crores and Rs. 0 crore (Gross block of Rs. 11 crores, Rs. 2 crores and Rs.1 crore) as at 31 March 2019 and 31 March 2018 respectively.

₹ In Crores

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Plant, property and equipment | 2,455 | 1,947 |
| Capital work in progress | 821 | 624 |
| | 3,276 | 2,571 |

**Capital Work in Progress**

Capital work in progress as at March 31, 2019 and March 31, 2018 comprises expenditure for the plant and building in the course of construction.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 4. Intangible assets

₹ In Crores

| | Goodwill* | Other Intangible Assets | | | | | | | | Intangible asset under development | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Data Access Fees | Product Registrations | Product Acquisitions | Task Force Expenses | Software/ License Fees | Brands/ Trade Marks | Technical Knowhow | Germplasm | | |
| Cost or valuation | | | | | | | | | | | |
| At March 31, 2017 | 3,704 | 97 | 184 | 603 | 23 | 25 | 63 | 11 | 13 | 23 | 4,746 |
| Additions | - | 0 | 8 | - | - | 4 | - | - | - | 17 | 29 |
| Capitalised | - | - | - | - | - | - | - | - | - | (1) | (1) |
| At March 31, 2018 | 3,704 | 97 | 192 | 603 | 23 | 29 | 63 | 11 | 13 | 39 | 4,774 |
| Additions | - | - | 7 | - | - | 4 | - | - | - | 35 | 46 |
| Disposals | - | - | - | - | - | 0 | - | - | - | - | 0 |
| Capitalised | - | - | - | - | - | - | - | - | - | (6) | (6) |
| At March 31, 2019 | 3,704 | 97 | 199 | 603 | 23 | 33 | 63 | 11 | 13 | 68 | 4,814 |
| Amortisation | | | | | | | | | | | |
| At March 31, 2017 | 739 | 94 | 118 | 279 | 14 | 16 | 62 | 10 | 8 | - | 1,340 |
| Amortisation (refer note 27) | 370 | 1 | 22 | 40 | 3 | 4 | - | - | 0 | - | 440 |
| At March 31, 2018 | 1,109 | 95 | 140 | 319 | 17 | 20 | 62 | 10 | 8 | - | 1,780 |
| Amortisation (refer note 27) | 370 | 1 | 23 | 40 | 3 | 3 | - | - | 0 | - | 440 |
| At March 31, 2019 | 1,479 | 96 | 163 | 359 | 20 | 23 | 62 | 10 | 8 | - | 2,220 |
| Net book value | | | | | | | | | | | |
| At March 31, 2019 | 2,225 | 1 | 36 | 244 | 3 | 10 | 1 | 1 | 5 | 68 | 2,594 |
| At March 31, 2018 | 2,595 | 2 | 52 | 284 | 6 | 9 | 1 | 1 | 5 | 39 | 2,994 |

Certain intangible assets which are required to be held outside India and where the Company is the beneficial owner of the said intangible assets, are held in the name of the overseas subsidiary companies.

₹ In Crores

| Net book value | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Goodwill | 2,225 | 2,595 |
| Other intangible assets | 301 | 360 |
| Intangible assets under development | 68 | 39 |
| | 2,594 | 2,994 |

*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 an 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' best estimate about future developments.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 5. Investments

₹ In Crores

| | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Investment stated at Cost | | | |
| (A) | Investments in Equity Instruments | | |
| a. | Investment in Subsidiaries (unquoted) | | |
| (i) | 140,824 (March 31, 2018: 136,000) equity shares of US $ 100 each fully paid-up in UPL Corporation Limited (formerly known as Bio-Win Corporation Ltd) | 1,102 | 77 |
| (ii) | 3,053 (March 31, 2018: 3,053) equity shares of Euro 100 each, fully paid-up in Advanta Holdings B.V., Netherlands | 171 | 171 |
| (iii) | 50,007 (March 31, 2018: 50,007) equity shares of Rs. 10 each fully paid-up in Shroff's United Chemicals Limited | 0 | 0 |
| (iv) | 99,000 (March 31, 2018 : 99,000) equity shares of US$ 1 each, fully paid-up in PT Advanta Indonesia | 1 | 1 |
| (v) | 1,000,007 (March 31,2018: 1,000,007) equity shares of Rs. 10 each fully paid-up in SWAL Corporation Limited | 17 | 17 |
| (vi) | 1,000,000 (March 31, 2018: 1,000,000) ordinary shares of US$ 1 each, fully paid-up in Advanta Seed International, Mauritius | 0 | 0 |
| (vii) | 1,000,000 (March 31, 2018: 1,000,000) equity shares of Rs.10 each fully paid-up in Agrinet Solutions Limited | 2 | 2 |
| (viii) | United Phosphorus (India) LLP - Capital Contribution in LLP<br>Name of Partners: UPL Limited<br>SWAL Corporation Limited<br>Total capital of the firm: Rs. 15,300,000<br>Share of each partner: UPL Limited - 96%<br>SWAL Corporation Limited - 4% | 35 | 15 |
| (ix) | United Phosphorus (Global) LLP<br>Name of Partners: UPL Limited<br>SWAL Corporation Limited<br>Total capital of the firm: Rs. 1,000,000<br>Share of each partner: UPL Limited - 95%<br>SWAL Corporation Limited - 5% | 0 | 0 |
| b. | Investment in Associates (unquoted) | | |
| (i) | 921,000 (March 31, 2018: 921,000) equity shares of Rs 10 each fully paid-up in Chemiesynth (Vapi) Limited | 0 | 0 |
| (ii) | 3,350,000 (March 31, 2018: 3,350,000) equity shares of Rs.10 each fully paid-up in Kerala Enviro Infrastructure Limited | 3 | 3 |
| (iii) | 48,214 (March 31, 2018: 37,681) equity shares of Rs 10 each, fully paid-up in Weather Risk Management Services Pvt Ltd | 14 | 10 |
| (B) | Investments in Preference Instruments in subsidiaries (unquoted) | | |
| | Nil (March 31, 2018: 6,393) preference shares of Euro 5,000 each, fully paid-up in Advanta Holdings B.V., Netherlands | - | 210 |
| | Investment stated at Amortised Cost | | |
| | Investments in Government or trust securities (unquoted) | | |
| | Indira Vikas Patra [Face Value: Current Year: Rs. 0.06 lac.[March 31, 2018: Rs. 0.06 lac] | 0 | 0 |
| | National Saving Certificates [Face Value: Current Year: Rs. 0.06 lac. [March 31, 2018: Rs. 0.06 lac] | 0 | 0 |
| | Investments stated at Fair Value through OCI | | |
| | Investments in Equity Instruments (quoted) | | |
| | 28,100 (March 31, 2018: 28,100) equity shares of Rs.10 each fully paid-up in Gujarat State Financial Corporation | 0 | 0 |
| | 50,000 (March 31, 2018: 50,000) equity shares of Rs.10 each fully paid-up in Nivi Trading Limited | 0 | 0 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 5. Investments (contd.)

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| 41,150 (March 31, 2018: 41,150) equity shares of Rs.10 each fully paid-up in Transpek Industry Limited | 5 | 5 |
| 5,307 (March 31, 2018: 5,307) equity shares of Rs.10 each fully paid-up in IDFC Limited | 0 | 0 |
| 5,307 (March 31, 2018: 5,307) equity shares of Rs.10 each fully paid-up in IDFC Bank Limited. | 0 | 0 |
| 17,990 (March 31, 2018: 17,990) equity shares of Rs.2 each fully paid-up in Bank of Baroda Limited | 0 | 0 |
| Investments stated at Fair Value through profit and loss | | |
| a. Investments in Optionally Convertible Bonds (unquoted) | 83 | 76 |
| 6,855 (March 31, 2018: 6,855) Optionally Convertible Bonds of Rs.1,00,000 each in Tatva Global Environment Private Limited | | |
| b. Investment in Others (unquoted) | | |
| 10,000 (March 31, 2018:10,000) equity shares of Rs.10 each fully paid-up in Janakalyan Sahakari Bank Limited | 0 | 0 |
| 1,000,000 (March 31, 2018: 1,000,000) equity shares of Rs.10 each fully paid-up in Uniphos International Limited | 0 | 0 |
| 45,000 (March 31, 2018: 45,000) equity shares of Rs.10 each fully paid-up in Bloom Packaging Private Limited | 1 | 1 |
| 19,025 (March 31, 2018: 19,025) equity shares of Rs.10 each fully paid-up in Bench Bio Private Limited | 1 | 1 |
| 240,000 (March 31, 2018: 240,000) equity shares of Rs. 10 each fully paid-up in UPL Investment Private Limited | 2 | 2 |
| 57 [March 31, 2018: 57] equity shares of 1 Rand each fully paid-up in Cropserve [PTY] Limited | 0 | 0 |
| 3,757,570 [March 31, 2018: 3,435,070] equity shares of Rs.10 each fully paid-up in Narmada Clean Tech Limited | 3 | 3 |
| Total Non-Current Investments | 1,441 | 594 |
| Aggregate book value and market value of quoted investments | 5 | 5 |
| Aggregate amount of unquoted investments | 1,436 | 589 |
| Impairment of investments | - | - |

### Impairment of Investments

Investment at fair value through profit and loss (fully paid) reflect investment in debt instruments and unquoted equity securities. Refer note 39 for determination of their fair values.

Investment at fair value through OCI (fully paid) reflect investment in quoted equity securities. Refer note 39 for determination of their fair values.

### Extent of equity interest in subsidiaries and associates

| Name and country of incorporation | % of equity interest | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| a. Subsidiaries | | |
| UPL Corporation Limited (formerly known as Bio-Win Corporation Ltd), Mauritius | 78% | 100% |
| Advanta Holdings B.V., Netherlands | 100% | 100% |
| PT Advanta Indonesia | 100% | 100% |
| SWAL Corporation Limited, India | 100% | 100% |
| Advanta Seed International, Mauritius | 100% | 100% |
| Agrinet Solutions Limited, India | 50% | 50% |
| Shroffs United Chemicals Limited, India | 100% | 100% |
| United Phosphorus (India) LLP | 96% | 95% |
| United Phosphorus (Global) LLP, India | 95% | 95% |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 5. Investments (contd.)

| Name and country of incorporation | % of equity interest | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| b. Associates | | |
| Chemiesynth (Vapi) Limited, India | 30% | 30% |
| Kerala Enviro Infrastructure Limited, India | 28% | 28% |
| Weather Risk Management Services Pvt Ltd, India | 27% | 27% |

## 6. Loans

₹ In Crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (A) Security deposit | | | | |
| a. Unsecured, Considered good | | | | |
| - to related parties (refer note 36) | 11 | 15 | - | - |
| - to other than related parties | 65 | 59 | - | - |
| b. Unsecured, Considered doubtful | 2 | 2 | - | - |
| Less: Allowance for doubtful security deposit | (2) | (2) | - | - |
| | 76 | 74 | - | - |
| (B) Loans and advances to related parties (refer note 32 and 36) | | | | |
| a. Unsecured, Considered good | - | 831 | 77 | 98 |
| | - | 831 | 77 | 98 |
| (C) Loans to employees | | | | |
| a. Unsecured, Considered good | - | - | 2 | 7 |
| | - | - | 2 | 7 |
| (D) Sundry loans | | | | |
| Unsecured, Considered doubtful | 2 | 2 | - | - |
| Less: Allowance for doubtful sundry loans | (2) | (2) | - | - |
| | - | - | - | - |
| Total loans | 76 | 905 | 79 | 105 |

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company.

## 7. Other financial assets

₹ In Crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (A) Interest receivable | | | | |
| a. Unsecured, considered good from related party (refer note 36) | - | - | 7 | 24 |
| b. Unsecured, considered doubtful | - | - | (0) | 0 |
| Less: Allowance for doubtful interest receivable | - | - | (0) | (0) |
| | - | - | 7 | 24 |
| (B) Receivables from related parties (refer note 36) | | | | |
| a. Unsecured, considered good | - | - | 115 | 68 |
| | - | - | 115 | 68 |
| (C) Export benefits receivable | | | | |
| Unsecured, considered good | 35 | 35 | 121 | 82 |
| | 35 | 35 | 121 | 82 |
| (D) Other receivables | | | | |
| Unsecured, considered doubtful | - | - | 2 | 2 |
| Less: Allowance for doubtful other financial assets | - | - | (2) | (2) |
| Total other financial assets | 35 | 35 | 243 | 174 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 8. Other assets

₹ In Crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (a) Capital advances | 22 | 66 | - | - |
| (b) Statutory receivables | 159 | 158 | 1,015 | 606 |
| (c) Prepaid expense | - | - | 35 | 46 |
| (d) Other advances | - | - | 81 | 35 |
| Total other assets | 181 | 224 | 1,131 | 687 |

## 9. Inventories

(Valued at lower of cost and net realisable value)

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| a. Raw materials and components [includes goods in transit: Rs. 23 crores (March 31, 2018: Rs. 22 crores)] | 760 | 519 |
| b. Work-in-progress | 175 | 147 |
| c. Finished goods | 769 | 638 |
| d. Traded goods [includes goods in transit: Rs. 8 crores (March 31, 2018: Rs. 3 crores)] | 80 | 80 |
| e. Store and spares [including fuel] | 48 | 40 |
| f. Packing material | 30 | 25 |
| g. By products | 4 | 3 |
| | 1,866 | 1,452 |

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 Rs. 6 crores (March 31, 2018: Rs 21 crores)

## 10. Trade receivables

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Unsecured, Considered good | | |
| - from related parties | 1,028 | 1,052 |
| - from others | 1,705 | 965 |
| Unsecured, Considered doubtful | | |
| - from others | 108 | 77 |
| Less: Allowance for doubtful trade receivable | (108) | (77) |
| Total trade receivables | 2,733 | 2,017 |

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which 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.

Certain trade receivables are interest bearing.Trade receivables are generally on terms of 45 to 270 days.

The Company has entered into an agreement to sell and assign 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, 2019, the Company sold receivables which have been derecognised amounting to Rs. Nil (March 31, 2018: Rs. 48 crores). For explanations on the Company's credit risk management processes, refer note 41

## 11. Cash and cash equivalents

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Balances with banks | | |
| - Current accounts | 77 | 93 |
| Cash on hand | 0 | 0 |
| Total cash and cash equivalents | 77 | 93 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 11A. Other bank balances

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| - Unclaimed dividend accounts | 8 | 7 |
| - Margin money deposit ** | 14 | 14 |
| - Deposits with original maturity for more than 3 months but less than 12 months | 1 | 12 |
| Total other bank balances | 23 | 33 |

** 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:

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Balances with banks: | | |
| - Current accounts | 77 | 93 |
| Cash on hand | 0 | 0 |
| Total cash and cash equivalents | 77 | 93 |

## 12. Share Capital

Authorised share capital

| | Equity shares of INR 2 each | |
|---|---|---|
| | Nos. | INR Crores |
| As at April1, 2017 | 1,23,75,00,000 | 248 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2018 | 1,23,75,00,000 | 248 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2019 | 1,23,75,00,000 | 248 |

Issued equity capital

Equity shares of Rs. 2 each issued, subscribed and fully paid

| | Equity shares of INR 2 each | |
|---|---|---|
| | Nos. | INR Crores |
| As at April1, 2017 | 50,70,17,118 | 101 |
| Increase/(decrease) during the year due to | | |
| Conversion of OCPS and CCPS | 22,24,287 | 1 |
| ESOP Allotments | 91,676 | 0 |
| At March 31, 2018 | 50,93,33,081 | 102 |
| Increase/(decrease) during the year due to | | |
| ESOP Allotments | 9,589 | 0 |
| At March 31, 2019 | 50,93,42,670 | 102 |

### Terms/ rights attached to equity shares

The Company has one class of equity shares having par value of Rs. 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 March, 2019, the amount of per share dividend proposed as distributions to equity shareholders is Rs. 8 (March, 2018: Rs. 8)

The Board has recommended issue of bonus shares in the ratio 1:2 (one bonus equity share of Rs. 2 each for every two fully paid-up equity shares held), subject to the approval of the shareholders of the company.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 12. Share Capital (contd.)

Details of shareholders holding more than 5% shares in the company

Name of the shareholder

| Equity shares of INR 2 each fully paid | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | No. in crores | % holding in the class | No. in crores | % holding in the class |
| Nerka Chemicals Private Limited | 10 | 20.10% | 10 | 19.94% |
| Uniphos Enterprises Limited | 3 | 5.06% | 3 | 5.01% |

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

There are 42,353,062 (March 31, 2018: 42,353,062) 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.

## 12A. Preference Share Capital

Authorised share capital

| | Total Preference Shares of Rs. 100 each | |
|---|---|---|
| | No. | INR Crores |
| As at April1, 2017 | 22,95,00,000 | 230 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2018 | 22,95,00,000 | 230 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2019 | 22,95,00,000 | 230 |

Issued preference share capital

| | Optionally Convertible Preference Shares | | Compulsorily Convertible Preference Shares | |
|---|---|---|---|---|
| | No. | INR Crores | No. | INR Crores |
| As at April1, 2017 | 2,46,42,786 | 25 | 8,19,40,125 | 82 |
| Increase/(decrease) during the year | (2,46,42,786) | (25) | (8,19,40,125) | (82) |
| At March 31, 2018 | - | - | - | - |
| Increase/(decrease) during the year | - | - | - | - |
| At March 31, 2019 | - | - | - | - |

### Terms/ rights attached to preference shares

Each Compulsory convertible preference share (CCPS) had a par value of Rs. 10 and was 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 into ten new equity shares of Rs. 2 for every four hundred and seventy one CCPS held. CCPS not converted within 18 months from the date of allotment, were to 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 annually, subject to deduction of taxes at source, if applicable. The CCPS were non-cumulative and non-participating in nature. The holder of CCPS had the right to vote in accordance with Section 47 of the Companies Act, 2013.

Each optionally convertible preference share (OCPS) has a par value of Rs. 10 and was 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 into ten new equity shares of Rs. 2 for every four hundred and seventy one OCPS held. OCPS not converted within 18 months from the date of allotment, were to be automatically redeemed at par. The OCPS carried a dividend of 5% per annum, payable annually, subject to deduction of taxes at source, if applicable. The OCPS were to be non-cumulative and non-participating in nature. The holder of OCPS had the 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 policies.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 12B. Distribution made & proposed

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended 31 March 2018: Rs. 8 per share (31 March 2017: Rs. 7 per share) | 407 | 357 |
| Proposed dividends on equity shares: | | |
| Proposed cash dividend for the year ended 31 March 2019: Rs. 8 per share (March 31, 2018: Rs. 8 per share) | 407 | 407 |

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at the year end.

## 12C. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company (refer note 34)

## 13. Other equity

i) Securities Premium

| | INR Crores |
|---|---|
| As at April1, 2017 | 4,498 |
| Increase/(decrease) during the year due of conversion of OCPS,CCPS and ESOP allotments | 109 |
| At March 31, 2018 | 4,607 |
| Increase/(decrease) during the year | - |
| At March 31, 2019 | 4,607 |

ii) Retained Earnings

| | INR Crores |
|---|---|
| As at April1, 2017 | 968 |
| Add: Profit for the year | 548 |
| Add: Re-measurement gains (losses) on defined benefit plans | 0 |
| Less: Appropriations: | |
| Dividend on Equity Shares | (357) |
| Transfer to debenture redemption reserve | (14) |
| Transfer to capital redemption reserve | (2) |
| At March 31, 2018 | 1,143 |
| Add: Profit for the year | 405 |
| Add: Re-measurement gains (losses) on defined benefit plans | 3 |
| Add: Transfer from debenture redemption reserve | 1 |
| Less: Appropriations: | |
| Dividend on Equity Shares | (407) |
| At March 31, 2019 | 1,145 |

iii) Other Reserves

Capital Redemption Reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | 36 |
| Increase/(decrease) during the year due of conversion of OCPS and CCPS | 2 |
| At March 31, 2018 | 38 |
| Increase/(decrease) during the year | - |
| At March 31, 2019 | 38 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 13. Other equity (contd.)

### Capital Reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | 86 |
| Increase/(decrease) during the year | - |
| At March 31, 2018 | 86 |
| Increase/(decrease) during the year | - |
| At March 31, 2019 | 86 |

### Debenture Redemption Reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | 127 |
| Add: Amount transferred from retained earnings | 14 |
| At March 31, 2018 | 141 |
| Less: Amount transferred to retained earnings | (1) |
| At March 31, 2019 | 140 |

### Share based payment reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | 2 |
| Increase/(decrease) during the year | (2) |
| At March 31, 2018 | 0 |
| Increase/(decrease) during the year | - |
| At March 31, 2019 | 0 |

### General Reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | 1,848 |
| Increase/(decrease) during the year | - |
| At March 31, 2018 | 1,848 |
| Increase/(decrease) during the year | - |
| At March 31, 2019 | 1,848 |

### Equity Component of convertible preference shares

| | INR Crores |
|---|---|
| As at April1, 2017 | 0 |
| Increase/(decrease) during the year | (0) |
| At March 31, 2018 | - |
| Increase/(decrease) during the year | - |
| At March 31, 2019 | - |

### Equity Instruments through Other Comprehensive Income

| | INR Crores |
|---|---|
| As at April1, 2017 | 2 |
| Increase/(decrease) during the year | 3 |
| At March 31, 2017 | 5 |
| Increase/(decrease) during the year | 1 |
| At March 31, 2018 | 6 |

**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.

**Capital Redemption Reserve** - Capital Redemption Reserve was created for buy-back of shares and can be utilised for issuance of fully paid up bonus shares.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 13. Other equity (contd.)

**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.

**Share Based Payment Reserve** - The Company has an employee stock option scheme under which the option to subscribe for the companies share have been granted to the key employees and directors. 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.

**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 subject to compliance with declaration of dividend out of reserve rules and issue of fully paid-up and not paid-up bonus shares.

Other reserves ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Capital Redemption Reserve | 38 | 38 |
| Capital Reserve | 86 | 86 |
| Debenture Redemption Reserve | 140 | 141 |
| Share based payment reserve | 0 | 0 |
| General Reserve | 1,848 | 1,848 |
| Equity Component of convertible preference shares | - | - |
| Equity Instruments through Other Comprehensive Income | 6 | 5 |
| Total other reserves | 2,118 | 2,118 |

## 14. Borrowings

Non-current Borrowings ₹ In Crores

| | Effective interest rate | Maturity | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| **Debentures** | | | | |
| Unsecured Redeemable non convertible debentures (NCDs) (Refer note a below) | 10.53% to 10.85% | 2019-2026 | 458 | 682 |
| **Current maturities of Non- current Debentures** | | | 273 | 127 |
| **Total Non-current Borrowings** | | | 731 | 809 |
| Less: Amount clubbed under "other current financial liabilities" (refer note 15) | | | (273) | (127) |
| **Net Non-current Borrowings** | | | 458 | 682 |

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Aggregate secured loans (non-current) | - | - |
| Aggregate unsecured loans (non-current) | 458 | 682 |

Current Borrowings ₹ In Crores

| | Maturity | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| **Loans repayable On demand** | | | |
| Cash credit, packing credit and working capital demand loan accounts from Banks (Refer note b below) | | | |
| - Secured | On demand | 0 | 65 |
| - Unsecured (6 months LIBOR+48 to 85bps,1month GSEC+5bps) | On demand | 507 | 248 |
| Unsecured Commercial papers from Banks and others (Refer note c below) | 74-90 days | 400 | - |
| Total current Borrowings | | 907 | 313 |

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Aggregate secured loans (current) | 0 | 65 |
| Aggregate unsecured loans (current) | 907 | 248 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 14. Borrowings (contd.)

a. Unsecured Redeemable Non-Convertible Debentures (NCD's)

i) The borrowings and current maturities of long term borrowings include Rs 48 crores (March 31, 2018: Rs. 49 crores) pertaining to interest accrued but not due on account of recognition of debentures at amortised cost as per EIR method.

ii) NCDs of face value amounting to Rs. 300 crores (March 31, 2018: Rs. 300 crores) have been issued under two series and are redeemable at par at the end of 7th year Rs. 150 crores i.e June, 2019 and 0th year Rs. 150 crores i.e June, 2022 from the date of allotment. Out of the above, NCDs amounting to Rs. 90 crores have been bought back by the Company.

iii) NCDs of face value amounting to Rs. 250 crores (March 31, 2018: Rs. 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.

iv) NCDs of face value aggregating to Rs. 225 crores (March 31, 2018: Rs. 300 crores) have been issued under three series and are redeemable at par of Rs 75 crores each at the end of 12th year, 11th year, 9th year and 8th year i.e. October 2022, October 2021 and October 2019 respectively from the date of allotment.

v) NCDs mentioned above carry a coupon rate ranging from 10.35% 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.

c. Unsecured Commercial papers from Banks and others

Commercial paper carry an interest rate of 7.29% to 7.55% per annum for the current year (March 31, 2018 : NA) which are maturing in may 2019. These are repayable within 74 to 90 days.

## 15. Other financial liabilities

₹ In Crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivatives contract (net) | - | 135 | - | 36 |
| Total financial liabilities at fair value through profit or loss | - | 135 | - | 36 |
| Other financial liabilities carried at amortised Cost | | | | |
| Current maturities of long-term borrowings (note 14a) | - | - | 273 | 127 |
| Trade Deposits | - | - | 43 | 51 |
| Creditors for capital goods | - | - | 67 | 154 |
| Interest accrued on borrowings | - | - | 1 | 1 |
| Unpaid dividend | - | - | 8 | 7 |
| Others | 4 | 4 | 37 | 1 |
| Total other financial liabilities carried at amortised Cost | 4 | 4 | 429 | 341 |
| Total other financial liabilities | 4 | 139 | 429 | 377 |

## 16. Other current liabilities

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Advances against orders | 1,135 | 52 |
| Statutory liabilities | 9 | 7 |
| Other liabilities | 2 | 3 |
| Total other current liabilities | 1,146 | 62 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 17. Trade payables

Outstanding dues of micro and small enterprises ₹ In Crores

| | Current | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Trade payables | 26 | 17 |
| | 26 | 17 |

## 18. Trade payables

Outstanding dues of micro and small enterprises ₹ In Crores

| | Current | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| - Outstanding dues of other than micro and small enterprises | 2,791 | 2,336 |
| | 2,792 | 2,336 |

**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 the Company's credit risk management processes, refer note 41

## 19. Income taxes

a) The major components of income tax expense for the year are as under:

i) Income tax expenses recognised in the statement of profit and loss: ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current tax: | | |
| In respect of current year | 83 | 180 |
| Adjustments of tax relating to earlier years | (3) | (83) |
| Deferred tax: | | |
| In respect of current year | 1 | (69) |
| | 81 | 28 |

ii) Income tax expenses recognised in OCI: ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Deferred tax expenses on remesurement of defined benefit plan | 2 | 0 |
| Deferred tax expenses on remesurement of equity instruments through other comprehensive income | 0 | 0 |
| | 2 | 0 |

b) Reconciliation of tax expense and the accounting profit for the year is as under: ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Accounting profit before income tax | 485 | 576 |
| Statutory income tax rate of 34.944% (March 31, 2018: 34.608%) | 170 | 199 |
| Dividend Income from Subsidiary | (144) | (123) |
| Profit on sale of investment to be taxed saperately | (15) | - |
| Additional deduction on expenditure on Research & Development | (11) | (11) |
| Amortisation of goodwill in books considered as not deductible in provision for tax | 128 | 128 |
| Agricultural Income exempt from tax | (33) | (19) |
| MAT credit of earlier years* | - | (63) |
| Others | (11) | 0 |
| | 84 | 111 |
| Adjustments of tax relating to earlier years* | (3) | (83) |
| Income tax expense reported in the statement of profit and loss | 81 | 28 |

* Pursuant to the completion of assessments for the past years, the Company has written back excess provision of tax of Rs. 3 crores (March 2018:Rs 83 crores) and recognised minimum alternate tax credit entitlement of Rs Nil (March 2018:Rs 63 crores) for the year ended March 31, 2019

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 19. Income taxes (contd.)

c) Deferred tax

The major components of deferred tax assets/ (liablities) arising on account of temprory difference are as follows: ₹ In Crores

| | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Accelerated depreciation for tax purposes | (225) | (205) | 20 | 16 |
| Debentures carried at amortised cost | (1) | 1 | 2 | (3) |
| Minimum alternate tax credit | 81 | 63 | (18) | (63) |
| Provision for doubtful debts and advances | 53 | 42 | (11) | (10) |
| Gratuity | 9 | 8 | (1) | (2) |
| Leave encashment | 27 | 24 | (3) | (2) |
| Unwinding of interest cost of trade payables | (13) | (3) | 10 | (4) |
| Others | 1 | 7 | 6 | (2) |
| Net deferred tax assets/(liabilities) | (67) | (64) | - | - |
| Deferred tax expense/(income) | | | 3 | (69) |

Reflected in the balance sheet as follows: ₹ In Crores

| | Balance Sheet | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Deferred tax assets | 170 | 144 |
| Deferred tax liabilities: | (237) | (208) |
| Deferred tax liabilities, net | (67) | (64) |

Reconciliation of deferred tax liabilities (net): ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Opening balance as of 1 April | (64) | (133) |
| Tax income/(expense) during the year recognised in profit or loss | (1) | 69 |
| Tax income/(expense) during the year recognised in OCI | (2) | 0 |
| Tax income/(expense) during the year recognised in Equity | - | - |
| Closing balance as at 31 March | (67) | (64) |

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.

Given that the Company does not have any intention to dispose investments in subsidiaries and associates in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised. Similarly, the Company does not have any intention to dispose of its free hold and lease hold land in the forseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

## 20. Provisions

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Net employee defined benefit liabilities | | |
| Gratuity (refer note 33) | 26 | 23 |
| Leave encashment (refer note below) | 77 | 68 |
| Others | | |
| Dividend (refer note below) | - | - |
| Total Provisions | 103 | 91 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 20. Provisions (contd.)

Movement in provisions

₹ In Crores

| Equity shares of INR 2 each fully paid | March 31, 2019 | | | March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | Leave encashment | Dividend | Total | Leave encashment | Dividend | Total |
| Opening | 68 | - | 68 | 63 | 3 | 66 |
| Arising during the year | 9 | - | 9 | 5 | - | 5 |
| Utilised | - | - | - | - | (3) | (3) |
| Closing | 77 | - | 77 | 68 | - | 68 |

## 21. Revenue from operations

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Sale of products (including excise duty) | 8,470 | 7,168 |
| Sale / rendering of services | | |
| Job-work income | 28 | 20 |
| Management service fees | 18 | 13 |
| Others | 1 | 1 |
| Other operating revenues | | |
| Export Incentives | 80 | 86 |
| Refund of statutory receivable | 10 | 14 |
| Excess provisions in respect of earlier years written back (net) | 10 | 38 |
| Royalty income | 36 | 24 |
| Miscellaneous receipts | 7 | 10 |
| Total Revenue from operations | 8,660 | 7,374 |

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017, consequently revenue from operations for the period from July 31, 2017 upto March 31, 2019 is net of GST. However revenue for the quarter ended June 30, 2017 included in the year ended March 31, 2018 is inclusive of excise duty. The Net revenue from operations (Net of GST/ Excise Duty) as applicable are stated below-

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from operations | 8,660 | 7,374 |
| Less: Excise Duty | - | (111) |
| Net Revenue from operations | 8,660 | 7,263 |

Dislosure under Ind AS 115 - Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

a. The management determines that the segment information reported under Note 47 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

b. The Company's performance obligation are satisfied upon shipment and payment is generally due by 45 to 270 days.

c. Contract balances

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Trade receivables (refer note 10) | 2,733 | 2,017 |
| Contract liablities (refer note 16) | 1,135 | 52 |

4. Reconciliation of revenue from contract with customers with contracted price

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from contract with customer as per the contract price | 9,522 | 8,102 |
| Adjustments made to contract price on account of :- | | |
| Discounts / Rebates / Incentives | (399) | (288) |
| Sales Returns /Credits / Reversals | (625) | (626) |
| Revenue from contract with customer | 8,498 | 7,188 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 21. Revenue from operations (contd.)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Sale of services | 19 | 14 |
| Other operating revenue | 143 | 172 |
| Revenue from operations | 8,660 | 7,374 |

### Discounts / Rebates / Incentives

The Company issues multiple discount schemes to its customers in order to capture market share. The Company makes a provision for the discount it expects to give to its customers based on the terms of the scheme as at 31 March 2019. Revenue is adjusted for the expected value of discount to be given

### Sales returns

The Company recognizes a provision based on the previous history of sales return. Revenue is adjusted for the expected value of return.

## 22. Other income

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Interest income on | | |
| Bank deposits | 1 | 1 |
| Loans and others | 64 | 68 |
| Dividend Income on | | |
| Long-term investments in subsidiary (refer note 36) | 412 | 356 |
| Other non-operating income | | |
| Fair value gain/(loss) on financial instruments at fair value through profit or loss | 7 | (7) |
| Rent received | 8 | 4 |
| Profit on sale of assets (net) | 0 | - |
| Profit on sale of investments | 46 | - |
| Sundry credit balances written back (net) | 2 | 7 |
| Share in profit from investment in LLP | 19 | 6 |
| Miscellaneous income | 1 | 0 |
| Total other income | 560 | 435 |

## 23. Cost of raw material and components consumed

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Inventory at the beginning of the year | 519 | 404 |
| Add: Purchases | 4,982 | 3,632 |
| | 5,501 | 4,036 |
| Less: inventory at the end of the year | 760 | 519 |
| Cost of raw material and components consumed | 4,741 | 3,517 |

## 24. Changes in inventories of finished goods (including stock-in-trade) and work-in-progress

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Inventories at the end of the year | | |
| Finished goods | 769 | 638 |
| By-products | 4 | 3 |
| Work in progress | 175 | 147 |
| Traded goods | 80 | 80 |
| | 1,028 | 868 |
| Inventories at the beginning of the year | | |
| Finished goods | 638 | 647 |
| By-products | 3 | 6 |
| Work in progress | 147 | 148 |
| Traded goods | 80 | 91 |
| | 868 | 892 |
| (Increase)/Decrease in inventory | (160) | 24 |
| Less: Excise duty on stocks | - | (22) |
| | (160) | 2 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 25. Employee benefit expenses

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Salaries, wages and bonus | 435 | 391 |
| Contribution to provident and other funds (refer note 33) | 27 | 25 |
| Share based payments to employees (refer note 34) | - | 0 |
| Retirement benefits (refer note 33) | 29 | 21 |
| Staff welfare expenses | 60 | 49 |
| | 551 | 486 |

## 26. Finance costs

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Interest: | | |
| - On Debentures | 77 | 81 |
| - On Others | 47 | 40 |
| Exchange Difference (net) | (55) | (21) |
| (Gain)/Loss on Derivatives Instruments | 50 | (10) |
| Unwinding of interest cost on trade payables | 54 | 35 |
| Other financial charges | 12 | 10 |
| | 185 | 135 |

## 27. Depreciation and amortisation expenses

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Depreciation of tangible assets | 284 | 226 |
| Amortization of intangible assets | 440 | 440 |
| | 724 | 666 |

## 28. Other expenses

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Power and fuel | 337 | 237 |
| Containers & packing materials consumed | 310 | 286 |
| Transport charges | 217 | 244 |
| Sub-contracting expenses | 330 | 316 |
| Sales commission | 44 | 46 |
| Rent (Refer note: 35) | 97 | 76 |
| Effluent disposal charges | 94 | 70 |
| Travelling and conveyance | 85 | 74 |
| Advertising and sales promotion | 84 | 72 |
| Legal and professional fees | 83 | 83 |
| Consumption of stores and spares | 69 | 65 |
| <u>Repairs and maintenance</u> | | |
| Plant and machinery | 36 | 32 |
| Buildings | 4 | 3 |
| Others | 30 | 32 |
| Rates and taxes | 8 | 18 |
| Exchange differences (net) | 63 | 9 |
| Charity and donations [(includes Rs 18 crores (31 March 2018: Rs 22 crores) paid for political purpose)] | 29 | 30 |
| CSR expenses (Refer note 46) | 18 | 20 |
| Insurance | 14 | 13 |
| Allowances for doubtful debts (net) | 31 | 8 |
| Assets written off | 5 | 9 |
| Payment to auditor (Refer details below) | 3 | 2 |
| Directors' sitting fees | 0 | 0 |
| Miscellaneos expenses | 177 | 160 |
| | 2,168 | 1,905 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 28. Other expenses (contd.)

Payment to auditor

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Audit fee | 3 | 2 |
| Other services (certification fees)* | 0 | 0 |
| Reimbursement of expenses* | 0 | 0 |
| | 3 | 2 |

* Amount less than a Crore

## 29. Research and development costs

Research and Development costs, as certified by the management

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| a) Revenue expenses debited to appropriate heads of account. | 101 | 91 |
| b) Capital Expenditure | 12 | 5 |

## 30. Components of Other Comprehensive Income (OCI), net of tax

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

₹ In Crores

| | March 31, 2019 | | | March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | FVTOCI reserve | Retained earnings | Total | FVTOCI reserve | Retained earnings | Total |
| Re-measurement gains (losses) on defined benefit plans | - | 3 | 3 | - | 0 | 0 |
| Gain/(loss) on FVTOCI financial assets | 1 | - | 1 | 3 | - | 3 |
| | 1 | 3 | 4 | 3 | 0 | 3 |

## 31. Earnings per share (EPS)

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Profit attributable to equity holders for basic earnings (₹ In Crores) | 404 | 548 |
| Weighted average number of Equity shares for basic EPS* | 50,93,41,987 | 50,82,06,912 |
| Effect of dilution: | | |
| Convertible preference shares | - | - |
| Employee Stock options | 81,587 | 91,176 |
| Weighted average number of Equity shares adjusted for the effect of dilution * | 50,94,23,574 | 50,82,98,088 |

| | | |
|---|---|---|
| Earnings per equity share (in Rupees) | | |
| Basic (Face value of Rs. 2 each) | 7.96 | 10.78 |
| Diluted (Face value of Rs. 2 each) | 7.96 | 10.78 |

* 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.

## 32. Details of Loans & Investment as required u/s 186 of Companies Act, 2013

₹ In Crores

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | Loan given | Outstanding | Loan given | Outstanding |
| Loan given to subsidiaries for working capital / business operations | | | | |
| UPL Corporation Limited (foreign currency loan) | - | - | - | 929 |
| SWAL Corporation Limited | 77 | 77 | 102 | - |

Rate of interest charged on loans given in INR is 13% p.a and in case of foreign currency loan at 6 months LIBOR +200 to 250 bps.

Investments

Details required u/s 186 have been disclosed in note 5 of the financial statements.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 33. Gratuity and other post-employment benefit plans

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Gratuity Plan | 26 | 23 |

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:

**The amounts recognised in the statement of profit and loss are as follows:**

(i) Defined Benefit Plan

₹ In Crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost | 11 | 9 |
| Interest cost on benefit obligation | 4 | 3 |
| Return on plan assets | (2) | (2) |
| **Amount included under the head Employee Benefit Expense in Note 25** | **13** | **10** |
| Actuarial changes arising from changes in financial assumptions | (1) | (2) |
| **Remeasurements recognised in Other Comprehensive Income(OCI)** | **(1)** | **(2)** |
| **Total Expenses recognised in the statement of Profit & Loss** | **12** | **8** |
| Actual return on plan assets | 2 | 2 |

(ii) Defined Contribution Plan

₹ In Crores

| | Provident Fund | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost included under the head Employee Benefit Expense in Note 25 | 18 | 16 |

| | Superannuation Fund | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost included under the head Employee Benefit Expense in Note 25 | 9 | 9 |

**The amounts recognised in the Balance Sheet are as follows:**

₹ In Crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Present value of funded obligation | 55 | 51 |
| Less: Fair value of plan assets | 29 | 28 |
| **Net Liability** | **26** | **23** |

**Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:**

₹ In Crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Opening defined benefit obligation | 51 | 44 |
| Interest cost | 4 | 3 |
| Current service cost | 11 | 9 |
| Benefits paid | (5) | (2) |
| Actuarial changes arising from changes in financial assumptions | (6) | (3) |
| **Closing defined benefit obligation** | **55** | **51** |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 33. Gratuity and other post-employment benefit plans (contd.)

Changes in the fair value of plan assets are as follows: ₹ In Crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Opening fair value of plan assets | 28 | 27 |
| Return on plan assets | 2 | 2 |
| Actuarial changes arising from changes in financial assumptions | (1) | (1) |
| Closing fair value of plan assets | 29 | 28 |

Expected contribution to defined benefit plan for the year 2019-20 ₹ In Crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Expected contribution to defined benefit plan | 27 | 24 |

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

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Investments with insurer under: | % | % |
| Funds managed by insurer | 100 | 100 |

The principal actuarial assumptions at the Balance Sheet date.

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Discount rate | 7.70% | 7.70% |
| Return on plan assets | 7.70% | 7.70% |
| Mortality Rate | Indian Assured Lives Mortality (2006-08) Ult. | Indian Assured Lives Mortality (2006-08) Ult. |
| Annual increase in Salary costs | 7% | 7% |
| Attrition Rate | 8% | 8% |

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below: ₹ In Crores

| Sensitivity Level | 1% increase | 1% decrease |
|---|---|---|
| Impact on defined benefit obligation | | |
| Discount rate | (3) | 4 |
| Future salary increases | 4 | (3) |
| Withdrawal rate | - | - |

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.

## 34. Share based payment

During the year ended March 31, 2019, 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 convertible into share) to employees.

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Number of options granted (net of options lapsed) | 5,08,390 | 5,08,390 |
| Method of settlement (Cash/Equity) | Equity | Equity |
| Vesting period | Spread over 4 years and 6 months | Spread over 4 years and 6 months |
| Contractual life of options | 10 years | 10 years |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 34. Share based payment (contd.)

The details of the activity have been summarized below

| | (No. of equity shares) | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Outstanding at the beginning of the year | 16,500 | 52,250 |
| Exercisable at the beginning of the year | 16,500 | 52,250 |
| Forfeited during the year | - | - |
| Exercised during the year | - | 35,750 |
| Vested during the year | - | - |
| Expired during the year | - | - |
| Outstanding at the end of the year | 16,500 | 16,500 |
| Exercisable at the end of the year* | 16,500 | 16,500 |
| Weighted average remaining contractual life (in years) | 2.91 | 3.91 |

For options excercised during the current period, the weighted average share price at the exercise date was Rs. Nil (Mar 31, 2018: Rs. 833).

Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Weighted average share price/market price | 68.75 | 68.75 |
| Exercise price (Rs. 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 |

B. 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 share) to employees.

| Particulars | March 31, 2019 | | |
|---|---|---|---|
| Dates of grant | 30-Jan-14 | 27-May-14 | 27-May-14 |
| Dates of board approval | 30-Jan-14 | 27-May-14 | 27-May-14 |
| Date of shareholders approval | 03-Dec-13 | 03-Dec-13 | 03-Dec-13 |
| Number of options granted | 7,11,752 | 35,000 | 35,000 |
| Method of settlement (Cash / Equity) | Equity | Equity | Equity |
| Vesting period | Spread over 4 years | | |
| Exercise period | 60 months from the date of grant | | |

The details of the activity have been summarized below ₹ In Crores

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Outstanding at the beginning of the year | 14,676 | 23,723 |
| Exercisable at the beginning of the year | 13,269 | 2,814 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | 9,047 | 9,047 |
| Vested during the year | - | 19,502 |
| Expired during the year | - | - |
| Outstanding at the end of the year | 5,629 | 14,676 |
| Exercisable at the end of the year* | 4,222 | 13,269 |
| Weighted average remaining contractual life (in years) | 0.32 | 1.02 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 34. Share based payment (contd.)

For options excercised during the current period, the weighted average share price at the exercise date was Rs. 756.33 (Mar 31, 2018: Rs. 703.80).

**Stock options granted**

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Weighted average share price/market price (Rs. per share) | 112.81 | 112.81 |
| Exercise price (Rs. per share) | Grant 1 Rs 103.80<br>Grant 2 Rs 262.75<br>Grant 3 Rs 319.70 | Grant 1 Rs 103.80<br>Grant 2 Rs 262.75<br>Grant 3 Rs 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 | 0.00% | 0.00% |
| Average risk-free interest rate | 8.71% per annum | 8.71% per annum |

*Eligible Employees holding 1 Option shall be entitled to purchase 1.06 new equity shares as per the scheme of amalgamation.

### C. Employees stock option plan (ESOP) 2017

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on July 08, 2017 which provides for a grant of 2,500,000 options (each option convertible into share) to employees.

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Dates of grant | 25-Jan-18 | 25-Jan-18 |
| Dates of board approval | 25-Jan-17 | 25-Jan-17 |
| Number of options granted | 60,000 | 60,000 |
| Method of settlement (Cash / Equity) | Equity | Equity |
| Vesting period | Spread over 2 years | Spread over 2 years |
| Contractual life of Option | 5 years | 5 years |

| Vesting conditions | Grant Date | Number of Options | Contractual life of Options |
|---|---|---|---|
| 1 year from grant date | 25-Jan-18 | 20,000 | 4 years |
| 2 years from grant date | 25-Jan-18 | 40,000 | 5 years |

**The details of the activity have been summarized below**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Outstanding at the beginning of the year | 60,000 | - |
| Exercisable at the beginning of the year | - | - |
| Granted during the year | - | 60,000 |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Vested during the year | 20,000 | - |
| Expired during the year | - | - |
| Outstanding at the end of the year | 60,000 | 60,000 |
| Exercisable at the end of the year* | 20,000 | - |
| Weighted average remaining contractual life (in years) | 3.49 | 4.49 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 34. Share based payment (contd.)

Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Weighted average share price/market price (Rs. per share) | 824 | 824 |
| Exercise price (Rs. per share) | 784 | 784 |
| Expected volatility | 21.49% | 21.49% |
| Life of the options granted (vesting and exercise period) in years | 2 to 3.25 years | 2 to 3.25 years |
| Expected dividends | - | - |
| Average risk-free interest rate | 7.22% per annum | 7.22% per annum |

D. Effect of the employee option plan on the Statement of Profit and Loss and on its financial position ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Total employee compensation cost pertaining to stock option plan | 1 | 0 |
| Liability for employee stock option plan outstanding as at the year end | 1 | 0 |

## 35. Commitments and contingencies

a. Leases- Operating lease commitments — Company as lessee

Lease rent debited to statement of profit and loss is Rs. 97 crores (March 31, 2018: Rs. 76 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: ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Within one year | 21 | 21 |
| After one year but more than five years | 84 | 90 |
| More than five years | - | 15 |

b. Commitments ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 249 | 72 |

c. Contingent liabilities ₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Disputed Income-Tax Liability (excluding interest) | 26 | 26 |
| Disputed Excise Duty / Service Tax liability (excluding interest) | 196 | 203 |
| Disputed Sales Tax liability | 31 | 31 |
| Disputed Custom Duty liability | 34 | 34 |
| Disputed Fiscal Penalty for cancellation of licenses | 33 | 33 |
| Claims against the Company not acknowledged as debts | 4 | 4 |

e. Pursuant to the judgment of the Supreme Court of India on 28 February 2019 regarding the allowances to be considered for computing Provident Fund liability, certain components of compensation hitherto excluded from PF need to be included.There are interpretative challenges in application of the judgment retrospectively and the Company has been legally advised that the judgment would be applicable prospectively.The financial statements disclose a contingent liability in this regard. No provision has been made for the period from 28 February to 31 March 2019 as the same is not material.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions

(a) Names of the related parties where control exists irrespective of whether transactions have occurred or not

(i) Name of the Subsidiary Companies:

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| Shroffs United Chemicals Limited | India | |
| SWAL Corporation Limited | India | |
| United Phosphorus (India) LLP | India | |
| United Phosphorus Global LLP | India | |
| Optima Farm Solutions Limited | India | |
| UPL Europe Limited | United Kingdom | |
| UPL Deutschland GmbH | Germany | |
| UPL Polska Sp z.o.o. | Poland | |
| UPL Benelux B.V. | Netherlands | |
| Cerexagri B.V. | Netherlands | |
| Blue Star B.V. | Netherlands | #4 |
| United Phosphorus Holdings Cooperatief U.A. | Netherlands | |
| United Phosphorus Holdings B.V. | Netherlands | |
| Decco Worldwide Post-Harvest Holdings Cooperatief U.A. | Netherlands | |
| Decco Worldwide Post-Harvest Holdings B.V. | Netherlands | |
| United Phosphorus Holding, Brazil B.V. | Netherlands | |
| UPL Italia S.R.L. | Italy | |
| UPL Iberia, S.A. | Spain | |
| Decco Iberica Postcosecha, S.A.U. | Spain | |
| Transterra Invest, S. L. U. | Spain | |
| Cerexagri S.A.S. | France | |
| Neo-Fog S.A. | France | |
| UPL France | France | |
| United Phosphorus Switzerland Limited | Switzerland | |
| Agrodan, ApS | Denmark | |
| Decco Italia SRL | Italy | |
| Limited Liability Company "UPL" | Russia | |
| Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA) | Portugal | |
| United Phosphorus Inc. | USA | |
| UPI Finance LLC | USA | |
| Cerexagri, Inc. (PA) | USA | |
| UPL Delaware, Inc. | USA | |
| Canegrass LLC | USA | |
| Decco US Post-Harvest Inc | USA | |
| RiceCo LLC | USA | |
| Riceco International, Inc. | Bahamas | |
| UPL Corporation Limited | Mauritius | |
| UPL Limited, Mauritius | Mauritius | # |
| UPL Management DMCC | United Arab Emirates | |
| UPL Limited | Gibraltar | |
| UPL Agro S.A. de C.V. | Mexico | |
| Decco Jifkins Mexico Sapi | Mexico | |
| Uniphos Industria e Comercio de Produtos Quimicos Ltda. | Brazil | |
| Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A. | Brazil | |
| UPL Costa Rica S.A. | Costa Rica | |
| UPL Bolivia S.R.L | Bolivia | |
| UPL Paraguay S.A. | Paraguay | |
| Icona Sanluis S.A. | Argentina | |
| DVA Technology Argentina S.A. | Argentina | #1 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| UPL Argentina S A | Argentina | |
| Decco Chile SpA | Chile | |
| UPL Colombia SAS | Colombia | |
| United Phosphorus Cayman Limited | Cayman Islands | |
| UP Aviation Limited | Cayman Islands | |
| UPL Australia Limited | Australia | |
| UPL New Zealand Limited | New Zealand | |
| UPL Shanghai Limited | China | |
| UPL Limited (Korea) | Korea | |
| PT.UPL Indonesia | Indonesia | |
| PT Catur Agrodaya Mandiri | Indonesia | |
| UPL Limited | Hong Kong | |
| UPL Philippines Inc. | Philippines | |
| UPL Vietnam Co. Limited | Vietnam | |
| UPL Limited, Japan | Japan | |
| Anning Decco Fine Chemical Co. Limited | China | |
| UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi | Turkey | |
| UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S. | Turkey | #2 |
| Safepack Products Limited | Israel | |
| Citrashine (Pty) Ltd | South Africa | |
| UPL Africa SARL | Senegal | #6 |
| Prolong Limited | Israel | #3 |
| Perrey Participações S.A | Brazil | |
| Agrinet Solutions Limited | India | |
| Advanta Netherlands Holding B.V. | Netherlands | |
| Advanta Semillas SAIC | Argentina | |
| Advanta Holdings B.V. | Netherlands | |
| Advanta Seeds International | Mauritius | |
| Pacific Seeds Holdings (Thailand) Limited | Thailand | |
| Pacific Seeds (Thai) Limited | Thailand | |
| Advanta Seeds Pty Ltd | Australia | |
| Advanta US LLC (formerly known as Advanta U.S. Inc.) | USA | |
| Advanta Comercio De Sementes LTDA. | Brazil | |
| PT Advanta Seeds Indonesia | Indonesia | |
| Advanta Seeds DMCC | United Arab Emirates | |
| Essentiv LCC | USA | |
| UPL Agro Limited Mauritius | Mauritius | `@3 |
| UPL Jiangsu Limited | China | `@2 |
| Riceco International Bangladesh Ltd | Bangladesh | `@3 |
| Uniphos Malaysia Sdn Bhd | Malaysia | `@3 |
| Advanta Seeds Ukraine LLC | Ukraine | |
| Decco Gıda Tarım ve Zirai Ürünler San. Tic A.S. | Turkey | @ |
| Arysta LifeScience Investments LLC | USA | @1 |
| Arysta LifeScience America Inc. | USA | @1 |
| ANESA S.A. | Belgium | @1 |
| Arysta LifeScience Management Company, LLC | USA | @1 |
| Arysta LifeScience SPC, LLC | USA | @1 |
| Arysta LifeScience India Limited | India | @1 |
| Arysta LifeScience Agriservice Private Limited | India | @1 |
| Arysta LifeScience Togo SAU | Togo | @1 |
| Arysta Agro Private Limited | India | @1 |
| Arysta LifeScience do Brasil Indústria Química e Agropecuária SA | Brazil | @1 |
| Volcano Agrociencia Industria e Comercio de Defensivos Agricolas Ltda | Brazil | @1 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| GBM USA LLC | USA | @1 |
| Arysta LifeScience Canada, Inc. | Canada | @1 |
| Arysta LifeScience Canada BC Inc. | Canada | @1 |
| Arysta LifeScience North America, LLC | USA | @1 |
| Arysta LifeScience NA Holding LLC | USA | @1 |
| Arysta LifeScience Inc. | USA | @1 |
| Arysta LifeScience Services LLP | India | @1 |
| Arysta LifeScience France SAS | France | @1 |
| Arysta LifeScience Benelux SPRL | Belgium | @1 |
| Arysta LifeScience (Mauritius) Ltd | Mauritius | @1 |
| Arysta LifeScience South Africa (Pty) Ltd | South Africa | @1 |
| Arysta Health and Nutrition Sciences Corporation | Japan | @1 |
| Arysta LifeScience Corporation | Japan | @1 |
| Arysta LifeScience S.A.S. | France | @1 |
| Arysta LifeScience Chile S.A. | Chile | @1 |
| Arysta LifeScience Mexico, S.A.de C.V | Mexico | @1 |
| Grupo Bioquimico Mexicano, S.A. de C.V. | Mexico | @1 |
| MacDermid Agricultural Solutions Netherlands Cooperatief UA | Netherlands | @1 |
| Arysta LifeScience UK & Ireland Ltd | U.K. | @1 |
| Arysta LifeScience Europe Sarl | France | @1 |
| MacDermid Agricultural Solutions Italy Srl | Italy | @1 |
| Platform Sales Suisse GmbH | Switzerland | @1 |
| MacDermid Agricultural Solutions Holdings BV | Netherlands | @1 |
| Dutch Agricultural Investment Partners LLC | USA | @1 |
| Netherlands Agricultural Investment Partners LLC | USA | @1 |
| Arysta LifeScience Bulgaria EOOD | Bulgaria | @1 |
| Arysta LifeScience Romania SRL | Romania | @1 |
| Arysta LifeScience Kiev LLC | Ukraine | @1 |
| Arysta LifeScience Great Britain Ltd | U.K. | @1 |
| Arysta LifeScience Technology BV | Netherlands | @1 |
| Arysta LifeScience Netherlands BV | Netherlands | @1 |
| Arysta LifeScience RUS LLC | Russia | @1 |
| Netherlands Agricultural Technologies CV | Netherlands | @1 |
| Dutch Agricultural Formations CV | Netherlands | @1 |
| Arysta LifeScience Turkey Tarim Urunleri Limited Sirketi | Turkey | @1 |
| Arysta LifeScience Australia Pty Ltd. | Australia | @1 |
| Chemtura (Thailand) Ltd | Thailand | @1 |
| MacDermid (Shanghai) Chemical Ltd. | China | @1 |
| Arysta-LifeScience Ecuador S.A. | Ecuador | @1 |
| Arysta LifeScience Ougrée Production Sprl | Belgium | @1 |
| Arysta LifeScience Hellas S.A. Plant Protection, Nutrition and Other Related Products and Services | Greece | @1 |
| Arysta LifeScience Iberia SLU | Spain | @1 |
| Arysta Lifescience Italia SrL | Italy | @1 |
| Agriphar Poland Sp. Zoo | Poland | @1 |
| Arysta LifeScience Switzerland Sarl | Switzerland | @1 |
| Arysta Animal Health SAS | France | @1 |
| PPWJ Sci | France | @1 |
| Santamix Iberica SL | Spain | @1 |
| Arysta LifeScience Global Services Limited | Ireland | @1 |
| Arysta LifeScience European Investments Limited | U.K. | @1 |
| Arysta LifeScience U.K. Limited | U.K. | @1 |
| Arysta LifeScience U.K. CAD Limited | U.K. | @1 |
| Arysta LifeScience U.K. EUR Limited | U.K. | @1 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| Arysta LifeScience U.K. JPY Limited | U.K. | @1 |
| Arysta LifeScience U.K. USD Limited | U.K. | @1 |
| Arysta Lifescience U.K. Holdings Limited | U.K. | @1 |
| Arysta LifeScience Japan Holdings Goudou Kaisha | Japan | @1 |
| Arysta LifeScience Cameroun SA | Cameroon | @1 |
| Callivoire SGFD S.A. | Cote D'Ivoire | @1 |
| Arysta LifeScience Egypt Ltd | Egypt | @1 |
| Calli Ghana Ltd. | Ghana | @1 |
| Arysta LifeScience Kenya Ltd. | Kenya | @1 |
| Mali Protection Des Cultures (M.P.C.) SA | Mali | @1 |
| Agrifocus Limitada | Mozambique | @1 |
| Arysta LifeScience Holdings SA (Pty) Ltd | South Africa | @1 |
| Anchorprops 39 (Pty) Ltd | South Africa | @1 |
| Callietha Investments (Pty) Ltd | South Africa | @1 |
| Sidewalk Trading (Pty) Ltd | South Africa | @1 |
| Volcano Agroscience (Pty) Ltd | South Africa | @1 |
| Volcano Chemicals (Pty) Ltd | South Africa | @1 |
| Arysta LifeScience Tanzania Ltd | Tanzania | @1 |
| Arysta LifeScience (Shanghai) Co., Ltd. | China | @1 |
| Pt. Arysta LifeScience Tirta Indonesia | Indonesia | @1 |
| Arysta LifeScience Korea Ltd. | Korea | @1 |
| Arysta LifeScience Pakistan (Pvt.) LTD. | Pakistan | @1 |
| Arysta LifeScience Philippines Inc. | Philippines | @1 |
| Arysta LifeScience Asia Pte., Ltd. | Singapore | @1 |
| Arysta LifeScience (Thailand) Co., Ltd. | Thailand | @1 |
| Arysta LifeScience Vietnam Co., Ltd. | Vietnam | @1 |
| Arysta LifeScience Holdings France SAS | France | @1 |
| Goëmar Développement SAS | France | @1 |
| Laboratoires Goëmar SAS | France | @1 |
| Natural Plant Protection S.A.S. | France | @1 |
| Arysta LifeScience Czech s.r.o. | Czech Rpb | @1 |
| Arysta LifeScience Germany GmbH | Germany | @1 |
| Arysta LifeScience Magyarorszag Kft. | Hungary | @1 |
| Arysta LifeScience Polska Sp. z.o.o | Poland | @1 |
| Betel Reunion S.A. | Reunion(Fr) | @1 |
| Arysta LifeScience Vostok Ltd. | Russia | @1 |
| Arysta LifeScience Slovakia S.R.O. | Slovakia | @1 |
| Arysta LifeScience Ukraine LLC | Ukraine | @1 |
| Arysta LifeScience Global Limited | U.K. | @1 |
| Arysta LifeScience Argentina S.A. | Argentina | @1 |
| Arysta LifeScience Colombia S.A.S | Colombia | @1 |
| Arysta LifeScience CentroAmerica, S.A. | Guatemala | @1 |
| Arysta LifeScience Mexico Holding S.A.de C.V | Mexico | @1 |
| Bioenzymas S.A. de C.V. | Mexico | @1 |
| Desarrollos Inmobiliarios Alianza de Coahuila, S.A. de C.V. | Mexico | @1 |
| Omega Agroindustrial, S.A. de C.V. | Mexico | @1 |
| Agroquimicos y Semillas, S.A. de C.V. | Mexico | @1 |
| Servicios Agricolas Mundiales SA de CV | Mexico | @1 |
| Tecno Extractos Vegetales, S.A. de C.V. | Mexico | @1 |
| Tesaurus Mexico S.A. de C.V. | Mexico | @1 |
| Arysta LifeScience Paraguay S.R.L. | Paraguay | @1 |
| Arysta LifeScience Peru S.A.C | Peru | @1 |
| Arysta LifeScience Costa Rica SA. | Costa Rica | @1 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| Arysta LifeScience de Guatemala, S.A. | Guatemala | @1 |
| Arysta LifeScience S.R.L. | Bolivia | @1 |
| Myanmar Arysta LifeScience Co., Ltd. | Myanmar | @1 |
| Arysta LifeScience U.K. BRL Limited | U.K. | @1 |
| Etec Crop Solutions Limited | New Zealand | @1 |
| MacDermid Agricultural Solutions Australia Pty Ltd | Australia | @1 |
| Arvesta Corporation | USA | @1 |
| Arysta LifeScience Registrations Great Britain Ltd | U.K. | @1 |
| Agriphar SDN BHD | Malaysia | @1 |
| Agriphar de Costa Rica SA | Costa Rica | @1 |
| Agriphar de Colombia SAS | Colombia | @1 |
| Industrias Agriphar SA | Guatemala | @1 |
| Kempton Chemicals (Pty) Ltd | South Africa | @1 |
| Agripraza Ltda. | Portugal | @1 |
| Arysta LifeScience Corporation Republica Dominicana, SRL | Dominican Rpb | @1 |
| Grupo Bioquimico Mexicano Republica Dominicana SA | Dominican Rpb | @1 |
| Arysta LifeScience Ecuador S.A. | Ecuador | @1 |
| Arvesta Paraguay S.A. | Paraguay | @1 |
| Arysta Agroquimicos y Fertilzantes Uruguay SA | Uruguay | @1 |
| Arysta LifeScience U.K. USD-2 Limited | U.K. | @1 |
| Veto-Pharma SA | France | @1, #5 |
| Wyjolab S.A. | France | @1, #5 |
| MacDermid (Nanjing) Chemical Ltd. | China | @1, #1 |

Notes

@ Subsidiary formed during the year

@1 Subsidiary acquired during the year

`@2 Subsidiary formed during the previous year

`@3 Subsidiary acquired during the previous year

# During the previous year UPL Limited, Mauritius merged in UPL Corporation Limited, Mauritius.

#1 Subsidiary divested during the year.

#2 During the previous year, the Group through its step down wholly owned subsidiary, has increased its stake from 51% to 100%

#3 During the previous year, the Group through its step down wholly owned subsidiary, has increased its stake from 50% to 100%

#4 During the year, Blue Star B.V. was merged into United Phosphorus Holdings B.V.

#5 During the year, Veto-Pharma SA and Wyjolab S.A. were merged into Arysta Animal Health SAS

#6 Subsidiary divested during the previous year.

(b) Names of the other related parties with whom transactions have taken place during the year

(i) Name of Associate Companies:

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| Weather Risk Management Private Ltd | India | ## |
| Ingen Technologies Private Limited | India | |
| Kerala Enviro Infrastructure Limited | India | |
| Polycoat Technologies 2010 Limited | Israel | |
| 3SB Produtos Agricolas S.A. | Brazil | $$$, # |
| Sinagro Produtos Agropecuarios S.A. | Brazil | $$$, # |
| Seara Comercial Agricola Ltda. | Brazil | |
| Serra Bonita Sementes S.A. | Brazil | $$ |
| Bioplanta Nutricao Vegetal,Industria e Comercio S.A. | Brazil | |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

| Name | Country of incorporation/ Principal place of business | Notes |
|---|---|---|
| Chemisynth (Vapi) Limited | India | |
| Universal Pestochem (Industries) Limited | India | |
| Agri Fokus (Pty) Ltd. | South Africa | $ |
| Novon Retail Company (Pty) Ltd. | South Africa | $ |
| Agronamic (Pty) Ltd. | South Africa | $ |
| Novon Protecta (Pty) Ltd | South Africa | $ |
| Silvix Forestry (Pty) Ltd. | South Africa | $ |
| Nexus AG (Pty) Ltd | South Africa | $ |
| Dalian Advanced Chemical Co.Ltd. | China | $ |
| Société des Produits Industriels et Agricoles | Senegal | $ |
| CGNS Limited | U.K. | $ |
| Callitogo SA | Togo | $ |

$ Investment during the year
$$ Investment made during the previous year ended 2017-18
$$$ 5% stake divested during the year
## Additional 5% stake acquired during the year
# Additional 9% stake acquired during the previous year

(ii) Joint Venture Companies:

| Name | Country of incorporation/ Principal place of business |
|---|---|
| Hodagaya UPL Co. Limited | Japan |
| Longreach Plant Breeders Management Pty Limited | Australia |
| United Phosphorus (Bangladesh) Limited | Bangladesh |

(iii) 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
Vikram Farm

(iv) Key Management Personnel and their relatives :

Directors and their relatives

Mr. Rajnikant D. Shroff
Mrs. Sandra R. Shroff *
Mr. Kalyan Banerjee (upto 31st July, 2018)
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 (upto 27th April, 2018)
Mr. Anand K Vora - Chief Financial Officer
Mr. Mukul B Trivedi - Company Secretary

* Relatives of Key management personnel.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

₹ In Crores

| RELATIONSHIP | SUBSIDIARIES | | ASSOCIATES | | JOINT VENTURE | | ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE | | GRAND TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|
| NATURE OF TRANSACTIONS: | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| 1 INCOME | | | | | | | | | | |
| (A) SALES: | | | | | | | | | | |
| (i) GOODS | 5,499 | 4,034 | - | - | 5 | 7 | 5 | 6 | 5,509 | 4,047 |
| UPL Corporation Ltd. | 1,881 | 880 | - | - | - | - | - | - | 1,881 | 880 |
| UPL Limited Gibraltar | 1,455 | 1,028 | - | - | - | - | - | - | 1,455 | 1,028 |
| SWAL Corporation Limited | 581 | 512 | - | - | - | - | - | - | 581 | 512 |
| UPL Ltd. - Mauritius | - | 282 | - | - | - | - | - | - | - | 282 |
| United Phosphorus (India) LLP | 1,369 | 642 | - | - | - | - | - | - | 1,369 | 642 |
| Others | 213 | 690 | - | - | 5 | 7 | 5 | 6 | 223 | 702 |
| (B) DIVIDEND RECEIVED | 412 | 356 | - | - | - | - | - | - | 412 | 356 |
| UPL Corporation Ltd. | 412 | 356 | - | - | - | - | - | - | 412 | 356 |
| (C) MANAGEMENT FEES / OTHER SERVICES | 36 | 7 | - | - | - | - | 6 | 8 | 42 | 15 |
| Tatva Global Environment Private Limited | - | - | - | - | - | - | 2 | 2 | 2 | 2 |
| Bharuch Enviro Infrastructure Limited | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Gharpure Engineering and Construction Private Limited | - | - | - | - | - | - | 2 | 4 | 2 | 4 |
| Uniphos Enterprises Ltd | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| United Phosphorus (India) LLP | 36 | 7 | - | - | - | - | - | - | 36 | 7 |
| Others | 0 | - | - | - | - | - | 0 | 0 | 0 | 0 |
| (D) RENT RECEIVED | 7 | 2 | - | - | - | - | 0 | 0 | 7 | 2 |
| Uniphos Envirotronic Pvt. Ltd. | - | - | - | - | - | - | - | - | - | - |
| United Phosphorus (India) LLP | 7 | 2 | - | - | - | - | - | | 7 | 2 |
| Others | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| (E) ROYALTY INCOME | 42 | 29 | - | - | - | - | - | - | 42 | 29 |
| United Phosphorus (India) LLP | 42 | 29 | - | - | - | - | - | - | 42 | 29 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

₹ In Crores

| RELATIONSHIP | SUBSIDIARIES | | ASSOCIATES | | JOINT VENTURE | | ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE | | GRAND TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|
| NATURE OF TRANSACTIONS: | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| (F) COMMISSION ON GUARANTEE GIVEN / RECEIVED | 1 | 6 | - | - | - | - | - | - | 1 | 6 |
| UPL Europe Ltd | - | 2 | - | - | - | - | - | - | - | 2 |
| UPL Italia SRL | 0 | 1 | - | - | - | - | - | - | 0 | 1 |
| Cerexagri SAS | 0 | 1 | - | - | - | - | - | - | 0 | 1 |
| Cerexagri BV | 0 | 1 | - | - | - | - | - | - | 0 | 1 |
| UPL Argentina SA. | - | 1 | - | - | - | - | - | - | - | 1 |
| 2 EXPENSES | | | | | | | | | | |
| (A) PURCHASES | | | | | | | | | | |
| (i) GOODS | 397 | 347 | - | - | - | - | 64 | 48 | 461 | 395 |
| UPL Ltd, Hong Kong | 130 | 140 | - | - | - | - | - | - | 130 | 140 |
| Bloom Seal Containers Pvt Ltd, Vapi | - | - | - | - | - | - | 39 | 29 | 39 | 29 |
| Optima Farm Solutions Ltd. | 104 | 122 | - | - | - | - | - | - | 104 | 122 |
| United Phosphorus (India) LLP | 74 | 16 | - | - | - | - | - | - | 74 | 16 |
| Others | 89 | 69 | - | - | - | - | 25 | 18 | 114 | 87 |
| (ii) PURCHASE OF LICENCES | 31 | 16 | - | - | - | - | - | - | 31 | 16 |
| United Phosphorus India LLP | 31 | 15 | - | - | - | - | - | - | 31 | 15 |
| Others | 0 | 0 | - | - | - | - | - | - | - | 0 |
| (iii) FIXED ASSETS | 10 | 0 | 0 | 0 | - | - | 1 | 0 | 11 | 1 |
| Cerexagri BV | - | 0 | - | - | - | - | - | - | - | 0 |
| Uniphos Envirotronic Pvt. Ltd. | - | - | - | - | - | - | 1 | 0 | 1 | 0 |
| Chemie Synth (Vapi) Ltd | - | - | 0 | 0 | - | - | - | - | 0 | 0 |
| United Phosphorus India LLP | 10 | - | - | - | - | - | - | - | 10 | - |
| (iv) INTANGIBLE ASSETS | 1 | 3 | - | - | - | - | - | - | 1 | 3 |
| UPL Ltd. Japan | 1 | 1 | - | - | - | - | - | - | 1 | 1 |
| UPL Europe | - | 1 | - | - | - | - | - | - | - | 1 |
| UPL Limited Korea | 0 | 1 | - | - | - | - | - | - | - | 1 |
| (v) INTANGIBLE ASSETS - UNDER-CWIP | - | 0 | - | - | - | - | - | - | - | 0 |
| UPL Limited Japan | - | 0 | - | - | - | - | - | - | - | 0 |
| (vi) OTHERS | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| Vikram Farm | - | - | - | - | - | - | 0 | 0 | 0 | 0 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

₹ In Crores

| RELATIONSHIP | | SUBSIDIARIES | | ASSOCIATES | | JOINT VENTURE | | ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE | | GRAND TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NATURE OF TRANSACTIONS: | | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| | Pot Plants | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| | Others | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| (B) | **SERVICES** | 0 | 1 | 0 | 0 | - | - | 94 | 79 | 94 | 80 |
| | Bharuch Enviro Infrastructure Limited | - | - | - | - | - | - | 92 | 77 | 92 | 77 |
| | Others | 0 | 1 | 0 | 0 | - | - | 2 | 2 | 2 | 3 |
| (C) | **RENT** | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| | Sanguine Holdings Pvt. Ltd. | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| | Bloom Packaging Pvt. Ltd. | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| | Ultima Search | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| | Jai Trust | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| | Others | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| (D) | **COMMISSION ON EXPORTS** | 26 | 31 | - | - | 0 | - | - | - | 26 | 31 |
| | UPL Corporation Ltd. | 26 | 31 | - | - | - | - | - | - | 26 | 31 |
| | Others | 0 | - | - | - | 0 | - | - | - | 0 | - |
| (E) | **RESEARCH & DEVELOPMENT EXPENSES** | - | 1 | - | - | - | - | - | - | - | 1 |
| | Cerexagri B V | - | 1 | - | - | - | - | - | - | - | 1 |
| (F) | **WRITE BACK OF PAYABLES** | 2 | 0 | - | - | - | - | - | - | 2 | 0 |
| | UPL Corporation Ltd. | 1 | 0 | - | - | - | - | - | - | 1 | 0 |
| | Advanta Seeds PTY Ltd. | 1 | - | - | - | - | - | - | - | 1 | - |
| | Others | - | - | - | - | - | - | - | - | - | - |
| (G) | **WRITE OFF OF RECEIVABLES** | - | - | - | - | - | - | - | 0 | - | 0 |
| | Enviro Technology Ltd | - | - | - | - | - | - | - | 0 | - | 0 |
| | Other | - | - | - | - | - | - | - | 0 | - | 0 |
| (H) | **CONTRIBUTION TO C.S.R.** | - | - | - | - | - | - | - | 0 | - | 0 |
| | Vikram Farm | - | - | - | - | - | - | - | - | - | - |
| | Bharuch Enviro Infrastructure Ltd. | - | - | - | - | - | - | - | 0 | - | 0 |
| 3 | **FINANCE** | | | | | | | | | | |
| (A) | **LOAN / INTER CORPORATE DEPOSITS GIVEN** | 77 | 102 | - | - | - | - | - | - | 77 | 102 |
| | SWAL Corporation Limited | 77 | 102 | - | - | - | - | - | - | 77 | 102 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

₹ In Crores

| RELATIONSHIP | | SUBSIDIARIES | | ASSOCIATES | | JOINT VENTURE | | ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE | | GRAND TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NATURE OF TRANSACTIONS: | | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| (B) | **INTEREST RECEIVED** | **49** | **43** | - | - | - | - | **0** | **0** | **49** | **43** |
| | UPL Corporation Ltd. | 41 | 35 | - | - | - | - | - | - | 41 | 35 |
| | SWAL Corporation Limited | 8 | 8 | - | - | - | - | - | - | 8 | 8 |
| | Others | - | 0 | - | - | - | - | 0 | 0 | 0 | 0 |
| (C) | **REPAYMENT AGAINST LOAN GIVEN** | **929** | **184** | - | - | - | - | - | **1** | **929** | **185** |
| | UPL Corporation Ltd. | 929 | - | - | - | - | - | - | - | 929 | - |
| | SWAL Corporation Limited | - | 184 | - | - | - | - | - | - | - | 184 |
| | Advanta Holdings BV Netherland | - | - | - | - | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - | - | 1 | - | 1 |
| (D) | **GUARANTEES CANCELLED DURING THE YEAR** | - | **309** | - | - | - | - | - | - | - | **309** |
| | UPL Europe Ltd. | - | 291 | - | - | - | - | - | - | - | 291 |
| | Others | - | 18 | - | - | - | - | - | - | - | 18 |
| (H) | **PURCHASE OF SHARES** | **1,025** | - | - | - | - | - | - | - | **1,025** | - |
| | UPL Corporation Ltd. | 1,025 | - | - | - | - | - | - | - | 1,025 | - |
| 4 (A) | **REIMBURSMENTS RECEIVED** | **60** | **16** | - | - | - | - | **1** | **0** | **61** | **17** |
| | Swal Corporation Limited | 10 | 4 | - | - | - | - | - | - | 10 | 4 |
| | UPL Management DMCC | - | 0 | - | - | - | - | - | - | - | 0 |
| | United Phosphorus (India) LLP | 5 | 7 | - | - | - | - | - | - | 5 | 7 |
| | UPL Ltd. Gibraltar | 39 | | | | | | | | 39 | - |
| | United Phosphorus Inc | - | 2 | - | - | - | - | - | - | - | 2 |
| | Cerexagri BV | - | 2 | - | - | - | - | - | - | - | 2 |
| | Others | 6 | 1 | - | - | - | - | 1 | 0 | 7 | 2 |
| (B) | **REIMBURSEMENTS MADE** | **9** | **1** | - | - | - | - | **0** | - | **9** | **1** |
| | Swal Corporation Ltd. | - | - | - | - | - | - | - | - | 0 | 0 |
| | UPL Limited Korea | 4 | | | | | | | | 4 | 0 |
| | UPL Ltd, Hong Kong | 4 | | | | | | | | 4 | 0 |
| | UPL Vietnam Co. Ltd. | 0 | 0 | - | - | - | - | - | - | - | 0 |
| | UPL Paraguay S.A. | - | 1 | - | - | - | - | - | - | - | 1 |
| | Others | 1 | 0 | - | - | - | - | 0 | - | 1 | 0 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

₹ In Crores

| RELATIONSHIP | | SUBSIDARIES | | | ASSOCIATES | | JOINT VENTURE | | ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE | | GRAND TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NATURE OF TRANSACTIONS: | | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| 5 | OUTSTANDING AT THE YEAR END | | | | | | | | | | | |
| (A) | PAYABLES | 315 | 268 | 0 | 0 | - | - | - | 3 | 3 | 318 | 271 |
| | UPL Corporation Ltd. | 185 | 20 | - | - | - | - | - | - | - | 185 | 20 |
| | UPL Ltd, Hong Kong | 88 | 84 | - | - | - | - | - | - | - | 88 | 84 |
| | United Phosphorus LLP | - | 29 | - | - | - | - | - | - | - | - | 29 |
| | Optima Farm Solutions Ltd. | 4 | 109 | - | - | - | - | - | - | - | 4 | 109 |
| | Others | 38 | 26 | 0 | 0 | - | - | - | 3 | 3 | 40 | 28 |
| (B) | RECEIVABLE | 1,028 | 1,052 | 0 | 0 | 1 | 1 | 1 | 19 | 4 | 1,048 | 1,057 |
| | UPL Corporation Ltd. | - | 59 | - | - | - | - | - | - | - | - | 59 |
| | UPL Limited.- Gibraltar | - | 223 | - | - | - | - | - | - | - | - | 223 |
| | Swal Corporation Ltd. | 232 | 194 | - | - | - | - | - | - | - | 232 | 194 |
| | United Phosphorus (India) LLP | 714 | 322 | - | - | - | - | - | - | - | 714 | 322 |
| | Optima Farm Solutions Ltd. | - | 108 | - | - | - | - | - | - | - | - | 108 |
| | Others | 82 | 146 | 0 | 0 | 1 | 1 | 1 | 19 | 4 | 102 | 151 |
| (C) | LOANS AND ADVANCES GIVEN | 77 | 929 | - | - | - | - | - | 0 | 0 | 77 | 929 |
| | UPL Corporation Ltd. | - | 929 | - | - | - | - | - | - | - | - | 929 |
| | Swal Corporation Ltd. | 77 | - | - | - | - | - | - | - | - | 77 | - |
| | Advanta Holdings BV Netherland | - | - | - | - | - | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| (D) | INTEREST RECEIVABLE | - | 7 | - | - | - | - | - | 0 | 0 | 0 | 7 |
| | UPL Corporation Ltd. | - | 7 | - | - | - | - | - | - | - | - | 7 |
| | Others | - | - | - | - | - | - | - | 0 | 0 | 0 | 0 |
| (E) | MANAGEMENT FEES RECEIVABLE | - | - | - | - | - | - | - | - | 10 | - | 10 |
| | Tatva Global Environment Private Limited | - | - | - | - | - | - | - | - | 1 | - | 1 |
| | Gharpure Engineering and Construction Private Limited | - | - | - | - | - | - | - | - | 8 | - | 8 |
| | Others | - | - | - | - | - | - | - | - | 1 | - | 1 |
| (F) | GUARANTEES GIVEN ON BEHALF OF COMPANIES. | 133 | 497 | - | - | - | - | - | - | - | 133 | 497 |
| | UPL Europe Ltd. | - | - | - | - | - | - | - | - | - | - | - |
| | Cerexagri BV | - | 186 | - | - | - | - | - | - | - | - | 186 |
| | UPL Italia SRL | 133 | 133 | - | - | - | - | - | - | - | 133 | 133 |
| | Cerexagri SAS | - | 178 | - | - | - | - | - | - | - | - | 178 |
| (G) | DEPOSIT GIVEN | - | - | - | - | - | - | - | 11 | 13 | 11 | 13 |
| | Bloom Packaging Pvt Ltd | - | - | - | - | - | - | - | - | 1 | - | 1 |
| | Daman Ganga Pulp And Papers | - | - | - | - | - | - | - | 4 | 4 | 4 | 4 |
| | Bharuch Enviro Infrastrure Ltd. | - | - | - | - | - | - | - | 6 | 8 | 6 | 8 |
| | Others | - | - | - | - | - | - | - | 1 | 0 | 1 | 0 |

(Above figures are gross of tax)

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 36. Related party transactions (contd.)

c. Transactions with Key Management Personnel and their relatives

₹ In Crores

| Nature of Transaction | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Remuneration (refer note 1 below) | | |
| Mr. Rajnikant. D. Shroff | 13 | 10 |
| Mr. Arun C. Ashar | 3 | 3 |
| Others | 6 | 5 |
| | 22 | 17 |
| Rent Paid | | |
| Mr. Rajnikant. D. Shroff | 0 | 0 |
| Mrs. Sandra R. Shroff | 0 | 0 |
| Mr. Vikram R Shroff | 0 | 0 |
| Mr. Jai R Shroff | 0 | 1 |
| | 1 | 2 |
| Professional Fees | | |
| Navin Ashar | 1 | 0 |
| Reimbursements Made | 0 | 0 |
| Outstanding's as at the Balance Sheet Date: | | |
| Sundry Deposits given | 0 | 2 |
| Professional Fees Payable/(Receivable) | 0 | 0 |
| Rent Payable | 0 | 0 |

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

₹ In Crores

| Nature of Relationship | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | 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 | - | 929 | 929 | 979 |
| SWAL Corporation Limited | 77 | 77 | - | 83 |

Notes:

1. This includes short term employee benefits and key management personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognied as per Ind AS19-Employee Benefits in the standalone financial statements. As these employee benefits are lumpsum such amounts provided on the basis of actuarial valuation, the same is not included above.

2. 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.

## 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.

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Employee cost & other expenses | 29 | 26 |
| Finance cost capitalised | 50 | - |

Borrowing cost was capitalized at the rate 7.68%

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 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.

| | Currency | March 31, 2019 (₹ In '000) | March 31, 2019 (₹ In Crores) | March 31, 2018 (₹ In '000) | March 31, 2019 (₹ In Crores) | Purpose |
|---|---|---|---|---|---|---|
| Nature of Instrument | | | | | | |
| Forward contract - Buy | USD | 1,22,686 | 824 | 22,520 | 147 | Hedging |
| Derivative contracts | | | | | | |
| Full Currency Interest Rate Swap contracts - Buy | USD | - | - | 1,11,179 | 725 | Hedging-refer note below |
| Full Currency Interest Rate Swap contracts - Buy | EUR | - | - | 25,667 | 207 | 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

### Un-hedged Foreign Currency balances:

| | Currency | March 31, 2019 (₹ In '000) | March 31, 2019 (₹ In Crores) | March 31, 2018 (₹ In '000) | March 31, 2018 (₹ In Crores) |
|---|---|---|---|---|---|
| Payables | | | | | |
| | USD | 2,14,951 | 1,486 | 2,44,823 | 1,596 |
| | EUR | 2,437 | 19 | 2,166 | 18 |
| | GBP | 177 | 2 | 183 | 2 |
| | JPY | - | - | - | - |
| | AUD | - | - | 3 | 0 |
| | CHF | 13 | 0 | - | - |
| | AED | 115 | 0 | 60 | 0 |
| Receivable | USD | 1,74,633 | 1,208 | 2,39,793 | 1,563 |
| | EUR | 13,676 | 106 | 39,192 | 317 |
| | AUD | 336 | 2 | 554 | 3 |
| | PHP | 33 | 0 | - | - |
| | CHF | 181 | 1 | 199 | 1 |
| | GBP | 21 | 0 | - | - |
| | ARS | 915 | 0 | - | - |
| | BRL | 63 | 0 | - | - |
| | IDR | 63,679 | 0 | - | - |
| | JPY | - | - | 821 | 0 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 39. Catergory-wise classification of financial instruments

₹ In Crores

| | Notes | Non-current | | Current | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| **(A) Accounting, classification and fair values** | | | | | |
| **Financial assets measured at fair value through profit or loss (FVTPL)** | | | | | |
| Investments in unquoted equity shares | 5 | 7 | 7 | - | - |
| Investments in unquoted optionally convertible bonds | 5 | 83 | 76 | - | - |
| | | 90 | 83 | - | - |
| **Financial assets measured at fair value through other comprehensive income (FVTOCI)** | | | | | |
| Investments in quoted equity shares | 5 | 5 | 5 | - | - |
| | | 5 | 5 | - | - |
| **(A) Accounting, classification and fair values:** | | | | | |
| **Financial assets measured at amortised cost** | | | | | |
| Security Deposits | 6 | 76 | 74 | - | - |
| Loans and Advances to related parties | 6 | - | 831 | 77 | 98 |
| Loans to employees | 6 | - | - | 2 | 7 |
| Interest receivable | 7 | - | - | 7 | 24 |
| Receivables from related parties | 7 | - | - | 115 | 68 |
| Export benefit receivable | 7 | 35 | 35 | 121 | 82 |
| Trade receivable | 10 | - | - | 2,733 | 2,017 |
| Cash and cash equivalents | 11 | - | - | 77 | 93 |
| Other bank balance | 11A | - | - | 23 | 33 |
| | | 111 | 940 | 3,155 | 2,422 |
| **Financial liabilities measured at fair value through profit or loss (FVTPL)** | | | | | |
| Derivative contracts | 15 | - | 135 | - | 36 |
| | | - | 135 | - | 36 |
| **Financial liabilities measured at amortised cost** | | | | | |
| Unsecured Redeemable Non convertible Debentures (NCDs) | 14 and 15 | 458 | 682 | 273 | 127 |
| Loans repayable on demand | | | | | |
| - Secured | 14 | - | - | 0 | 65 |
| - Unsecured | 14 | - | - | 507 | 248 |
| Unsecured Commercial papers from Banks and others | 14 | | | 400 | |
| Trade Deposits | 15 | - | - | 43 | 51 |
| Creditors for capital goods | 15 | - | - | 67 | 154 |
| Interest accrued on borrowings | 15 | - | - | 1 | 1 |
| Unpaid dividend | 15 | - | - | 8 | 7 |
| Others | 15 | 4 | 4 | 37 | 1 |
| Trade payables MSME | 17 | - | 17 | 26 | - |
| Trade payables (current) | 18 | - | - | 2,791 | 2,336 |
| | | 462 | 703 | 4,153 | 2,990 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 39. Catergory-wise classification of financial instruments (contd.)

### (B) Measurement of fair value:

Valuation techniques and significant unobservable inputs:

(i) Financial instruments measured at fair value

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 2019 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.

(ii) Financial instrument measured at amortized cost:

The carrying amount of financial assets and financial liability measured at amortized cost in the financial statements are a resonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

## 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 2019:** ₹ In Crores

| | Fair value measurement using | | | | |
|---|---|---|---|---|---|
| | Date of valuation | 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 | Mar 31, 2019 | 5 | 5 | - | - |
| FVTPL financial investments (Note 5): | | | | | |
| Unquoted equity shares | Mar 31, 2019 | 7 | - | - | 7 |
| Unquoted optionally convertible bonds | Mar 31, 2019 | 83 | - | 83 | - |

There have been no transfers between Level 1 and Level 2 during the period.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 40. Fair Value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019: ₹ In Crores

| | Fair value measurement using | | | | |
|---|---|---|---|---|---|
| | Date of valuation | 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 | Mar 31, 2019 | - | - | - | - |

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018: ₹ In Crores

| | Fair value measurement using | | | | |
|---|---|---|---|---|---|
| | Date of valuation | 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 | Mar 31, 2018 | 5 | 5 | - | - |
| FVTPL financial investments (Note 5): | | | | | |
| Unquoted equity shares | Mar 31, 2018 | 7 | - | - | 7 |
| Unquoted optionally convertible bonds | Mar 31, 2018 | 76 | - | 76 | - |

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 2018:

| | Fair value measurement using | | | | |
|---|---|---|---|---|---|
| | Date of valuation | 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 | Mar 31, 2018 | 171 | 171 | - | - |

## 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.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 41. Financial risk management objectives and policies (contd.)

### 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:

₹ In Crores

| | Increase/ decrease in basis points | Increase/ decrease in basis points | Effect on profit or loss |
|---|---|---|---|
| March 31, 2019 | +100 | (5) | (4) |
| | -100 | 5 | 4 |
| March 31, 2018 | +100 | (3) | (2) |
| | -100 | 3 | 2 |

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 March 31, 2019, 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.

### 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.

₹ In Crores

| | Change in USD Rate | Effect on profit or loss | Effect on equity |
|---|---|---|---|
| March 31, 2019 | 1% | (3) | (2) |
| | -1% | 3 | 2 |
| March 31, 2018 | 1% | (0) | (0) |
| | -1% | 0 | 0 |

₹ In Crores

| | Change in USD Rate | Effect on profit or loss | Effect on equity |
|---|---|---|---|
| March 31, 2019 | 1% | 1 | 1 |
| | -1% | (1) | (1) |
| March 31, 2018 | 1% | 3 | 2 |
| | -1% | (3) | (2) |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 41. Financial risk management objectives and policies (contd.)

The movement in the pre-tax effect is a result of a change in the fair value 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 March 31, 2019, 31 March 2018 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.

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.

₹ In Crores

| | March 31, 2019 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | > 5 years | Total |
| Borrowings (other than convertible preference shares) (refer note 14) | 507 | 209 | 249 | 965 |
| Convertible preference shares (refer note 15) | - | - | - | - |
| Other financial liabilities (refer note 15) | 429 | 4 | - | 433 |
| Trade and other payables (refer note 17 and 18) | 2,817 | - | - | 2,817 |
| Derivative contracts (refer note 15) | - | - | - | - |
| | 3,753 | 213 | 249 | 4,215 |

₹ In Crores

| | March 31, 2019 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | > 5 years | Total |
| Borrowings (other than convertible preference shares) (refer note 14) | 313 | 413 | 269 | 995 |
| Convertible preference shares (refer note 15) | - | - | - | - |
| Other financial liabilities (refer note 15) | 341 | 4 | - | 345 |
| Trade and other payables (refer note 17 and 18) | 2,353 | - | - | 2,353 |
| Derivative contracts (refer note 15) | 36 | 135 | - | 171 |
| | 3,043 | 552 | 269 | 3,864 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 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, 2019 and March 31, 2018.

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.

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Borrowings other than convertible preference shares (Note 14 and 15) | 1,238 | 1,122 |
| Less: cash and cash equivalents (Note 11) | (77) | (93) |
| Net debt | 1,161 | 1,029 |
| Optionally Convertible preference shares (Note 14) | - | - |
| Equity (Note 12 and 13) | 7,972 | 7,969 |
| Total capital | 7,972 | 7,969 |
| Capital and net debt | 9,133 | 8,998 |
| Gearing ratio | 13% | 11% |

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 borrowings in the current period.

## 43. Exceptional items

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Amount payable as per final order of The Competition Commission of India | - | 7 |
| Amount payable for proceeding before Patent Trial & Appeal Board | 4 | - |
| | 4 | 7 |

## 44. Foreign Exchange Management Act

In January 2013, the Company had received a show cause notice from the Directorate of Enforcement, alleging that the Company had contravened certain provisions of Foreign Exchange Management Act, 1999 with regard to foreign direct investment made and utilisation of proceeds of FCCB / ECB. The Company had replied to the show cause notice and had personal hearings to represent their matter and filed written submissions on the basis of which Directorate of Enforcement vide order dated 28th February, 2018 has dropped all the charges levied against the Company.

## 45. Amalgamation with Advanta Limited

The Hon'ble High Court of Gujarat vide its order dated June 23, 2016 had sanctioned the Scheme of Amalgamation of Advanta Limited with the Company with an appointed date of April 01, 2015. In accordance with the provisions of the scheme and as approved by the High Court, the amalgamation was accounted for under the purchase method specified in Accounting Standard 14 - 'Accounting for Amalgamations' which is different from Ind AS 103 'Business Combinations'. As per the Court approval the goodwill arising on amalgamation is being amortised over a period of ten years from the appointed date, which is not amortised under Ind AS 103 but only tested for impairment.

If the Company had accounted for amalgamation as per Ind AS 103, profit for the for the years ended March 31, 2019 and March 31, 2018 would have been higher by Rs 370 crs each.

## 46. CSR expenditure:

**Details of CSR expenditure:**

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Gross amount required to be spent by the company during the year | 5 | 6 |
| | 5 | 6 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 46. CSR expenditure (contd.)

₹ In Crores

| | March 31, 2019 | | |
|---|---|---|---|
| | In cash | Yet to be paid in Cash | Total |
| Amount spent during the year | | | |
| Construction/acquisition of any asset | - | - | - |
| On purposes other than above | 17 | 1 | 18 |
| | 17 | 1 | 18 |

₹ In Crores

| | March 31, 2018 | | |
|---|---|---|---|
| | In cash | Yet to be paid in Cash | Total |
| Amount spent during the year | | | |
| Construction/acquisition of any asset | - | - | - |
| On purposes other than above | 19 | 1 | 20 |
| | 19 | 1 | 20 |

## 47. Segment information

1. Information about operating business segments

₹ In Crores

| | March 31, 2019 | | | | March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Agro Activity | Non Agro Activity | Unallocated | Total | Agro Activity | Non Agro Activity | Unallocated | Total |
| Revenue | | | | | | | | |
| External-revenue from contracts with customers | 7,898 | 600 | - | 8,498 | 6,618 | 570 | - | 7,188 |
| External-revenue from contracts with others | 146 | 7 | 9 | 162 | 169 | 4 | 13 | 186 |
| Inter segment | (285) | 285 | - | - | (183) | 183 | - | - |
| Total revenue | 7,759 | 892 | 9 | 8,660 | 6,604 | 757 | 13 | 7,374 |
| Segment Results | | | | | | | | |
| Contribution | 512 | 81 | - | 593 | 741 | 29 | - | 770 |
| Add: Inter segment profit | (53) | 53 | - | - | (37) | 37 | - | - |
| Total segment results | 459 | 134 | - | 593 | 704 | 66 | - | 770 |
| Unallocated income net of unallocated expenses | | | | (82) | | | | 52 |
| Finance costs | | | | 185 | | | | 135 |
| Exceptional items (refer note 43) | | | | 4 | | | | 7 |
| Profit before taxation | | | | 486 | | | | 576 |
| Provision for: | | | | | | | | |
| Current tax | | | | 83 | | | | 180 |
| Adjustments of tax relating to earlier years | | | | (3) | | | | (83) |
| Deferred tax | | | | 1 | | | | (69) |
| Net profit after tax | | | | 405 | | | | 548 |
| Other information | | | | | | | | |
| Segment assets | 10,752 | 1,018 | 2,133 | 13,903 | 9,148 | 738 | 2,164 | 12,050 |
| Segment liabilities | 3,819 | 273 | 1,839 | 5,931 | 2,458 | 176 | 1,447 | 4,081 |
| Capital expenditure | 806 | 144 | 48 | 998 | 665 | 65 | 13 | 743 |
| Depreciation | 236 | 37 | 11 | 284 | 187 | 27 | 12 | 226 |
| Amortisation | 420 | 0 | 20 | 440 | 420 | 0 | 20 | 440 |
| Non cash expenses other than depreciation | 30 | 0 | 0 | 30 | 17 | 0 | 7 | 24 |

# Notes to Standalone Financial Statements for the year ended March 31, 2019

## 47. Segment information (contd.)

2. Information about Geographical Business Segments

₹ In Crores

| | March 31, 2019 | | | March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | India | Outside India | Total | India | Outside India | Total |
| Revenue by geographical market | | | | | | |
| External | 3,714 | 4,946 | 8,660 | 3,392 | 3,982 | 7,374 |
| Carrying amount of non current operating assets | 5,771 | 280 | 6,051 | 5,453 | 336 | 5,789 |

3. Notes

(i) 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.

(ii) Segment revenue in the above segments includes sales of products net of taxes.

(iii) Inter segment revenue is taken as comparable third party average selling price for the year.

(iv) 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

(v) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(vi) 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.

(vii) 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. Acquisition of Arysta Lifesciences Inc. and it's subsidiaries from Element Solutions Inc. (formerly Platform Specialty Products Corporation)

On January 31, 2019, UPL Corporation Limited, Mauritius, a subsidiary of the Company completed the acquisition of Arysta Lifesciences Inc. and it's subsidiaries from Element Solutions Inc. (formerly Platform Specialty Products Corporation). The consideration for the acquisition aggregates US $ 4,426 Million(approximately Rs 31,458 crores) and is subject to certain further adjustments as per the terms of the stock purchase agreement signed between parties on July 20,2018.

# Notes to Standalone Financial Statements for the year ended March 31, 2019

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

₹ In Crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| 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 | 26 | 17 |
| Interest due on above, current year Rs. 0 (March 31, 2018: Rs 0) | 0 | 0 |
| Total | 26 | 17 |
| 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 Rs. 0 (March 31, 2018: Rs. 0) | | |
| The amount of further interest remaining due and payable even in the succeeding years, until 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 attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Independent Auditors' Report

To the Members of
UPL limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of UPL Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, of its consolidated net profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by 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 opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matters

| The key audit matter | How the matter was addressed in our audit |
| --- | --- |
| **Revenue recognition and rebates accrual**<br>(Refer note 2.3(d) to accounting policies.)<br><br>a) Revenue recognition<br>The timing of revenue recognition is relevant to the reported performance of the Group.<br><br>b) Rebates accrual<br>The Group provides rebates and has arrangements with various customers. Some of these arrangements involve estimation when determining the amount of liability to be recognised as at the year end.<br><br>Our focus was on assessing if the rebates and related provisions made were based on relevant agreements and Group's policies and approvals | a) Revenue recognition<br>We tested the accuracy of revenue cut off around the year end. Our work comprised the agreement of sales transactions to supporting documentation and performing analytical procedures across various sales categories.<br><br>b) Rebates accrual<br>We have reviewed business processes and tested the design and implementation of controls surrounding the rebate expense accrual provision. We also compared year end customer rebate accruals and rebate costs in the year, to prior year amounts and analysed the rebate trend. We have also verified the appropriateness of rebate provision calculations by agreeing amounts recognised to terms of agreements, approvals and other supporting workings. |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Inventory valuation**<br>(Refer note 2.3(l) to accounting policies.)<br><br>We identified valuation of inventories as a key audit matter because the Group held significant inventories at the reporting date and because of the significant degree of management judgment involved in evaluating slow-moving, obsolete inventory and the net realizable value of such inventories. | We obtained the inventory ageing report and understood with management their procedures to identify slow moving and obsolete inventories.<br><br>We analysed the ageing profile of inventories to identify slow and obsolete inventories.<br><br>We tested the standard cost assessment and year-end adjustment to actual cost by performing walkthroughs of the costing exercise and testing the actual costs of production for a representative sample of products.<br><br>We assessed the adequacy of the allowance for obsolete inventories by checking, on a sample basis, whether inventory items were categorized appropriately in the relevant ageing bracket and assessed the reasonableness of the allowance percentages applied.<br><br>We also inquired for any obsolete or slow-moving inventories identified during our inventory count observation and also separately performed net realisable value testing on selected inventory items to check that inventories are carried at the lower of cost and net realisable value. |
| **Business combinations**<br>(Refer note 2.2 and 2.3(a) to accounting policies.)<br><br>On 31 January 2019, the Group acquired Arysta LifeScience from Platform Speciality products for a consideration of USD 4.2 billion.<br><br>We have assessed the accounting for acquisitions as a key audit matter due to the following:<br><br>• The judgements used in determining the value of the goodwill and intangible assets and the allocation of value between these asset classes could, if performed inaccurately, lead to a material misstatement.<br><br>• There is significant judgement and complexity involved in the allocation of purchase price over net assets of the acquiree. | **How the matter was addressed in our audit**<br>Our procedures included the following:<br><br>• Within the framework of our audit of the preliminary purchase price allocation, we evaluated the consideration transferred by the Group and the approach of the external appraiser engaged by management with regard to the identification of the acquired assets and the conceptual assessment of the valuation methods.<br><br>• We analysed the assumptions such as growth rates, capital costs or remaining useful lives used in the preliminary determination of fair values of the acquired and identifiable assets and liabilities and contingent liabilities assumed at the acquisition date.<br><br>• We retraced the presentation of the initial consolidation, including the non-controlling interest, in the consolidation. |

## Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

a) We did not audit the financial statements/financial information of 99 subsidiaries whose financial statements/financial information reflect total assets of Rs 135,582 crores as at 31 March 2019, total revenues of Rs. 26,138 crores and net cash flows amounting to Rs 823 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs.14 crores for the year ended 31 March 2019, in respect of 18 associates and 3 joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures is based solely on the audit reports of the 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 accounting principles generally accepted in India. 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

### Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2019 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 with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associates and its joint ventures. Refer Note 37 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 16 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company, its subsidiary Companies and its associates incorporated in India during the year ended 31 March 2019; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Audit Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and its associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
*Partner*
Membership No: 042070

Place: Mumbai
Date: 17 May 2019

# Annexure A to the Independent Auditors' Report

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

## Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of UPL Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 10 subsidiary companies and 4 associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**
*Partner*
Membership No: 042070

Place: Mumbai
Date: 17 May 2019

# Consolidated Balance Sheet as at March 31, 2019

₹ In Crores

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| Assets | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 4,654 | 2,874 |
| Capital work-in-progress | 3 | 1,166 | 1,090 |
| Goodwill | 4 | 15,050 | 432 |
| Other intangible assets | 4 | 12,197 | 1,131 |
| Intangible assets under development | 4 | 617 | 229 |
| Investments accounted for using the equity method | 5 | 408 | 386 |
| Financial assets | | | |
| (i) Investments | 5 | 298 | 648 |
| (ii) Loans | 6 | 156 | 151 |
| (iii) Trade receivables | 10 | 4 | 1 |
| (iv) Other financial assets | 7 | 167 | 35 |
| Income tax assets (net) | | 327 | 194 |
| Deferred tax assets (net) | 18 | 731 | 529 |
| Other non-current assets | 8 | 281 | 319 |
| **Total non-current assets** | | 36,056 | 8,019 |
| **Current assets** | | | |
| Inventories | 9 | 9,270 | 4,538 |
| Financial assets | | | |
| (i) Investments | 5 | 2 | - |
| (ii) Trade receivables | 10 | 11,812 | 6,056 |
| (iii) Cash and cash equivalents | 11 | 2,826 | 2,859 |
| (iv) Bank balance other than cash and cash equivalents | 11A | 25 | 35 |
| (v) Loans | 6 | 51 | 147 |
| (vi) Other financial assets | 7 | 310 | 167 |
| Income tax assets (net) | | 486 | 27 |
| Other current assets | 8 | 2,184 | 1,175 |
| **Total current assets** | | 26,966 | 15,004 |
| Assets held for sale | | 26 | 20 |
| **Total Assets** | | 63,048 | 23,043 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 102 | 102 |
| Other equity | 13 | 14,543 | 9,067 |
| **Equity attributable to owners of the parent** | | 14,645 | 9,169 |
| Non-controlling interests | | 3,358 | 19 |
| **Total Equity** | | 18,003 | 9,188 |
| **Liabilities** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15 | 26,383 | 5,873 |
| (iii) Other financial liabilities | 16 | 136 | 232 |
| Provisions | 17 | 20 | 20 |
| Deferred tax liabilities (net) | 18 | 2,942 | 88 |
| **Total non-current liabilities** | | 29,481 | 6,213 |
| **Current liabilities:** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15 | 2,478 | 634 |
| (ii) Trade payables | 19 | | |
| Total outstanding dues of Micro enterprises and Small enterprises | | 26 | 17 |
| Total outstanding dues of creditors other than Micro enterprises and Small enterprises | | 9,397 | 5,658 |
| (iii) Other financial liabilities | 16 | 1,499 | 755 |
| Provisions | 17 | 844 | 164 |
| Other current liabilities | 20 | 724 | 357 |
| Current tax liabilities (net) | | 596 | 57 |
| | | 15,564 | 7,642 |
| **Total liabilities** | | 45,045 | 13,855 |
| **Total equity and liabilities** | | 63,048 | 23,043 |
| Summary of significant accounting policies | 2.3 | | |
| The accompanying notes are an integral part of these consolidated financial statements. | 1 - 48 | | |

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C.Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ In Crores

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 21 | 21,837 | 17,506 |
| Other income | 22 | 240 | 414 |
| **Total Income** | | **22,077** | **17,920** |
| **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) | | 10,904 | 8,112 |
| Excise duty | | - | 128 |
| Employee benefits expenses | 23 | 2,095 | 1,713 |
| Finance costs | 24 | 963 | 783 |
| Depreciation and amortisation expenses | 25 | 969 | 675 |
| Other expenses | 26 | 5,025 | 4,048 |
| **Total Expenses** | | **19,956** | **15,459** |
| **Profit before share of loss of equity accounted investee, exceptional items and tax** | | **2,121** | **2,461** |
| Share of Profit/(Loss) of equity accounted investees (net of income tax) | 33 & 34 | 14 | (93) |
| **Profit before exceptional items and tax** | | **2,135** | **2,368** |
| Exceptional items | 27 | 451 | 63 |
| **Profit before tax** | | **1,684** | **2,305** |
| **Tax expenses** | | **165** | **275** |
| Current tax | 18 | 442 | 311 |
| Adjustments of tax relating to earlier years | 18 | (4) | (79) |
| Deferred tax | 18 | (273) | 43 |
| **Profit for the year** | | **1,519** | **2,030** |
| **Other comprehensive income (OCI)** | | | |
| A (i) Items that will not be reclassified subsequently to profit or loss | 28 | (59) | 8 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 28 | 2 | (5) |
| B (i) Items that will be reclassified subsequently to profit or loss | 28 | (825) | 67 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | 28 | - | 0 |
| **Total other Comprehensive Income for the year, net of tax** | | **(882)** | **70** |
| **Total Comprehensive Income for the year** | | **637** | **2,100** |
| **Profit for the year** | | **1,519** | **2,030** |
| Attributable to: | | | |
| Owners of the parent | | 1,447 | 2,022 |
| Non-controlling interests | | 72 | 8 |
| **Total comprehensive income for the year** | | **637** | **2,100** |
| Attributable to: | | | |
| Owners of the parent | | 565 | 2,092 |
| Non-controlling interests | | 72 | 8 |
| **Earnings per equity share (of Face Value of Rs 2 each)** | 29 | | |
| Basic (Face value of Rs 2 each) | | 28.42 | 39.79 |
| Diluted (Face value of Rs 2 each) | | 28.41 | 39.78 |
| Summary of significant accounting policies | 2.3 | | |
| The accompanying notes are an integral part of these consolidated financial statements. | 1 - 48 | | |

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C.Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Consolidated Statement of Cash Flows for the year ended March 31, 2019

₹ In Crores

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| **A Cash Flow from operating activities** | | | | |
| Profit before exceptional items and tax | | 2,121 | | 2,461 |
| Adjustments for: | | | | |
| Depreciation and amortization expense | 969 | | 675 | |
| Finance costs | 963 | | 783 | |
| Allowance for doubtful debts and advances (net) | (41) | | 17 | |
| Assets written off | 10 | | 10 | |
| Bad debts written off | 10 | | 2 | |
| Gain on disposal of property, plant and equipment | (3) | | (2) | |
| Interest Income | (137) | | (132) | |
| Unwinding of interest on trade receivables | (82) | | (282) | |
| Manufacturing expenses capitalised | (29) | | (26) | |
| Excess provisions in respect of earlier years written back (net) | (36) | | (57) | |
| Sundry credit balances written off (net) | (12) | | 15 | |
| Loss/(Gain) on sale of current and non current investments (net) | (9) | | 7 | |
| | | 1,604 | | 1,010 |
| Operating profit before working capital changes | | 3,725 | | 3,472 |
| Working capital adjustments | | | | |
| (Increase) in inventories | (674) | | (383) | |
| Decrease/(Increase) in non current and current trade receivables | 370 | | (138) | |
| (Increase) in other non current and current assets | (324) | | (502) | |
| (Increase)/ in other non current and current financial assets | (30) | | (12) | |
| Increase in non current and current trade payables | 277 | | 663 | |
| Increase in non current and current provisions | 13 | | 16 | |
| (Decrease) in other current liabilities | (28) | | (57) | |
| Increase in other non current and current financial liabilities | (167) | | 90 | |
| | | (564) | | (322) |
| Cash generated from operations | | 3,161 | | 3,150 |
| Income taxes paid (net) | | (354) | | (249) |
| Cash flow before exceptional items | | 2,807 | | 2,902 |
| Exceptional items | | (451) | | (63) |
| Net cash flow from operating activities | | 2,356 | | 2,839 |
| **B Cash flow from investing activities** | | | | |
| Purchase of Property,plant and equipment including Capital-work-in-progress and capital advances | | (1,370) | | (1,092) |
| Purchase of intangible assets including assets under development | | (205) | | (321) |
| Proceeds from sale of property, plant and equipment | | 22 | | 9 |
| Payment for acquisition of additional stake in subsidiary | | - | | (22) |
| Payment for acquisition of Arysta Life Science and its subsidiaries | | (30,989) | | - |
| Payment of contingent consideration | | (54) | | (126) |
| Purchase of equity shares of equity accounted investees | | (4) | | (300) |
| Purchase of investments | | (96) | | (423) |
| Proceeds from sale of non current investments and subsidiary | | 427 | | - |
| Sundry loans given | | 424 | | (14) |
| Sundry loans repayment received | | (317) | | 85 |
| Fixed deposit, margin money and dividend accounts (net) | | 10 | | (21) |
| Profit on sale of investment in mutual funds/bonds | | 9 | | (7) |
| Interest income | | 175 | | 140 |
| Net cash flow (used in) investing activities | | (31,968) | | (2,093) |
| **C Cash flow from financing activities** | | | | |
| Proceeds from long term borrowings | | 20,736 | | 1,954 |
| Repayment of long term borrowings | | (78) | | (1,623) |
| Short term borrowings (net) | | 1,308 | | (45) |
| Interest paid and other financial charges | | (1,007) | | (717) |
| Dividend paid to minority shareholders by subsidiaries | | (17) | | (12) |
| Dividends paid | | (407) | | (357) |

# Consolidated Statement of Cash Flows for the year ended March 31, 2019

₹ In Crores

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| | Proceeds from issue of shares of subsidiary to Non Controlling Interest (See Note 40) | 8,358 | - |
| | Net cash flow (used in)/from financing activities | 28,894 | (801) |
| D | Exchange difference arising on conversion debited to foreign currency translation reserve | (362) | 37 |
| | Net (Decrease)/Increase in cash and cash equivalents (A+B+C+D) | (1,081) | (19) |
| | Cash and cash equivalents as at the beginning of the year (Refer note 11) | 2,859 | 2,880 |
| | Add: Cash and Cash Equivalents on acquisition of subsidiaries Cash and cash equivalents of Arysta Group as on date of acquisition | 1,048 | - |
| | Cash and cash equivalents as at the end of the year (Refer note 11) | 2,826 | 2,859 |

**Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.**

| Particulars | Notes | March 31, 2018 | Cash flows | Non-cash changes | | | | March 31, 2019 |
|---|---|---|---|---|---|---|---|---|
| | | | | Acquisition | Foreign exchange movement | Fair value change | Other adjustments | |
| **Debentures** | | | | | | | | |
| Unsecured Redeemable Non convertible Debentures (NCDs) | 15 and 16 | 809 | (78) | - | - | - | - | 731 |
| **Bonds (Unsecured)** | | | | | | | | |
| 3.25% Senior Notes | 15 | 3,230 | - | - | 207 | - | - | 3,437 |
| 4.50% Senior Notes | 15 | 1,937 | - | - | 108 | - | - | 2,045 |
| **Term Loan** | | | | | | | | |
| From Bank (Unsecured) | 15 | 2 | 20,391 | - | - | - | - | 20,394 |
| From Bank (Secured) | 15 | 7 | (4) | - | - | - | - | 3 |
| From others (Unsecured) | 15 | 19 | (2) | - | - | - | - | 17 |
| Cash credit, packing credit and working capital demand loan accounts and Commercial Papers | 15 | 621 | 1,101 | 423 | 21 | - | - | 2,166 |
| Discounted Trade Receivables | 15 | 13 | (52) | 352 | - | - | - | 312 |
| Finance Lease obligation | 15 | - | | 34 | - | - | - | 34 |
| Total liabilities from financing activities | | 6,638 | 21,356 | 809 | 337 | - | - | 29,139 |

Notes:

(i) 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.

(ii) Figures in brackets represent cash outflow

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Consolidated Statement of Changes in Equity for the year ended March 31, 2019

## A. Equity Share Capital

| | Equity shares of INR 2 each | | Compulsorily Convertible Preference Shares (CCPS) | |
|---|---|---|---|---|
| Issued, subscribed and fully paid | Nos. | INR Crores | Nos. | INR Crores |
| As at April1, 2017 | 50,70,17,118 | 101 | 8,19,40,125 | 82 |
| Changes during the year | 23,15,963 | 1 | (8,19,40,125) | (82) |
| At March 31, 2018 | 50,93,33,081 | 102 | - | - |
| Changes during the year | 9,589 | 0 | - | - |
| At March 31, 2019 | 50,93,42,670 | 102 | - | - |

## B. Other Equity

For the year ended March 31, 2019

₹ In Crores

| | Attributable to the Owners of the parent | | | | | | | | | | | Total | Non-controlling interest | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserve and Surplus | | | | | | | | Items of OCI | | | | | |
| | Capital redemption reserve | Capital reserve | Securities premium | Debenture redemption reserve | General reserve | Share Based Payment reserve | Non-controlling interest reserve | Retained earnings | Cashflow hedge reserve for OCI | Equity Instruments through other comprehensive income | Exchange differences on translation of a foreign operation | | | |
| As at 1st April 2018 | 45 | 193 | 4,607 | 141 | 1,848 | - | (3,693) | 5,927 | - | (44) | 43 | 9,067 | 19 | 9,086 |
| Profit for the year | - | - | - | - | - | - | - | 1,447 | - | - | - | 1,447 | 72 | 1,519 |
| Other comprehensive income(net of tax) | - | - | - | - | - | - | - | 3 | (62) | (60) | (763) | (882) | (18) | (899) |
| Total comprehensive income | | | | | | | | | - | | | | | |
| Dividends paid during the year | - | - | - | - | - | - | - | (407) | - | - | - | (407) | (17) | (424) |
| Transfer to retained earnings | - | - | - | (1) | - | - | - | 1 | - | - | - | - | - | - |
| Foreign exchange impact | - | (17) | - | - | - | - | - | - | - | - | | (17) | (218) | (235) |
| Gain on equity dilution in subsidiary | - | - | - | - | - | - | - | 5,335 | - | - | - | 5,335 | 3,023 | 8,358 |
| Recognition of NCI on Arysta acquisition | - | - | - | - | - | - | - | - | - | - | - | - | 496 | 496 |
| As at 31 March 2019 | 45 | 176 | 4,607 | 140 | 1,848 | - | (3,693) | 12,306 | (62) | (104) | (720) | 14,543 | 3,358 | 17,901 |

# Consolidated Statement of Changes in Equity for the year ended March 31, 2019

For the year ended March 31, 2018

₹ In Crores

| | Attributable to the Owners of the parent | | | | | | | | | | | Total | Non-controlling interest | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserve and Surplus | | | | | | | | Items of OCI | | | | | |
| | Capital redemption reserve | Capital reserve | Securities premium | Debenture redemption reserve | General reserve | Share Based Payment reserve | Non-controlling interest reserve | Retained earnings | Cashflow hedge reserve for OCI | Equity Instruments through other comprehensive income | Exchange differences on translation of a foreign operation | | | |
| As at 1st April 2017 | 36 | 171 | 4,498 | 127 | 1,848 | 2 | (3,693) | 4,303 | - | (54) | (24) | 7,214 | 33 | 7,247 |
| Profit for the year | - | - | - | - | - | - | - | 2,022 | - | - | - | 2,022 | 8 | 2,030 |
| Other comprehensive income(net of tax) | - | - | - | - | - | - | - | (7) | - | 10 | 67 | 70 | - | 70 |
| Total comprehensive income | | | | | | | | | - | | | | | |
| Dividends paid during the year | - | - | - | - | - | - | - | (357) | - | - | - | (357) | (12) | (369) |
| Conversion of optionally convertible preference shares and compulsorily convertible preference shares | - | - | 105 | - | - | - | - | - | - | - | - | 105 | - | 105 |
| Capital reserve of an associate | - | 18 | - | - | - | - | - | - | - | - | - | 18 | - | 18 |
| Transfer from retained earnings | 9 | - | - | 14 | - | - | - | (23) | - | - | - | - | - | - |
| Exercise of employee stock options | - | - | 4 | - | - | (2) | - | - | - | - | - | 2 | - | 2 |
| Acquisition of non controlling interest | - | - | - | - | - | - | - | (11) | - | - | - | (11) | (11) | (22) |
| Foreign exchange impact | - | 4 | - | - | - | - | - | - | - | - | - | 4 | 2 | 6 |
| As at 31 March 2018 | 45 | 193 | 4,607 | 141 | 1,848 | - | (3,693) | 5,927 | - | (44) | 43 | 9,067 | 19 | 9,086 |

**Notes:**

(i) During the year, the company's wholly owned subsidiary UPL Corporation Limited made a fresh issue of capital thereby reducing the group's stake to 78%. The difference between the share of net assets and all funds infused has been credited to retained earnings.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

**For and on behalf of the Board of Directors of UPL Limited**
**CIN No.-L24219GJ1985PLC025132**

**R.D. Shroff**
Chairman & Managing Director
Din No.-00180810

**A.C.Ashar**
Whole-time Director
Din No.- 00192088

**Anand Vora**
Chief Financial Officer

Place: Mumbai

**M.B.Trivedi**
Company Secretary
Membership no.: ACS4250

Place: San Francisco
Date: May 17, 2019

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 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 consolidated financial statements comprise the financial statements of UPL Limited ('the Company' or 'the holding Company' or "the parent") and its subsidiaries (collectively, 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2019.

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.

The consolidated financial statements were authorised for issue in accordance with the resolution of the directors on 17 May 2019

## 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 notified under Section 133 of the Companies Act, 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, 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
- Consideration for business combination (including contigent consideration).
- Assets and Liabilities acquired in business combination.

The consolidated financial statements are presented in Indian Rupees ('INR') or ('Rs') which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated. Wherever an amount is represented as Rs. '0' (zero),it construes a value 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 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 plan (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 assets. The present value of the defined

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

benefit obligation is based on expected future payments 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 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

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 ventures as at 31 March 2019. 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 and 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 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 ventures, other than Sinagro Produtos Agropecuarios SA. Group, 3SB Produtos Agricolas SA and Serra Bonita Sementes 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, audited financial statements of 3SB Produtos Agricolas SA and Serra Bonita Sementes SA for the year ended 31st December 2018 have been considered for

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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. The Business combinations policy explains how the group accounts 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

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 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 any difference 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 fair value of identifiable assets acquired net of fair value of 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 group's interest in equity 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.

Interests in associates 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
- 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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

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 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)/Goods and Service Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

### Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method)based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### 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.

### Export Incentive

Duty free imports of raw materials under Advance License for Imports as per the Export and Import Policy are matched with the exports made against the said licenses and the benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" as 'Export Incentive'

### Dividends and Royalties

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

## 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 are 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 of Company to be highly probable when:

- 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 property,plant and equipment, 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 periods of 99 years at the end of the lease periods 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 depreciates on a straight line method based on following estimated useful life of assets.

| Sl. No | Nature of tangible Assets | Useful Life (years) |
|---|---|---|
| 1 | Aircraft | 8 years |
| 2 | Building | 18-60 years |
| 3 | Furniture, Fixtures & Equipments | 3-15 years |
| 4 | Improvements-Leasehold | 6-10 years |
| 5 | Laboratory Equipments | 10 years |
| 6 | Land-Leasehold | 50 years or term of lease if shorter |
| 7 | Office Equipment | 3-33 years |
| 8 | Plant and Equipment | 3-25 years |
| 9 | Vehicles | 3-15 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 fair value of the consideration transferred over the net of fair value of 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 is reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

A summary of the policies applied to the Group's intangible assets is as follows

| Intangible assets | Useful life | Amortisation method |
|---|---|---|
| Product Acquisitions | Fifteen years | Amortised on straight-line basis from the month of additions to match their future economic benefits |
| Germ plasm | Ten to fifteen years | Amortised on straight-line basis |
| Other Intangible assets | Three to Five years | Amortised on straight-line basis |
| Intellectual Property Rights/ technology | Fifteen years | Amortised on straight-line basis |
| Distribution Network/ Customer Relationships | Fifteen years | Amortised on straight-line basis |
| Non compete | Five Years | Amortised on straight-line basis |
| Brand | Infinite | To be tested for impairment |

## 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 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'.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 recognised in OCI or statement of profit and loss, respectively).

Translation of financial statements of foreign entities

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 to the statement of profit and loss.

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.

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)

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 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.

### 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). 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. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

(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

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 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.

## 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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). 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 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 reasonably certain 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 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 reasonable certainty 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 March 31, 2019

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 employee 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 cost and then measured at fair value at each reporting date, 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.

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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 and reversals and foreign exchange gain or loss in the statment of profit and loss. 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 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 the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by the Company as 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 statement of profit and loss, 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.

#### 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

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

## 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.

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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

### 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. Fair value changes are recongnised in the statement of profit and loss.

## 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 interest 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 are allocated to the conversion option that is recognised and included in equity if the 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.

## v. Cash and cash equivalents

Cash and cash equivalents 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

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

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. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2019:

IND AS 116-Leases :

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, onbalance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straightline basis whilst the lease liability reduces by the principal amount of repayments;

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.
- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- Amendment to Ind AS 19, Employee Benefits – The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).
- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Impact on adoption of above changes in standards is not material.

## 2.4 Changes in accounting policies

a The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the new accounting standard are described below.

b Several other amendments and interpretations apply for the first time in April 1, 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

c The Company adopted Ind AS 115 as per the modified retrospective approach, which requires the cumulative effect on adoption of Ind AS 115 to retained earnings at April 1, 2018. The adoption of Ind AS 115 did not have any impact on the financial statements of the Company as at and for the year ended March 31, 2019.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 3. Property, plant and equipment and Capital work-in-progress

₹ In crores

| | Land - Freehold | Land - Leasehold | Building | Building Leasehold | Plant and Equipment | Laboratory Equipment | Furniture, Fixtures and Equipment | Office Equipment | Vehicles | Assets Taken on Lease | | Land Improve-ments | Building Improve-ments | Aircraft | Capital Work-in-Progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Furniture, Fixtures and Equipments | Vehicles | | | | | |
| **Cost or valuation** | | | | | | | | | | | | | | | | |
| At 1 April 2017 | 227 | 162 | 471 | 23 | 3,511 | 61 | 95 | 79 | 112 | 2 | 2 | 15 | 89 | 73 | 633 | 5,555 |
| Additions during the year | - | - | 80 | - | 563 | 12 | 10 | 26 | 23 | - | - | - | 2 | 1 | 991 | 1,708 |
| Disposals during the year | - | - | (1) | - | (73) | - | (2) | (3) | (12) | - | (1) | - | - | - | - | (92) |
| Transfers/Capitalised | - | - | | | | | | | | | | | | | (541) | (541) |
| Reclassification | - | - | 3 | - | (31) | 8 | (6) | 15 | (2) | - | - | - | (2) | - | - | (15) |
| Exchange differences | - | 1 | 19 | 4 | 119 | 5 | - | 2 | (1) | - | - | 3 | 1 | - | 7 | 160 |
| At 31 March 2018 | 227 | 163 | 572 | 27 | 4,089 | 86 | 97 | 119 | 120 | 2 | 1 | 18 | 90 | 74 | 1,090 | 6,775 |
| Additions during the year | 3 | 1 | 250 | 2 | 1,018 | 10 | 22 | 21 | 31 | - | (0) | - | 3 | - | 1,155 | 2,515 |
| Acquisition during the year (Note 40) | 40 | 132 | 728 | - | 1,107 | - | 101 | - | 102 | - | - | - | - | - | 80 | 2,290 |
| Disposals during the year | (0) | (2) | (1) | - | (88) | (1) | (4) | (5) | (10) | (1) | - | - | (0) | - | - | (113) |
| Transfers/Capitalised | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,219) | (1,219) |
| Reclassification | - | 0 | (0) | - | 2 | - | (1) | - | (1) | - | - | - | - | - | 44 | 44 |
| Exchange differences | 2 | (9) | (32) | (1) | (81) | 0 | (5) | (1) | (8) | (0) | (0) | (1) | 1 | 5 | 16 | (114) |
| At 31 March 2019 | 272 | 284 | 1,516 | 28 | 6,046 | 95 | 210 | 134 | 234 | 2 | 1 | 17 | 93 | 79 | 1,166 | 10,177 |
| **Depreciation** | | | | | | | | | | | | | | | | |
| At 1 April 2017 | - | 1 | 201 | 17 | 1,942 | 25 | 63 | 58 | 59 | - | 1 | 14 | 39 | 19 | - | 2,439 |
| Depreciation charge for the year (Note 25) | - | - | 16 | 2 | 262 | 6 | 9 | 13 | 19 | - | - | - | 6 | 10 | | 343 |
| Disposals during the year | - | - | (1) | (2) | (64) | - | (2) | (2) | (9) | - | - | - | - | - | - | (80) |
| Reclassification | - | - | (1) | - | (22) | 5 | (9) | 11 | (2) | - | - | - | - | - | - | (18) |
| Exchange differences | - | - | 17 | 4 | 96 | 3 | 1 | 2 | - | 2 | - | 3 | - | (1) | - | 127 |
| At 31 March 2018 | - | 1 | 232 | 21 | 2,214 | 39 | 62 | 82 | 67 | 2 | 1 | 17 | 45 | 28 | - | 2,811 |
| Depreciation charge for the year (Note 25) | - | 1 | 27 | 1 | 335 | 7 | 12 | 17 | 24 | 0 | 0 | 0 | 7 | 10 | - | 441 |
| Depreciation charge on acquired assets (Note 40) | - | 38 | 391 | - | 730 | - | 67 | - | 54 | - | - | - | - | - | - | 1,281 |
| Disposals during the year | - | (0) | (1) | - | (71) | (1) | (3) | (5) | (8) | (0) | - | - | (0) | - | - | (89) |
| Reclassification | - | - | - | - | (1) | - | 1 | - | (1) | - | - | - | - | - | - | (1) |
| Exchange differences | - | (2) | (22) | (1) | (55) | (0) | (3) | (0) | (4) | (0) | (0) | (1) | 0 | 2 | - | (86) |
| At 31 March 2019 | - | 38 | 627 | 22 | 3,152 | 45 | 136 | 94 | 132 | 2 | 1 | 17 | 52 | 40 | - | 4,357 |
| **Net book value** | | | | | | | | | | | | | | | | |
| At 31 March 2019 | 272 | 246 | 889 | 6 | 2,894 | 50 | 74 | 41 | 102 | (0) | (0) | (0) | 42 | 39 | 1,166 | 5,820 |
| At 31 March 2018 | 227 | 162 | 340 | 6 | 1,875 | 47 | 35 | 37 | 53 | 0 | - | 1 | 45 | 46 | 1,090 | 3,964 |

### Net book value

₹ In crores

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Plant, property and equipment | 4,654 | 2,874 |
| Capital work-in-progress | 1,166 | 1,090 |
| Total | 5,820 | 3,964 |

### Capital Work in Progress

Capital work-in-progress as at 31 March 2019 comprises expenditure for the plant and building in the course of construction.

### Security

For property, plant and equipment given as security (Refer Note 15)

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 4. Intangible assets

₹ In crores

| | Goodwill* | Other Intangible Assets | | | | | | | | | | Intangible asset under development | Total (Excl. Goodwill) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Data Access Fees | Product Registrations | Product Acquisitions | Task Force Expenses | Software/ License Fees | Customer Contracts | Brands/ Trade Marks | Non-compete agreements | Trade Secrets | Right to Use | Germplasm | | |
| **Cost** | | | | | | | | | | | | | | |
| At 1 April 2017 | 419 | 116 | 2,709 | 742 | 22 | 62 | 436 | 301 | 22 | 18 | - | 256 | 159 | 4,843 |
| Additions during the year | - | 1 | 239 | - | - | 8 | - | - | - | - | 3 | - | 187 | 438 |
| Deductions during the year | - | - | (18) | - | - | - | - | - | - | - | - | - | - | (18) |
| Transfer/Capitalised | - | - | - | - | - | - | - | - | - | - | - | - | (112) | (112) |
| Reclassification | - | - | 20 | - | - | (2) | - | (19) | - | - | - | 9 | - | - |
| Foreign Exchange Adjustment | 13 | (7) | 180 | 5 | - | 4 | (4) | - | - | - | - | - | (5) | 173 |
| At 31 March 2018 | 432 | 110 | 3,130 | 747 | 22 | 72 | 432 | 282 | 22 | 18 | 3 | 265 | 229 | 5,324 |
| Acquisitions during the year (Note 40) | 15,035 | - | 12,132 | - | - | 305 | 2,811 | 409 | 346 | - | - | - | 356 | 16,359 |
| Additions during the year | - | - | 151 | 0 | - | 12 | - | 2 | - | - | - | - | 164 | 328 |
| Deductions during the year | (1) | - | (82) | - | - | (2) | - | - | - | - | - | - | - | (84) |
| Transfer/Capitalised | - | - | - | - | - | - | - | - | - | - | - | - | (63) | (63) |
| Reclassification | - | - | (5) | - | - | (0) | - | 5 | - | - | - | - | (44) | (44) |
| Foreign Exchange Adjustment | (416) | - | (291) | 5 | - | (15) | (30) | 1 | (3) | 1 | (0) | 4 | (25) | (352) |
| At 31 March 2019 | 15,050 | 110 | 15,035 | 752 | 22 | 372 | 3,214 | 698 | 365 | 19 | 3 | 269 | 617 | 21,468 |
| **Amortisation** | | | | | | | | | | | | | | |
| At 1 April 2017 | - | 115 | 2,071 | 300 | 14 | 49 | 428 | 281 | 22 | 13 | - | 222 | - | 3,515 |
| Amortisation for the year (Note 25) | - | 1 | 243 | 50 | 3 | 5 | 6 | 4 | | 3 | - | 10 | - | 325 |
| Amortisation on disposals | - | - | (13) | - | - | - | - | - | - | - | - | - | - | (13) |
| Reclassification | - | (7) | 14 | (7) | - | (2) | - | - | - | - | - | 21 | - | 19 |
| Foreign Exchange Adjustment | - | (1) | 142 | 2 | (1) | 5 | (3) | (19) | - | 1 | - | - | - | 126 |
| At 31 March 2018 | - | 108 | 2,457 | 345 | 16 | 57 | 431 | 266 | 22 | 17 | - | 253 | - | 3,972 |
| Amortisation on acquired intangibles (Note 40) | | - | 3,809 | - | - | 264 | 280 | 35 | 96 | - | - | - | - | 4,483 |
| Amortisation for the year (Note 25) | - | 1 | 395 | 49 | 3 | 10 | 30 | 6 | 8 | 1 | 1 | 5 | - | 508 |
| Amortisation on disposals | - | - | (79) | - | - | (2) | - | - | (0) | - | - | - | - | (81) |
| Reclassification | - | - | (4) | - | - | 0 | (0) | 5 | (0) | - | - | - | - | 1 |
| Foreign Exchange Adjustment | - | - | (190) | (0) | - | (12) | (21) | 0 | (2) | 1 | (0) | 4 | - | (221) |
| At 31 March 2019 | - | 109 | 6,388 | 394 | 19 | 317 | 719 | 311 | 124 | 19 | 1 | 262 | - | 8,662 |
| **Net book value** | | | | | | | | | | | | | | |
| At 31 March 2019 | 15,050 | 1 | 8,647 | 358 | 3 | 56 | 2,495 | 387 | 241 | (0) | 2 | 7 | 617 | 12,814 |
| At 31 March 2018 | 432 | 2 | 673 | 402 | 6 | 15 | 1 | 16 | - | 1 | 3 | 12 | 229 | 1,360 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 4. Intangible assets (contd.)

₹ In crores

| Net book value | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Goodwill | 15,050 | 432 |
| Other intangible assets | 12,197 | 1,131 |
| Intangible assets under development | 617 | 229 |
| Total | 27,864 | 1,792 |

*Goodwill is tested for impairment on an 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 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 development.

## 5. Investments

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Non-current | | |
| Investments accounted for using the equity method | | |
| Investment stated at cost | | |
| (A) Investments in equity instruments | | |
| a. Investment in Associates (Unquoted) | | |
| (i) 5,675 [March 2018: 5,675] Equity Shares fully paid-up in 3SB Produtos Agricolas SA [includes goodwill of Rs. 66 Crores [March 2018 Rs. 73 Crores] | 89 | 102 |
| (ii) 87,298,237 [March 2018: 87,298,237] Equity Shares fully paid-up in Sinagro Produtos Agropecuarios SA. [includes goodwill of Rs. 44 Crores, [March 2018: Rs. 48 Crores] (refer Note (a) below) | 0 | 0 |
| (iii) 921,000 [March 2018: 921,000] Equity Shares of Rs 10 each fully paid-up in Chemisynth [Vapi] Limited (refer Note (a) below) | 0 | 0 |
| (iv) 18,130 [March 2018: 18,130] Equity shares of Rs. 100 each of Universal Pestochem [Industries] Pvt. Ltd. (refer Note (a) below) | 0 | 0 |
| (v) 3,350,000 [March 2018: 3,350,000] Equity Shares of Rs.10 each fully paid-up in Kerala Enviro Infrastructure Limited | 5 | 3 |
| (vi) 37,681 [March 2018: 37,681] Equity shares of Rs. 10 each, fully paid-up in Weather Risk Management Services Pvt Ltd [includes goodwill of Rs. 4 Crores [March 2018 Rs. 3 Crores] | 13 | 10 |
| (vii) 103,016,215 [March 2018:103,016,215] Equity shares of Rs. 1 each, fully paid-up in Serra Bonita Sementes S.A.[includes goodwill of Rs. (12) Crores [March 2018 Rs. (14) crores] | 190 | 208 |
| (viii) 17,85,000 [March 2018: Nil] Equity shares of CNY 0.30 each, fully paid up in DAC (Dillian Advanced Chemical) | 1 | - |
| (ix) 260 [March 2018: Nil] Equity shares of Rs.1 each, fully paid-up in Agronamics [includes goodwill of Rs. 4 crores] | 5 | - |
| (x) 7,44,526 [March 2018: Nil] Equity shares of Rs. 1 each, fully paid-up in Novon Protecta [includes goodwill of Rs. (2) crores] | 7 | - |
| (xi) 2,510 [March 2018: Nil] Equity shares of Rs. 0.01 each, fully paid-up in Agrifokus [includes goodwill of Rs. (5) crores] | 4 | - |
| (xiii) 1,004 [March 2018: Nil] Equity shares of Rs. 1 each, fully paid-up in Novon Retail [includes goodwill of Rs. 4 crores] | 7 | - |
| (xiv) 251 [March 2018: Nil] Equity shares of Rs. 1 each, fully paid up in Silvix Forestry [includes goodwill of Rs. 1 lakh] | 0 | - |
| (xv) 1,920 [March 2018: Nil] Equity shares of Rs. 0.10 each, fully paid-up in Nexus AG [includes goodwill of Rs. 4 crores] | 10 | - |
| (xvi) 4,478 [March 2018: Nil] Equity shares of XOF 10,000 each, fully paid-up in Société des Produits Industriels et Agricoles | 4 | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 5. Investments (contd.)

₹ In crores

| | | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| b. | Investment in Joint Ventures (Unquoted) | | |
| (i) | 1,627 [March 2018: 1,627] Equity Shares of Tk.1,000 each fully paid-up in United Phosphorus [Bangladesh] Limited (refer Note (a) below) | 0 | 0 |
| (ii) | 200 [March 2018: 200] Equity shares fully paid up in Hodogaya UPL Co. Ltd | 23 | 21 |
| (iii) | 88,223 [March 2018: 88,223] Equity shares of 1 AUD each fully paid-up in Longreach Plant Breeders Management Private Limited [includes goodwill of Rs.18 Crores, [March 2018: Rs.18 Crores] | 50 | 42 |
| | Total non-current investments accounted for using the Equity Method | 408 | 386 |
| Investment stated at Amortised Cost | | | |
| | Investments in Government or trust securities (Unquoted) | | |
| (i) | Indira Vikas Patra [Face Value: Current Year: Rs. 0.06 lac.[March 31, 2018: Rs. 0.06 lac]] | 0 | 0 |
| (ii) | National Saving Certificates [Face Value: Current Year: Rs. 0.09 lac. [March 31, 2018: Rs. 0.09 lac]] | 0 | 0 |
| Investments stated at Fair Value through OCI | | | |
| | Investments in Equity Instruments (Quoted) | | |
| | Investment in Others | | |
| (i) | 11,700,000 [March 2018: 11,700,000 Equity shares fully paid up in Ishihara Sangyo Kaisha Ltd. | 82 | 94 |
| (ii) | 28,100 [March 31, 2018: 28,100] Equity Shares of Rs.10 each fully paid-up in Gujarat State Financial Corporation | 0 | 0 |
| (iii) | 50,000 [March 31, 2018: 50,000] Equity Shares of Rs.10 each fully paid-up in Nivi Trading Limited | 0 | 0 |
| (iv) | 41,150 [March 31, 2018: 41,150] Equity Shares of Rs.10 each fully paid-up in Transpek Industry Limited | 6 | 5 |
| (v) | 5,307 [March 31, 2018: 5,307] Equity Shares of Rs.10 each fully paid-up in IDFC Limited | 0 | 0 |
| (vi) | 5,307 [March 31, 2018: 5,307] Equity Shares of Rs.10 each fully paid-up in IDFC Bank Limited. | 0 | 0 |
| (vii) | 17,990 [March 31, 2018: 17,990] Equity Shares of Rs.2 each fully paid-up in Bank of Baroda Limited | 0 | 0 |
| (vii) | 1,891,630 [March 31, 2018: Nil] Equity Shares of USD 3.35 each fully paid-up in Agrofresh Solutions Inc. (Listed on the NASDAQ) | 44 | - |
| | Investments in Equity Instruments (Unquoted) | | |
| | Investment in Others | | |
| (i) | 7,41,800 [March 2018: Nil] Equity shares of TWD 9.53 each, fully paid-up in Grand Biotechnology Co., Ltd. | 2 | - |
| (ii) | 3,44,000 [March 2018: Nil] Equity shares of JPY 267.91 each, fully paid-up in Kyoyu Agri | 6 | - |
| (iii) | 5,24,427 [March 2018: Nil] Equity shares of EUR 1.37 each, fully paid-up in ISAGRO S.P.A. (B) | 5 | - |
| (iv) | 126 [March 2018: Nil] Equity shares of HUF 10,000 each, fully paid-up in Cseber | 0 | - |
| (v) | 1,000 [March 2018: Nil] Equity shares of PLN 103.02 each, fully paid-up in Elevator Sieradz | 0 | - |
| (vi) | 1,000 [March 2018: Nil] Equity shares, fully paid-up in Rogatory letter (A) | 10 | - |
| (vii) | MEIJI LUKANG PHARMACEUTICAL CO.,LTD | 8 | - |
| Investments stated at Fair Value through Profit and Loss | | | |
| (A) | Investments in Optionally Convertible Bonds (Unquoted) | | |
| | 6,855 [March 31, 2018: 6,855] Optionally Convertible Bonds of Rs.1,00,000 each in Tatva Global Environment Private Limited | 83 | 76 |
| (B) | Investment in Equity Instruments (Unquoted) | | |
| (i) | 240,000 (March 31, 2018: 240,000) Equity shares of Rs. 10 each fully paid-up in UPL Investment Private Limited | 2 | 2 |
| (ii) | Equity shares in Amira Nature foods Limited | 35 | 33 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 5. Investments (contd.)

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| (iii) 57 [March 31, 2018: 57] Ordinary Shares of 1 Rand each fully paid-up in Cropserve [PTY] Limited | 0 | 0 |
| (iv) 3,435,070 [March 31, 2018: 3,435,070] Equity Shares of Rs.10 each fully paid-up in Narmada Clean Tech Limited | 4 | 3 |
| (v) 10,000 [March 2018: 10,000] Equity Shares of Rs.10 each fully paid—up in Janakalyan Sahakari Bank Limited | 0 | 0 |
| (vi) 1,000,000 (March 31, 2018: 1,000,000) Equity Shares of Rs.10 each fully paid-up in Uniphos International Limited | 1 | 0 |
| (vii) 45,000 (March 31, 2018: 45,000) Equity Shares of Rs.10 each fully paid-up in Bloom Packaging Private Limited | 1 | 1 |
| (viii) 19,025 (March 31, 2018: 19,025) Equity Shares of Rs.10 each fully paid-up in Bench Bio Private Limited | 1 | 1 |
| (ix) 100 [March 31, 2018: 100] Equity Shares of Natural Art KK | 0 | 0 |
| (C) Investment in Others | | |
| 415 [March 2018: 415] Optionally convertible Debentures of Rs. 50,000 each of Bloom Packaging Pvt. Ltd. | 2 | 2 |
| Nil [March 31, 2018: 201,834,849 ] Non-convertible Debentures of BRL 1 each of IBI Brasil Empreendimentos E Participacoes S.A. | - | 424 |
| Investments in Others (Unquoted) | 7 | 7 |
| Total Other Non-Current Investments | 298 | 648 |
| Total Non-Current Investments | 706 | 1,034 |

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current | | |
| Investments stated at Fair Value through profit and loss | | |
| Investments in Others (Unquoted) | 2 | - |
| Total Current Investments | 2 | - |
| Total Investments | 708 | 1,034 |
| Aggregate amount and market value quoted investments | 133 | 99 |
| Aggregate amount of unquoted investments | 575 | 935 |
| 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

## 6. Loans

₹ In crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (A) Security deposit | | | | |
| a. Unsecured, Considered good | 85 | 62 | 35 | 31 |
| b. Unsecured, Considered doubtful | 2 | 2 | - | - |
| Less: Allowance for doubtful security deposit | (2) | (2) | - | - |
| | 85 | 62 | 35 | 31 |
| (B) Loans and Advances to related parties (refer note 38) | | | | |
| a. Unsecured, Considered good | 71 | 89 | 0 | 96 |
| | 71 | 89 | 0 | 96 |
| (C) Loans to employees | | | | |
| a. Unsecured, Considered good | - | 0 | 1 | 8 |
| | - | 0 | 1 | 8 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 6. Loans (contd.)

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (D) Sundry loans | | | | |
| a. Unsecured, Considered good | - | - | 15 | 12 |
| b. Unsecured, Considered doubtful | 2 | 2 | - | - |
| Less: Allowance for doubtful sundry loans | (2) | (2) | - | - |
| | - | - | 15 | 12 |
| Total loans | 156 | 151 | 51 | 147 |

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group.

## 7. Other financial assets

₹ In crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (A) Interest receivable | | | | |
| a. Unsecured, Considered good | - | - | 10 | 49 |
| b. Unsecured, Considered doubtful | - | - | - | 0 |
| Less: Allowance for doubtful Interest receivable | - | - | - | (0) |
| | - | - | 10 | 49 |
| (B) Derivative instruments at fair value through profit or loss | | | | |
| Derivative contracts (net) | - | - | 28 | - |
| | - | - | 28 | - |
| (C) Export Benefits receivables | | | | |
| Unsecured, Considered good | 35 | 35 | 138 | 94 |
| | 35 | 35 | 138 | 94 |
| (D) Others | | | | |
| a. Unsecured, Considered good | 132 | - | 134 | 24 |
| b. Unsecured, Considered doubtful | 2 | 2 | - | - |
| Less: Allowance for doubtful other financial assets | (2) | (2) | - | - |
| | 132 | - | 134 | 24 |
| Total Other Financial Assets | 167 | 35 | 310 | 167 |

## 8. Other assets

₹ In crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| (i) Capital advance | 51 | 93 | - | - |
| (ii) Statutory receivables | 206 | 219 | 1,600 | 915 |
| (iii) Other advances | 24 | 7 | 584 | 260 |
| Total Other Assets | 281 | 319 | 2,184 | 1,175 |

## 9. Inventories

(Valued at lower of cost and net realisable value)

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| a. Raw materials and components | 2,434 | 957 |
| b. Work in progress | 550 | 372 |
| c. Finished goods | 5,408 | 2,561 |
| d. Traded goods | 690 | 478 |
| e. Store and spares [including fuel] | 83 | 72 |
| f. Packing material | 99 | 93 |
| g. By products | 5 | 5 |
| Total inventories | 9,270 | 4,538 |

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 Rs. 9 Crores (31 March 2018: Rs 23 Crores)

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 10. Trade receivables

₹ In crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Unsecured, Considered good | | | | |
| - From related parties | - | - | 141 | 220 |
| - From others | 4 | 1 | 11,671 | 5,836 |
| Unsecured, Considered doubtful | | | | |
| - From others | - | - | 1,063 | 366 |
| Less: Allowance for doubtful Trade receivables | - | - | (1,063) | (366) |
| Total Trade receivables | 4 | 1 | 11,812 | 6,056 |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. There are no 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 31st March, 2019, the Group sold receivables which have been recognised of Rs. 4925 Crores (Rs. 2,051 Crores at 31st March, 2018).

## 11. Cash and cash equivalents

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Balances with banks | | |
| - Current accounts | 198 | 141 |
| - Foreign currency accounts | 0 | 2 |
| - Current accounts outside India | 2,001 | 1,519 |
| Fixed deposit accounts | | |
| - Fixed deposits outside India | 603 | 1,164 |
| Cheques/drafts on hand | 24 | 32 |
| Cash on hand | 1 | 1 |
| | 2,826 | 2,859 |

## 11A. Other bank balances

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| - Deposits with original maturity for more than 3 months but less than 12 months | 2 | 14 |
| - Margin money deposit * | 14 | 14 |
| - Unclaimed dividend accounts | 8 | 7 |
| | 25 | 35 |

* Margin money deposits given as security against bank guarantees.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following: ₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Balances with banks: | | |
| - Current accounts | 198 | 141 |
| - Foreign currency accounts | 0 | 2 |
| - Current accounts outside India | 2,001 | 1,519 |
| Fixed deposit accounts | 603 | 1,164 |
| Cheques/drafts on hand | 24 | 32 |
| Cash on hand | 1 | 1 |
| | 2,826 | 2,859 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 12. Share Capital

Authorised share capital

| | Equity shares of INR 2 each | |
|---|---|---|
| | Nos. | ₹ In crores |
| As at April1, 2017 | 1,23,75,00,000 | 248 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2018 | 1,23,75,00,000 | 248 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2019 | 1,23,75,00,000 | 248 |

Issued equity capital

Equity shares of Rs. 2 each issued, subscribed and fully paid

| | Nos. | ₹ In crores |
|---|---|---|
| At April 1, 2017 | 50,70,17,118 | 101 |
| Increase during the year due to : | | |
| Conversion of OCPS & CCPS | 22,24,287 | 1 |
| ESOP allotments | 91,676 | 0 |
| At March 31, 2018 | 50,93,33,081 | 102 |
| Increase during the year | 9,589 | 0 |
| At March 31, 2019 | 50,93,42,670 | 102 |

Terms/ rights attached to equity shares

The Company has one class of equity shares having par value of Rs. 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 March, 2019, the amount of per share dividend proposed as distributions to equity shareholders is Rs. 8 (March, 2018: Rs. 8)

The Board has recommended issue of bonus shares in the ratio 1:2 (one bonus equity share of Rs. 2 each for every two fully paid-up equity shares held), subject to the approval of the shareholders of the company.

Details of shareholders holding more than 5% shares in the company

Name of the shareholder

| Equity shares of INR 2 each fully paid | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | No. in crores | % holding in the class | No. in crores | % holding in the class |
| Nerka Chemicals Private Limited | 10 | 19.94% | 10 | 19.94% |
| Uniphos Enterprises Limited | 3 | 5.01% | 3 | 5.01% |

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.

There are 42,353,062 shares (March 31, 2018: 42,353,062) 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 12A. Preference Share Capital

Authorised share capital

| | Compulsorily convertible preference (CCPS) shares of ₹ 10 each | |
|---|---|---|
| | No. | ₹ In crores |
| As at April1, 2017 | 22,95,00,000 | 230 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2018 | 22,95,00,000 | 230 |
| Increase/(decrease) during the year | - | - |
| At March 31, 2019 | 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. | ₹ In crores | No. | ₹ In crores |
| As at April1, 2017 | 2,46,42,786 | 25 | 8,19,40,125 | 82 |
| (Decrease) during the year | (2,46,42,786) | (25) | (8,19,40,125) | (82) |
| At March 31, 2018 | - | - | - | - |
| (Decrease) during the year | - | - | - | - |
| At March 31, 2019 | - | - | - | - |

Terms/ rights attached to preference shares

Each Compulsory convertible preference share (CCPS) had a par value of INR 10 and was 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 into ten new equity shares of INR 2 each for every four hundred and seventy one CCPS held. CCPS not converted within 18 months from the date of allotment, would be automatically converted into equity shares of the Company at the end of 18 months from the date of allotment. The CCPS carried a dividend of 5% per annum, payable annually, subject to deduction of taxes at source, if applicable. The CCPS were 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) had a par value of INR 10 and was convertible at the option of the shareholders into Equity shares of the Company within 18 months from the date of allotment i.e. from August 08, 2016 into ten new equity shares of INR 2 for every four hundred and seventy one OCPS held. OCPS not converted within 18 months from the date of allotment, were to be automatically redeemed at par. The OCPS carried a dividend of 5% per annum, payable annually, subject to deduction of taxes at source, if applicable. The OCPS shall be non-cumulative and non-participating in nature. The holder of OCPS had 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.

## 13. Other equity

i) Securities Premium

| | ₹ In crores |
|---|---|
| At April 1, 2017 | 4,498 |
| Increase/(Decrease) during the year due to conversion of OCPS,CCPS and ESOP allotments | 109 |
| At March 31, 2018 | 4,607 |
| Additions during the year | - |
| At March 31, 2019 | 4,607 |

ii) Retained Earnings

| | ₹ In crores |
|---|---|
| Balance as at April 1, 2017 | 4,303 |
| Add: Profit for the year | 2,022 |
| Less: Remeasurement gains/(losses) of defined benefit plans | (7) |
| Less: Appropriations: | |
| Dividend on equity shares paid during the year | (357) |
| Acquisition of non-controlling interests | (11) |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 13. Other equity (contd.)

| | ₹ In crores |
|---|---|
| Transfer to debenture redemption reserve, capital redemption reserve and share based payments reserve | (23) |
| Total appropriations | (391) |
| At March 31, 2018 | 5,927 |
| Add: Profit for the year | 1,447 |
| Less: Remeasurement gains/(losses) of defined benefit plans | 3 |
| Less: Appropriations: | |
| Dividend on equity shares paid during the year | (407) |
| Transfer to debenture redemption reserve, capital redemption reserve and share based payments reserve | 1 |
| TPG ADIA share capital | 5,335 |
| Total appropriations | 4,928 |
| At March 31, 2019 | 12,306 |

iii) Other Reserves

Capital Redemption Reserve

| | ₹ In crores |
|---|---|
| At April 1, 2017 | 36 |
| Increase/(Decrease) during the year due to conversion of OCPS and CCPS | 9 |
| At March 31, 2018 | 45 |
| Changes during the year | - |
| At March 31, 2019 | 45 |

Capital Reserve

| | ₹ In crores |
|---|---|
| As at April1, 2017 | 171 |
| Changes during the year | 22 |
| At March 31, 2018 | 193 |
| Changes during the year | (16) |
| At March 31, 2019 | 177 |

Debenture Redemption Reserve

| | ₹ In crores |
|---|---|
| As at April1, 2017 | 127 |
| Add: Amount transferred from retained earnings | 14 |
| At March 31, 2018 | 141 |
| Less: Amount transferred to retained earnings | (1) |
| At March 31, 2019 | 140 |

General Reserve

| | ₹ In crores |
|---|---|
| As at April1, 2017 | 1,848 |
| Changes during the year | - |
| At March 31, 2018 | 1,848 |
| Changes during the year | - |
| At March 31, 2019 | 1,848 |

Share based payment reserve

| | ₹ In crores |
|---|---|
| As at April1, 2017 | 2 |
| Changes during the year | (2) |
| At March 31, 2018 | - |
| Changes during the year | - |
| At March 31, 2019 | 0 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 13. Other equity (contd.)

### Non-controlling interest reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | (3,693) |
| Changes during the year | - |
| At March 31, 2018 | (3,693) |
| Changes during the year | - |
| At March 31, 2019 | (3,693) |

### Cashflow hedge reserve for OCI

| | INR Crores |
|---|---|
| As at April1, 2017 | - |
| Changes during the year | - |
| At March 31, 2018 | - |
| Changes during the year | (62) |
| At March 31, 2019 | (62) |

### FVTOCI reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | (54) |
| Changes during the year | 10 |
| At March 31, 2018 | (44) |
| Changes during the year | (60) |
| At March 31, 2019 | (104) |

### Foreign currency translation reserve

| | INR Crores |
|---|---|
| As at April1, 2017 | (24) |
| Changes during the year | 67 |
| At March 31, 2018 | 43 |
| Changes during the year | (763) |
| At March 31, 2019 | (720) |

**Securities Premium** - 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 ". 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.

**Capital redemption reserve** - Capital redemption reserve was created for buy-back of shares and can be utilised for issuance of fully 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. 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.

**Share based payment reserve** - The Holding Company has an employee stock option scheme under which the option to subscribe for the companies share have been granted to the key employees and directors. 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.

**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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 13. Other equity (contd.)

Other reserves

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Capital redemption reserve | 45 | 45 |
| Capital reserve | 176 | 193 |
| Debenture redemption reserve | 140 | 141 |
| General reserve | 1,848 | 1,848 |
| Non-controlling interest reserve | (3,693) | (3,693) |
| Cashflow hedge reserve for OCI | (62) | - |
| FVTOCI reserve | (104) | (44) |
| Foreign currency translation reserve | (720) | 43 |
| Total other reserves | (2,370) | (1,468) |

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 28.

## 14. Distribution made and proposed

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Cash dividends on Equity shares declared and paid: | | |
| Final dividend for the year 31 March 2018: Rs. 8 per share (31 March 2017: Rs. 7 per share) | 407 | 357 |
| | 407 | 357 |
| Proposed dividends on Equity shares: | | |
| Proposed cash dividend for the year 31 March 2019: Rs. 8 per share (March 31, 2018: Rs. 8 per share) | 407 | 407 |
| | 407 | 407 |

Note

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at 31 March.

### 14A. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Holding Company (refer note 36)

## 15. Borrowings

Non-current Borrowings

₹ In crores

| | Effective interest rate (%) | Maturity | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| **Non-current borrowings** | | | | |
| **Debentures** | | | | |
| Redeemable non-convertible debentures (NCDs) (Unsecured) (refer note a below) | 10.53% to 10.85% | 2019-2026 | 458 | 682 |
| | | | 458 | 682 |
| **Bonds (Unsecured)** (Refer Note b below) | | | | |
| 3.25% Senior Notes | 3.25% | 13th October 2021 | 3,437 | 3,230 |
| 4.50% Senior Notes | 4.50% | 8th March 2028 | 2,045 | 1,937 |
| **Term Loan** | | | | |
| **From Bank** | | | | |
| Foreign currency loan (Unsecured) | 3M LIBOR + 1.60% | 2019-2024 | 20,394 | 2 |
| Foreign currency loan (Secured) (Refer Note c below) | 6.15% to 13.85% | 2019-2022 | 1 | 3 |
| From others (Unsecured) | 2.00% | 2019-2023 | 17 | 19 |
| **Long term maturities of finance lease obligation** | | | | |
| Obligations under finance leases | | | 30 | - |
| | | | 26,383 | 5,873 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 15. Borrowings (contd.)

| | Effective interest rate (%) | Maturity | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| **Current maturities of long term borrowings** | | | | |
| **Debentures** | | | | |
| Redeemable non-convertible debentures (NCDs) (Unsecured) (refer note a below) | | | 273 | 127 |
| | | | 273 | 127 |
| **Term loans** | | | | |
| Foreign currency loan (Secured) (Refer Note c below) | 6.15% to 13.85% | 2019-2022 | 1 | 4 |
| | | | 1 | 4 |
| **Current maturities of finance lease obligation** | | | | |
| Obligations under finance leases | | | 4 | - |
| | | | 4 | - |
| **Total non-current borrowings** | | | 26,661 | 6,004 |
| **Less: Amount clubbed under "other current financial liabilities" (Refer Note 16)** | | | (278) | (131) |
| **Net non-current borrowings** | | | 26,383 | 5,873 |
| Aggregate secured loans (non-current) | | | 1 | 3 |
| Aggregate unsecured loans (non-current) | | | 26,382 | 5,870 |
| **Current borrowings** | | | | |
| **Loan from banks** | | | | |
| Secured (Refer Note d below) | MCLR+50bsp and 7.79% to 10.95% | on demand | 169 | 65 |
| Unsecured: | | | | |
| Working capital loan repayable on demand from banks: | 6 months LIBOR+48 to 85bps,1month GSEC+5bps and 7.29% to 7.55%, 30 Days T Bill Rate + 0.05%, 5.11%, LIBOR + 0.5%, 10.38% to 10.52%, 3.00% to 7.85%, 3.45%, 9.18% to 10.50%, 24% to 28%, 3.40% to 3.60% | on demand | 1,597 | 556 |
| Commercial paper (refer note e below) | 7.29%-7.55% | Within 90 days | 400 | - |
| | | | 2,166 | 621 |
| Discounted trade receivables (Unsecured) | 7% - 14%, 3,75% | 2018-2019 | 312 | 13 |
| | | | 312 | 13 |
| **Total current borrowings** | | | 2,478 | 634 |
| Aggregate secured loans (current) | | | 169 | 65 |
| Aggregate unsecured loans (current) | | | 2,309 | 569 |

**a. Unsecured redeemable non-convertible debentures (NCD's)**

i) The borrowings and current maturities of long term borrowings include Rs 48 crores (March 31, 2018: Rs. 49 crores) pertaining to interest accrued but not due on account of recognition of debentures at amortised cost as per EIR method.

ii) NCDs of face value amounting to Rs. 300 crores (March 31, 2018: Rs. 300 crores) have been issued under two series and are redeemable at par at the end of 7th year Rs. 150 crores i.e June, 2019 and 10th year Rs. 150 crores i.e June, 2022 from the date of allotment. Out of the above, NCDs amounting to Rs. 90 crores have been bought back by the Company.

iii) NCDs of face value amounting to Rs. 250 crores (March 31, 2018: Rs. 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 15. Borrowings (contd.)

iv) NCDs of face value aggregating to Rs. 225 crores (March 31, 2018: Rs. 300 crores) have been issued under three series and are redeemable at par of Rs 75 crores each at the end of 12th year, 11th year and 9th year i.e. October 2022, October 2021 and October 2019 respectively from the date of allotment.

v) NCDs mentioned above carry a coupon rate ranging from 10.35% 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)
The Group has accounts receivables pledged 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.

e. Commercial Paper
Commercial papers mentioned above carry a coupon rate ranging from 7.29% to 7.55% which are maturing in May 2019. Out of above, ICICI bank and Axis Mutual Fund Trustee A/c holds Rs. 100 cr each and Rs. 200 crore is held by Invesco Trustee Private Limited A/c

## 16. Other financial liabilities

₹ In crores

| | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative contracts (net) | 53 | 134 | 1 | 41 |
| Other financial liabilities carried at amortised cost | | | | |
| Current maturities of long term borrowings (Refer Note 15) | - | - | 275 | 131 |
| Payable towards acquisition of additional stake in UPL Do Brasil (Refer note: 42) | 65 | 94 | 2 | 27 |
| Creditors for capital goods | - | - | 70 | 155 |
| Interest accrued and not due on borrowings | - | - | 181 | 59 |
| Unpaid dividend | - | - | 8 | 7 |
| Trade deposits | - | - | 61 | 73 |
| Current maturities of long term finance lease | - | - | 4 | - |
| Others | 18 | 4 | 897 | 262 |
| Total other financial liabilities | 136 | 232 | 1,499 | 755 |

## 17. Provisions

Long term provisions

₹ In crores

| | Jubilee | Leave benefits | Environmental | Reorganisation | Labour claim | Total |
|---|---|---|---|---|---|---|
| At 1 April 2017 | 1 | - | 12 | - | 3 | 16 |
| Arising during the year | 0 | - | 1 | - | 3 | 4 |
| Utilised | (0) | - | (0) | - | - | (1) |
| Foreign currency translation effect | - | - | 0 | - | 0 | 1 |
| At 31 March 2018 | 1 | - | 13 | - | 6 | 20 |
| Arising during the year | 0 | - | 2 | - | 1 | 3 |
| Utilised | (0) | - | - | - | (3) | (3) |
| Foreign currency translation effect | (0) | - | (0) | - | (0) | (1) |
| At 31 March 2019 | 1 | - | 15 | - | 4 | 20 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 17. Provisions (contd.)

Short term provisions

₹ In crores

| | Leave benefits | Dividend on CCPS | Contingencies | Re organisation | Contingent liabilities provision for PPA | Provision Gratuity | Provision-Defined Benefits | Total |
|---|---|---|---|---|---|---|---|---|
| At 1 April 2017 | 84 | 2 | 6 | 1 | - | 17 | 43 | 153 |
| Arising during the year | 8 | - | - | - | - | 5 | 2 | 15 |
| Utilised | (5) | (2) | - | - | - | - | | (7) |
| Foreign currency translation effect | (2) | - | - | (1) | - | 1 | 5 | 3 |
| At 31 March 2018 | 85 | - | 6 | - | - | 23 | 50 | 164 |
| Arising during the year | 88 | - | 9 | 36 | 408 | 8 | 2 | 551 |
| Due to Acquisition of Arysta Life Science & its subsidiaries | - | - | - | - | - | 59 | 89 | 148 |
| Utilised | (2) | - | - | - | - | - | - | (2) |
| Foreign currency translation effect | (4) | - | (0) | (1) | (7) | (3) | (2) | (17) |
| At 31 March 2019 | 167 | 0 | 15 | 35 | 401 | 87 | 139 | 844 |

i) **Jubilee Provision:**
The amount of provision represents the future jubliee expenses which are expected to be paid to the Company's employees when they reach an employement of 25 and 40 years, based on acturial calculations.

ii) **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 these would depend on the cessation of the respective operations.

iii) **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 compeletion of the respective activities.

iv) **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 completion of the respective events.

v) **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.

vi) **Provision for gratuity :**
Some entities of the Group have a defined benefit gratuity plan. Every employee who has completed five years or more of a 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.

## 18. Income taxes

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Consolidated statement of profit and loss:

Profit or loss section

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current income tax: | | |
| Current income tax charge | 442 | 311 |
| Adjustments of tax relating to earlier years | (4) | (79) |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (273) | 43 |
| Income tax expense reported in the statement of profit or loss | 165 | 275 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 18. Income taxes (contd.)

OCI section

Deferred tax related to items recognised in OCI during the year:

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Gain on FVTOCI financial assets and net gain/loss on remeasurement of defined benefit plans. | 2 | (5) |
| Income tax charged to OCI | 2 | (5) |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2019:

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Accounting profit before tax | 1,684 | 2,305 |
| **Accounting profit before income tax** | **1,684** | **2,305** |
| At India's statutory income tax rate of 34.994% (31 March 2018: 34.608%) | 589 | 798 |
| Profit taxable at higher/lower/nil tax rates in certain jurisdictions | (619) | (451) |
| Additional deduction on expenditure on research and development | (18) | (7) |
| Adjustment of tax relating to previous years | (1) | (144) |
| Other tax credits and allowances | (12) | (38) |
| Income exempt for tax purpose | (84) | (22) |
| Impact of change in tax rates | 2 | 41 |
| Utilisation of previously unrecognised tax losses | 2 | 1 |
| Share of results of associates and joint ventures | (5) | 32 |
| Other non-deductible expenses | 67 | 11 |
| Profit/(Loss) on sale of subsidiary | (15) | - |
| Unrecognised deferred tax asset on carry forward losses | 190 | 74 |
| Others | 68 | (20) |
| At the effective income tax rate of 9.78% (31 March 2018: 11.93%) | **165** | **275** |
| Income tax expense reported in the statement of profit and loss | 165 | 275 |
| | 9.78% | 11.93% |

c) Deferred tax

Deferred tax relates to the following:

₹ In crores

| | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Differences in carrying values of property,plant & equipment. | (335) | (267) | 68 | (3) |
| Fair value of derivatives | (10) | - | 10 | - |
| Unrealised profits on intercompany transactions | (21) | 185 | 206 | 48 |
| Financial assets impairment - expected credit loss | 266 | 135 | (131) | 11 |
| Carry forward of tax losses and unabsorbed depreciation | 109 | 84 | (25) | 47 |
| Leave encashment | 28 | 25 | (3) | (2) |
| Minimum alternative tax credit | 81 | 69 | (12) | (57) |
| Defined benefits obligation - Gratuity | 28 | 14 | (14) | (7) |
| Provisions and others | 330 | 196 | (134) | 23 |
| Adjustment to PV of Assets / Liabilities | (7) | - | 7 | - |
| Unrealized gain on securities | (8) | - | 8 | - |
| Exchange impact | 3 | - | (3) | (17) |
| Amortization of Goodwill | (53) | - | 53 | - |
| Deferred tax recognised on fair valued assets and liabilities on PPA accounting for Arysta Group acquisition - | | | | |
| Tangible Assets | (40) | - | - | - |
| Intangible Assets | (2,580) | - | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 18. Income taxes (contd.)

| | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Inventory | (123) | - | - | - |
| Current Liabilities and Provisions | 149 | - | - | - |
| Tax benefits | 39 | - | (39) | - |
| Others | (67) | - | (263) | - |
| Deferred tax expense/(income) | - | - | (273) | 43 |
| Net deferred tax assets/(liabilities) | (2,210) | 441 | - | - |

**Reflected in the balance sheet as follows:**

₹ In crores

| | Balance Sheet | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Deferred tax assets | 731 | 529 |
| Deferred tax liabilities: | (2,942) | (88) |
| Deferred tax Assets (net) | (2,210) | 441 |

**Reconciliation of deferred tax liabilities (net):**

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Opening balance as of 1 April | 441 | 501 |
| Tax income/(expense) during the period recognised in profit or loss | 273 | (43) |
| Tax income/(expense) during the period recognised in OCI | 2 | (5) |
| Exchange impact | 3 | (12) |
| Deferred tax acquired in business combinations* | (2,929) | - |
| Closing balance as at 31 March | (2,210) | 441 |

* including deferred tax recognised for PPA for Arysta

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 Rs. 1,196 Crores (31 March 2018: Rs. 547 Crores) 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 Rs. 190 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.

In the previous year, pursuant to the completion of assessments for the past years, the Holding Company had written back an excess provision of tax and recognised minimum alternate tax credit entitlement relating to earlier periods aggregating to Rs 146 Crores. Further due to chnages in tax laws in the USA in previous year, tax rate in US reduced from 36% to 25%. Accordingly the Group has recognised appropriate effect on Defered Tax Assets.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 19. Trade payables

₹ In crores

| | Current | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Trade payables | 9,423 | 5,675 |
| | 9,423 | 5,675 |

**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

## 20. Other current liabilities

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Advances against orders | 338 | 214 |
| Statutory liabilities | 386 | 143 |
| Total other current liabilities | 724 | 357 |

## 21. Revenue from operations

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Sale of products (including excise duty) (Refer note: 49) | 21,594 | 17,244 |
| Sale of services | | |
| Job-Work /Service income | 15 | 25 |
| Other operating revenues | | |
| Export incentives | 105 | 102 |
| Refund of statutory receivables | 12 | 22 |
| Royalty income | 6 | 1 |
| Excess provisions in respect of earlier years written back (net) | 36 | 57 |
| Miscellaneous receipts | 67 | 55 |
| Total Revenue from operation | 21,837 | 17,506 |

The Government of India introduced the Goods and Services Tax (GST) with effect from 1st July 2017, consequently revenue from operations for the period from July 31, 2017 upto March 31, 2019 is net of GST. However revenue for the quarter ended 30th June 2017 included in the year ended March 31, 2018 is inclusive of excise duty. The Net Revenue from Operations (Net of GST/ Excise Duty) as applicable are stated below-

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from operations | 21,837 | 17,506 |
| Less: Excise Duty | - | (128) |
| Net Revenue from operations | 21,837 | 17,378 |

**Dislosure under Ind AS 115 - Revenue from contracts with customers**

The Company is engaged into manufacturing of agrochemicals, industrial chemicals and production and sale of vegetable and field crops. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

**Disaggregation of revenue from contracts with customers**

a. The management determines that the segment information reported under Note 39 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

b. The Company's performance obligation are satisfied upon shipment and payment is generally due by 45 to 270 days.

c. Contract balances

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Trade receivables (refer note 10) | 11,816 | 6,057 |
| Contract liablities (refer note 20) | 338 | 214 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 21. Revenue from operations (contd.)

d. Reconciliation of revenue from contract with customers with contracted price

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue from contract with customer as per the contract price | 25,534 | 21,048 |
| Adjustments made to contract price on account of :- | | |
| a) Discounts / Rebates / Incentives (Refer note below) | 2,497 | 2,364 |
| b) Sales Returns (Refer note below) | 1,443 | 1,440 |
| Revenue from contract with customer | 21,594 | 17,244 |
| Sale of services | 15 | 25 |
| Other operating revenue | 227 | 237 |
| Revenue from operations | 21,837 | 17,506 |

### Discounts / Rebates / Incentives

The Group issues multiple discount schemes to its customers in order to capture market share. The Company makes a provision for the discount it expects to give to its customers based on the terms of the scheme as at 31 March 2019. Revenue is adjusted for the expected value of discount to be given

### Sales returns

The Group recognizes a provision based on the previous history of sales return. Revenue is adjusted for the expected value of return.

## 22. Other income

Outstanding dues of micro and small enterprises

₹ In crores

| | Current | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Interest income on | | |
| Loans and others | 137 | 132 |
| Unwinding of interest on trade receivable | 82 | 282 |
| Other non-operating income | | |
| Profit on sale of current and non current investments (net) | 9 | (7) |
| Rent received | 3 | 2 |
| Profit on sale of property,plant and equipment (net) | 3 | 2 |
| Miscellaneous income | 8 | 3 |
| Total | 240 | 414 |

## 23. Employee benefits expense

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Salaries, wages and bonus | 1,901 | 1,556 |
| Contribution to provident and other funds (Refer note 35) | 41 | 34 |
| Gratuity and other retirement benefits (Refer note 35) | 10 | 11 |
| Staff welfare expenses | 143 | 112 |
| Total | 2,095 | 1,713 |

## 24. Finance costs

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Interest: | | |
| - On Debentures | 77 | 81 |
| - On Term Loans | 405 | 209 |
| - On Cash Credit and Working Capital Demand Loan Accounts | 157 | 126 |
| - On Fixed Deposits and Fixed Loans | 11 | 5 |
| - On Others | 120 | 55 |
| Exchange difference (net) | (35) | 145 |
| Unwinding of interest on trade payables | 126 | 113 |
| Loss on derivatives Instruments | 40 | (8) |
| Other financial charges | 62 | 57 |
| Total | 963 | 783 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 25. Depreciation and amortization expense

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Depreciation of property, plant and equipment | 451 | 343 |
| Amortization of intangible assets | 518 | 332 |
| Total | 969 | 675 |

## 26. Other expense

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Power and fuel | 402 | 291 |
| Transport charges | 683 | 661 |
| Sub-contracting expenses | 901 | 741 |
| Travelling and conveyance | 327 | 256 |
| Exchange difference (net) | 298 | 11 |
| Advertising and sales promotion | 341 | 229 |
| Legal and professional fees | 314 | 269 |
| Sales commission | 126 | 213 |
| Rent (Refer note: 37) | 200 | 153 |
| Labour charges | 174 | 138 |
| Repairs and maintenance | | |
| Plant and machinery | 91 | 81 |
| Buildings | 20 | 12 |
| Others | 130 | 108 |
| Effluent disposal charges | 130 | 99 |
| Consumption of stores and spares | 109 | 83 |
| Rates and taxes | 69 | 76 |
| Warehousing costs | 111 | 119 |
| Insurance | 79 | 69 |
| Registration charges | 80 | 70 |
| Allowances for doubtful debts and advances (net) | (41) | 17 |
| Communication costs | 42 | 42 |
| Royalty charges | 79 | 43 |
| Bad debts / advances written off | 10 | 2 |
| Charity and Donations [(includes Rs 18 crores (31 March 2018: Rs 22 crores) paid for political purpose)] | 51 | 53 |
| Assets written off | 10 | 10 |
| Sundry credit balances written off (net) | (12) | 15 |
| Research and development expenses | 34 | 19 |
| Other expenses | 268 | 168 |
| Total | 5,025 | 4,048 |

## 27. Exceptional items

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Acquisition cost (Refer note a below) | 332 | - |
| Restructuring/reorganisation cost | - | 29 |
| Product contamination and counterfeiting | - | 13 |
| Towards Competition Comission of India | - | 7 |
| Integration cost (Refer note c below) | 41 | - |
| Litigation and other exceptional cost (Refer note b below) | 76 | - |
| Dilution impact | 2 | - |
| Others | - | 14 |
| Total | 451 | 63 |

a) During the year, the group has acquired Arysta group of companies and all expenses incurred for this acquisition viz Anti trust filling expenses, Due Diligence and other incidental expenses.

b) Other exceptional cost includes certain litigation expenses which were incurred in certain regions.

c) Integration cost consist of restructuring and severance pay pertaining to Arysta group acquisition.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 28. Components of Other Comprehensive Income (OCI), net of tax

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

₹ In crores

| | Attributable to the owners of the parent | | | | Attributable to non controlling interest | Total |
|---|---|---|---|---|---|---|
| | Cash flow hedge reserve | FVTOCI reserve | Foreign currency translation reserve | Retained earnings | | |
| Foreign exchange translation differences | - | - | (763) | - | - | (763) |
| Impact of hedging done | (62) | - | - | - | - | (62) |
| Gain/(loss) on FVTOCI financial assets | - | (60) | - | - | - | (60) |
| Re-measurement gains/(losses) on defined benefit plans | - | - | - | 3 | - | 3 |
| Total | (62) | (60) | (763) | 3 | - | (882) |

₹ In crores

| During the year ended 31 March 2018 | Attributable to the owners of the parent | | | Attributable to non controlling interest | Total |
|---|---|---|---|---|---|
| | FVTOCI reserve | Foreign currency translation reserve | Retained earnings | | |
| Foreign exchange translation differences | - | 67 | - | - | 67 |
| Gain/(loss) on FVTOCI financial assets | 10 | - | - | - | 10 |
| Re-measurement gains/(losses) on defined benefit plans | - | - | (7) | - | (7) |
| Total | 10 | 67 | (7) | - | 70 |

### Analysis of items of OCI, net of tax

### Foreign exchange translation differences

These comprise of all exchange differences arising from translation of financial statements of foreign operations as well as translation of liabilities that hedge the company's net investment in a foreign subsidiary.

### Gain/(loss) on FVTOCI financial assets

The group has elected to recognise changes in fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within the equity. The group transfers amount therefrom to retained earnings when the relevant equity securities are derecognized.

### Re-measurement gains/(losses) on defined benefit plans

Remeasurement of defined benefit plans comprises acturial gains and losses and return on plan assets (excluding interest income).

## 29. Earnings per share (EPS)

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Profit attributable to Equity holders of the parent: | 1,447 | 2,022 |
| **Profit attributable to Equity holders of the parent for basic earnings per share** | **1,447** | **2,022** |
| Interest on convertible preference shares | - | - |
| **Profit attributable to Equity holders of the parent adjusted for the effect of dilution** | **1,447** | **2,022** |
| Weighted average number of Equity shares for basic EPS* | | |
| Effect of dilution: | 50,93,41,987 | 50,82,06,912 |
| Employee stock options | 81,587 | 91,176 |
| Convertible preference shares | - | - |
| **Weighted average number of Equity shares adjusted for the effect of dilution *** | **50,94,23,574** | **50,82,98,088** |
| **Earnings per Equity share (in INR)** | | |
| Basic (face value of Rs 2 each) | 28.42 | 39.79 |
| Diluted (face value of Rs 2 each) | 28.41 | 39.78 |

* 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 Consolidated Financial Statements for the year ended March 31, 2019

## 30. Amalgamation with Advanta Limited

The Hon'ble High Court of Gujarat vide its order dated June 23, 2016 had sanctioned the Scheme of Amalgamation of Advanta Limited with the Company with an appointed date of April 01, 2015. In accordance with the provisions of the scheme and as approved by the High Court, the amalgamation was accounted for under the purchase method specified in Accounting Standard 14 - 'Accounting for Amalgamations' which is different from Ind AS 103 'Business Combinations'. As per the Court approval the goodwill arising on amalgamation is being amortised over a period of ten years from the appointed date, which is not amortised under Ind AS 103 but only tested for impairment.

## 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 | | % Controlling Interest | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2019 | March 31, 2018 |
| 1 | Shroffs United Chemicals Limited | Crop protection | India | | 100% | 100% |
| 2 | SWAL Corporation Limited | Crop protection | India | | 100% | 100% |
| 3 | United Phosphorus (India) LLP | Crop protection | India | | 100% | 100% |
| 4 | United Phosphorus Global LLP | Crop protection | India | | 100% | 100% |
| 5 | Optima Farm Solutions Limited | Crop protection | India | | 100% | 100% |
| 6 | UPL Europe Limited | Crop protection | United Kingdom | | 78% | 100% |
| 7 | UPL Deutschland GmbH | Crop protection | Germany | | 78% | 100% |
| 8 | UPL Polska Sp z.o.o. | Crop protection | Poland | | 78% | 100% |
| 9 | UPL Benelux B.V. | Crop protection | Netherlands | | 78% | 100% |
| 10 | Cerexagri B.V. | Crop protection | Netherlands | | 78% | 100% |
| 11 | Blue Star B.V. | Crop protection | Netherlands | #4 | - | 100% |
| 12 | United Phosphorus Holdings Cooperatief U.A. | Crop protection | Netherlands | | 78% | 100% |
| 13 | United Phosphorus Holdings B.V. | Crop protection | Netherlands | | 78% | 100% |
| 14 | Decco Worldwide Post-Harvest Holdings Cooperatief U.A. | Crop protection | Netherlands | | 78% | 100% |
| 15 | Decco Worldwide Post-Harvest Holdings B.V. | Crop protection | Netherlands | | 78% | 100% |
| 16 | United Phosphorus Holding, Brazil B.V. | Crop protection | Netherlands | | 78% | 100% |
| 17 | UPL Italia S.R.L. | Crop protection | Italy | | 78% | 100% |
| 18 | UPL Iberia, S.A. | Crop protection | Spain | | 78% | 100% |
| 19 | Decco Iberica Postcosecha, S.A.U. | Crop protection | Spain | | 78% | 100% |
| 20 | Transterra Invest, S. L. U. | Crop protection | Spain | | 78% | 100% |
| 21 | Cerexagri S.A.S. | Crop protection | France | | 78% | 100% |
| 22 | Neo-Fog S.A. | Crop protection | France | | 78% | 100% |
| 23 | UPL France | Crop protection | France | | 78% | 100% |
| 24 | United Phosphorus Switzerland Limited | Crop protection | Switzerland | | 78% | 100% |
| 25 | Agrodan, ApS | Crop protection | Denmark | | 78% | 100% |
| 26 | Decco Italia SRL | Crop protection | Italy | | 78% | 100% |
| 27 | Limited Liability Company "UPL" | Crop protection | Russia | | 78% | 100% |
| 28 | Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA) | Crop protection | Portugal | | 78% | 100% |
| 29 | United Phosphorus Inc. | Crop protection | USA | | 78% | 100% |
| 30 | UPI Finance LLC | Crop protection | USA | | 78% | 100% |
| 31 | Cerexagri, Inc. (PA) | Crop protection | USA | | 78% | 100% |
| 32 | UPL Delaware, Inc. | Crop protection | USA | | 78% | 100% |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 31. Group information (contd.)

| Sr No | Name | Principal activities | Country of incorporation/ Principal place of business | | % Controlling Interest | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2019 | March 31, 2018 |
| 33 | Canegrass LLC | Crop protection | USA | | 55% | 70% |
| 34 | Decco US Post-Harvest Inc | Crop protection | USA | | 78% | 100% |
| 35 | RiceCo LLC | Crop protection | USA | | 78% | 100% |
| 36 | Riceco International, Inc. | Crop protection | Bahamas | | 78% | 100% |
| 37 | UPL Corporation Limited | Crop protection | Mauritius | | 78% | 100% |
| 38 | UPL Limited | Crop protection | Mauritius | # | - | 100% |
| 39 | UPL Management DMCC | Crop protection | United Arab Emirates | | 78% | 100% |
| 40 | UPL Limited | Crop protection | Gibraltar | | 78% | 100% |
| 41 | UPL Agro S.A. de C.V. | Crop protection | Mexico | | 78% | 100% |
| 42 | Decco Jifkins Mexico Sapi | Crop protection | Mexico | | 78% | 100% |
| 43 | Uniphos Industria e Comercio de Produtos Quimicos Ltda. | Crop protection | Brazil | | 78% | 100% |
| 44 | Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A. | Crop protection | Brazil | | 78% | 100% |
| 45 | UPL Costa Rica S.A. | Crop protection | Costa Rica | | 78% | 100% |
| 46 | UPL Bolivia S.R.L | Crop protection | Bolivia | | 78% | 100% |
| 47 | UPL Paraguay S.A. | Crop protection | Paraguay | | 78% | 100% |
| 48 | Icona Sanluis S.A. | Crop protection | Argentina | | 78% | 100% |
| 49 | DVA Technology Argentina S.A. | Crop protection | Argentina | #1 | - | 100% |
| 50 | UPL Argentina S A | Crop protection | Argentina | | 78% | 100% |
| 51 | Decco Chile SpA | Crop protection | Chile | | 78% | 100% |
| 52 | UPL Colombia SAS | Crop protection | Colombia | | 78% | 100% |
| 53 | United Phosphorus Cayman Limited | Crop protection | Cayman Islands | | 78% | 100% |
| 54 | UP Aviation Limited | Crop protection | Cayman Islands | | 78% | 100% |
| 55 | UPL Australia Limited | Crop protection | Australia | | 78% | 100% |
| 56 | UPL New Zealand Limited | Crop protection | New Zealand | | 78% | 100% |
| 57 | UPL Shanghai Limited | Crop protection | China | | 78% | 100% |
| 58 | UPL Limited (Korea) | Crop protection | Korea | | 78% | 100% |
| 59 | PT.UPL Indonesia | Crop protection | Indonesia | | 78% | 100% |
| 60 | PT Catur Agrodaya Mandiri | Crop protection | Indonesia | | 78% | 100% |
| 61 | UPL Limited | Crop protection | Hong Kong | | 78% | 100% |
| 62 | UPL Philippines Inc. | Crop protection | Philippines | | 78% | 100% |
| 63 | UPL Vietnam Co. Limited | Crop protection | Vietnam | | 78% | 100% |
| 64 | UPL Limited, Japan | Crop protection | Japan | | 78% | 100% |
| 65 | Anning Decco Fine Chemical Co. Limited | Crop protection | China | | 43% | 55% |
| 66 | UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi | Crop protection | Turkey | | 78% | 100% |
| 67 | UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S. | Crop protection | Turkey | #2 | 78% | 100% |
| 68 | Safepack Products Limited | Crop protection | Israel | | 78% | 100% |
| 69 | Citrashine (Pty) Ltd | Crop protection | South Africa | | 78% | 100% |
| 70 | UPL Africa SARL | Crop protection | Senegal | #6 | - | - |
| 71 | Prolong Limited | Crop protection | Israel | #3 | 78% | 100% |
| 72 | Perrey Participações S.A | Crop protection | Brazil | | 78% | 100% |
| 73 | Agrinet Solutions Limited | Crop protection | India | | 50% | 50% |
| 74 | Advanta Netherlands Holding B.V. | Seed Business | Netherlands | | 78% | 100% |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 31. Group information (contd.)

| Sr No | Name | Principal activities | Country of incorporation/ Principal place of business | | % Controlling Interest | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2019 | March 31, 2018 |
| 75 | Advanta Semillas SAIC | Seed Business | Argentina | | 78% | 100% |
| 76 | Advanta Holdings B.V. | Seed Business | Netherlands | | 78% | 100% |
| 77 | Advanta Seeds International | Seed Business | Mauritius | | 78% | 100% |
| 78 | Pacific Seeds Holdings (Thailand) Limited | Seed Business | Thailand | | 78% | 100% |
| 79 | Pacific Seeds (Thai) Limited | Seed Business | Thailand | | 78% | 100% |
| 80 | Advanta Seeds Pty Ltd | Seed Business | Australia | | 78% | 100% |
| 81 | Advanta US LLC (formerly known as Advanta U.S. Inc.) | Seed Business | USA | | 78% | 100% |
| 82 | Advanta Comercio De Sementes LTDA. | Seed Business | Brazil | | 78% | 100% |
| 83 | PT Advanta Seeds Indonesia | Seed Business | Indonesia | | 78% | 100% |
| 84 | Advanta Seeds DMCC | Seed Business | United Arab Emirates | | 78% | 100% |
| 85 | Essentiv LCC | Crop protection | USA | | 39% | 50% |
| 86 | UPL Limited Mauritius (Formely known as UPL Agro Limited Mauritius) | Crop protection | Mauritius | `@3 | 78% | 100% |
| 87 | UPL Jiangsu Limited | Crop protection | China | `@2 | 55% | 70% |
| 88 | Riceco International Bangladesh Ltd | Crop protection | Bangladesh | `@3 | 78% | 100% |
| 89 | Uniphos Malaysia Sdn Bhd | Crop protection | Malaysia | `@3 | 78% | 100% |
| 90 | Advanta Seeds Ukraine LLC | Seed Business | Ukraine | | 78% | 100% |
| 91 | Decco Gıda Tarım ve Zirai Ürünler San. Tic A.S. | Crop protection | Turkey | @ | 78% | - |
| 92 | Arysta LifeScience Investments LLC | Crop protection | USA | @1 | 78% | - |
| 93 | Arysta LifeScience America Inc. | Crop protection | USA | @1 | 78% | - |
| 94 | ANESA S.A. | Crop protection | Belgium | @1 | 78% | - |
| 95 | Arysta LifeScience Management Company, LLC | Crop protection | USA | @1 | 78% | - |
| 96 | Arysta LifeScience SPC, LLC | Crop protection | USA | @1 | 78% | - |
| 97 | Arysta LifeScience India Limited | Crop protection | India | @1 | 78% | - |
| 98 | Arysta LifeScience Agriservice Private Limited | Crop protection | India | @1 | 78% | - |
| 99 | Arysta LifeScience Togo SAU | Crop protection | Togo | @1 | 78% | - |
| 100 | Arysta Agro Private Limited | Crop protection | India | @1 | 78% | - |
| 101 | Arysta LifeScience do Brasil Indústria Química e Agropecuária SA | Crop protection | Brazil | @1 | 68% | - |
| 102 | Volcano Agrociencia Industria e Comercio de Defensivos Agricolas Ltda | Crop protection | Brazil | @1 | 78% | - |
| 103 | GBM USA LLC | Crop protection | USA | @1 | 78% | - |
| 104 | Arysta LifeScience Canada, Inc. | Crop protection | Canada | @1 | 78% | - |
| 105 | Arysta LifeScience Canada BC Inc. | Crop protection | Canada | @1 | 78% | - |
| 106 | Arysta LifeScience North America, LLC | Crop protection | USA | @1 | 78% | - |
| 107 | Arysta LifeScience NA Holding LLC | Crop protection | USA | @1 | 78% | - |
| 108 | Arysta LifeScience Inc. | Crop protection | USA | @1 | 78% | - |
| 109 | Arysta LifeScience Services LLP | Crop protection | India | @1 | 78% | - |
| 110 | Arysta LifeScience France SAS | Crop protection | France | @1 | 78% | - |
| 111 | Arysta LifeScience Benelux SPRL | Crop protection | Belgium | @1 | 78% | - |
| 112 | Arysta LifeScience (Mauritius) Ltd | Crop protection | Mauritius | @1 | 78% | - |
| 113 | Arysta LifeScience South Africa (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 114 | Arysta Health and Nutrition Sciences Corporation | Health Nutrition Solution | Japan | @1 | 78% | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 31. Group information (contd.)

| Sr No | Name | Principal activities | Country of incorporation/ Principal place of business | | % Controlling Interest | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2019 | March 31, 2018 |
| 115 | Arysta LifeScience Corporation | Crop protection | Japan | @1 | 78% | - |
| 116 | Arysta LifeScience S.A.S. | Crop protection | France | @1 | 78% | - |
| 117 | Arysta LifeScience Chile S.A. | Crop protection | Chile | @1 | 78% | - |
| 118 | Arysta LifeScience Mexico, S.A.de C.V | Crop protection | Mexico | @1 | 78% | - |
| 119 | Grupo Bioquimico Mexicano, S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |
| 120 | MacDermid Agricultural Solutions Netherlands Cooperatief UA | Crop protection | Netherlands | @1 | 78% | - |
| 121 | Arysta LifeScience UK & Ireland Ltd | Crop protection | U.K. | @1 | 78% | - |
| 122 | Arysta LifeScience Europe Sarl | Crop protection | France | @1 | 78% | - |
| 123 | MacDermid Agricultural Solutions Italy Srl | Crop protection | Italy | @1 | 78% | - |
| 124 | Platform Sales Suisse GmbH | Crop protection | Switzerland | @1 | 78% | - |
| 125 | MacDermid Agricultural Solutions Holdings BV | Crop protection | Netherlands | @1 | 78% | - |
| 126 | Dutch Agricultural Investment Partners LLC | Crop protection | USA | @1 | 78% | - |
| 127 | Netherlands Agricultural Investment Partners LLC | Crop protection | USA | @1 | 78% | - |
| 128 | Arysta LifeScience Bulgaria EOOD | Crop protection | Bulgaria | @1 | 78% | - |
| 129 | Arysta LifeScience Romania SRL | Crop protection | Romania | @1 | 78% | - |
| 130 | Arysta LifeScience Kiev LLC | Crop protection | Ukraine | @1 | 78% | - |
| 131 | Arysta LifeScience Great Britain Ltd | Crop protection | U.K. | @1 | 78% | - |
| 132 | Arysta LifeScience Technology BV | Crop protection | Netherlands | @1 | 78% | - |
| 133 | Arysta LifeScience Netherlands BV | Crop protection | Netherlands | @1 | 78% | - |
| 134 | Arysta LifeScience RUS LLC | Crop protection | Russia | @1 | 78% | - |
| 135 | Netherlands Agricultural Technologies CV | Crop protection | Netherlands | @1 | 78% | - |
| 136 | Dutch Agricultural Formations CV | Crop protection | Netherlands | @1 | 78% | - |
| 137 | Arysta LifeScience Turkey Tarim Urunleri Limited Sirketi | Crop protection | Turkey | @1 | 78% | - |
| 138 | Arysta LifeScience Australia Pty Ltd. | Crop protection | Australia | @1 | 78% | - |
| 139 | Chemtura (Thailand) Ltd | Crop protection | Thailand | @1 | 78% | - |
| 140 | MacDermid (Shanghai) Chemical Ltd. | Crop protection | China | @1 | 78% | - |
| 141 | Arysta-LifeScience Ecuador S.A. | Crop protection | Ecuador | @1 | 78% | - |
| 142 | Arysta LifeScience Ougrée Production Sprl | Crop protection | Belgium | @1 | 78% | - |
| 143 | Arysta LifeScience Hellas S.A. Plant Protection, Nutrition and Other Related Products and Services | Crop protection | Greece | @1 | 78% | - |
| 144 | Arysta LifeScience Iberia SLU | Crop protection | Spain | @1 | 78% | - |
| 145 | Arysta Lifescience Italia SrL | Crop protection | Italy | @1 | 78% | - |
| 146 | Agriphar Poland Sp. Zoo | Crop protection | Poland | @1 | 78% | - |
| 147 | Arysta LifeScience Switzerland Sarl | Crop protection | Switzerland | @1 | 78% | - |
| 148 | Arysta Animal Health SAS | Animal Health | France | @1 | 78% | - |
| 149 | PPWJ Sci | Animal Health | France | @1 | 78% | - |
| 150 | Santamix Iberica SL | Animal Health | Spain | @1 | 78% | - |
| 151 | Arysta LifeScience Global Services Limited | Crop protection | Ireland | @1 | 78% | - |
| 152 | Arysta LifeScience European Investments Limited | Crop protection | U.K. | @1 | 78% | - |
| 153 | Arysta LifeScience U.K. Limited | Crop protection | U.K. | @1 | 78% | - |
| 154 | Arysta LifeScience U.K. CAD Limited | Crop protection | U.K. | @1 | 78% | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 31. Group information (contd.)

| Sr No | Name | Principal activities | Country of incorporation/ Principal place of business | | % Controlling Interest | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2019 | March 31, 2018 |
| 155 | Arysta LifeScience U.K. EUR Limited | Crop protection | U.K. | @1 | 78% | - |
| 156 | Arysta LifeScience U.K. JPY Limited | Crop protection | U.K. | @1 | 78% | - |
| 157 | Arysta LifeScience U.K. USD Limited | Crop protection | U.K. | @1 | 78% | - |
| 158 | Arysta Lifescience U.K. Holdings Limited | Crop protection | U.K. | @1 | 78% | - |
| 159 | Arysta LifeScience Japan Holdings Goudou Kaisha | Crop protection | Japan | @1 | 78% | - |
| 160 | Arysta LifeScience Cameroun SA | Crop protection | Cameroon | @1 | 78% | - |
| 161 | Callivoire SGFD S.A. | Crop protection | Cote D'Ivoire | @1 | 78% | - |
| 162 | Arysta LifeScience Egypt Ltd | Crop protection | Egypt | @1 | 78% | - |
| 163 | Calli Ghana Ltd. | Crop protection | Ghana | @1 | 78% | - |
| 164 | Arysta LifeScience Kenya Ltd. | Crop protection | Kenya | @1 | 78% | - |
| 165 | Mali Protection Des Cultures (M.P.C.) SA | Crop protection | Mali | @1 | 66% | - |
| 166 | Agrifocus Limitada | Crop protection | Mozambique | @1 | 78% | - |
| 167 | Arysta LifeScience Holdings SA (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 168 | Anchorprops 39 (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 169 | Callietha Investments (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 170 | Sidewalk Trading (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 171 | Volcano Agroscience (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 172 | Volcano Chemicals (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 173 | Arysta LifeScience Tanzania Ltd | Crop protection | Tanzania | @1 | 78% | - |
| 174 | Arysta LifeScience (Shanghai) Co., Ltd. | Crop protection | China | @1 | 78% | - |
| 175 | Pt. Arysta LifeScience Tirta Indonesia | Crop protection | Indonesia | @1 | 39% | - |
| 176 | Arysta LifeScience Korea Ltd. | Crop protection | Korea | @1 | 78% | - |
| 177 | Arysta LifeScience Pakistan (Pvt.) LTD. | Crop protection | Pakistan | @1 | 78% | - |
| 178 | Arysta LifeScience Philippines Inc. | Crop protection | Philippines | @1 | 78% | - |
| 179 | Arysta LifeScience Asia Pte., Ltd. | Crop protection | Singapore | @1 | 78% | - |
| 180 | Arysta LifeScience (Thailand) Co., Ltd. | Crop protection | Thailand | @1 | 78% | - |
| 181 | Arysta LifeScience Vietnam Co., Ltd. | Crop protection | Vietnam | @1 | 78% | - |
| 182 | Arysta LifeScience Holdings France SAS | Crop protection | France | @1 | 78% | - |
| 183 | Goëmar Développement SAS | Crop protection | France | @1 | 78% | - |
| 184 | Laboratoires Goëmar SAS | Crop protection | France | @1 | 78% | - |
| 185 | Natural Plant Protection S.A.S. | Crop protection | France | @1 | 78% | - |
| 186 | Arysta LifeScience Czech s.r.o. | Crop protection | Czech Rpb | @1 | 78% | - |
| 187 | Arysta LifeScience Germany GmbH | Crop protection | Germany | @1 | 78% | - |
| 188 | Arysta LifeScience Magyarorszag Kft. | Crop protection | Hungary | @1 | 78% | - |
| 189 | Arysta LifeScience Polska Sp. z.o.o | Crop protection | Poland | @1 | 78% | - |
| 190 | Betel Reunion S.A. | Crop protection | Reunion(Fr) | @1 | 51% | - |
| 191 | Arysta LifeScience Vostok Ltd. | Crop protection | Russia | @1 | 78% | - |
| 192 | Arysta LifeScience Slovakia S.R.O. | Crop protection | Slovakia | @1 | 78% | - |
| 193 | Arysta LifeScience Ukraine LLC | Crop protection | Ukraine | @1 | 78% | - |
| 194 | Arysta LifeScience Global Limited | Crop protection | U.K. | @1 | 78% | - |
| 195 | Arysta LifeScience Argentina S.A. | Crop protection | Argentina | @1 | 78% | - |
| 196 | Arysta LifeScience Colombia S.A.S | Crop protection | Colombia | @1 | 78% | - |
| 197 | Arysta LifeScience CentroAmerica, S.A. | Crop protection | Guatemala | @1 | 78% | - |
| 198 | Arysta LifeScience Mexico Holding S.A.de C.V | Crop protection | Mexico | @1 | 78% | - |
| 199 | Bioenzymas S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |
| 200 | Desarrollos Inmobiliarios Alianza de Coahuila, S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 31. Group information (contd.)

| Sr No | Name | Principal activities | Country of incorporation/ Principal place of business | | % Controlling Interest | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2019 | March 31, 2018 |
| 201 | Omega Agroindustrial, S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |
| 202 | Agroquimicos y Semillas, S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |
| 203 | Servicios Agricolas Mundiales SA de CV | Crop protection | Mexico | @1 | 78% | - |
| 204 | Tecno Extractos Vegetales, S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |
| 205 | Tesaurus Mexico S.A. de C.V. | Crop protection | Mexico | @1 | 78% | - |
| 206 | Arysta LifeScience Paraguay S.R.L. | Crop protection | Paraguay | @1 | 78% | - |
| 207 | Arysta LifeScience Peru S.A.C | Crop protection | Peru | @1 | 78% | - |
| 208 | Arysta LifeScience Costa Rica SA. | Crop protection | Costa Rica | @1 | 78% | - |
| 209 | Arysta LifeScience de Guatemala, S.A. | Crop protection | Guatemala | @1 | 78% | - |
| 210 | Arysta LifeScience S.R.L. | Crop protection | Bolivia | @1 | 52% | - |
| 211 | Myanmar Arysta LifeScience Co., Ltd. | Crop protection | Myanmar | @1 | 78% | - |
| 212 | Arysta LifeScience U.K. BRL Limited | Crop protection | U.K. | @1 | 78% | - |
| 213 | Etec Crop Solutions Limited | Crop protection | New Zealand | @1 | 78% | - |
| 214 | MacDermid Agricultural Solutions Australia Pty Ltd | Crop protection | Australia | @1 | 78% | - |
| 215 | Arvesta Corporation | Crop protection | USA | @1 | 78% | - |
| 216 | Arysta LifeScience Registrations Great Britain Ltd | Crop protection | U.K. | @1 | 78% | - |
| 217 | Agriphar SDN BHD | Crop protection | Malaysia | @1 | 78% | - |
| 218 | Agriphar de Costa Rica SA | Crop protection | Costa Rica | @1 | 78% | - |
| 219 | Agriphar de Colombia SAS | Crop protection | Colombia | @1 | 78% | - |
| 220 | Industrias Agriphar SA | Crop protection | Guatemala | @1 | 78% | - |
| 221 | Kempton Chemicals (Pty) Ltd | Crop protection | South Africa | @1 | 78% | - |
| 222 | Agripraza Ltda. | Crop protection | Portugal | @1 | 78% | - |
| 223 | Arysta LifeScience Corporation Republica Dominicana, SRL | Crop protection | Dominican Rpb | @1 | 78% | - |
| 224 | Grupo Bioquimico Mexicano Republica Dominicana SA | Crop protection | Dominican Rpb | @1 | 78% | - |
| 225 | Arysta LifeScience Ecuador S.A. | Crop protection | Ecuador | @1 | 78% | - |
| 226 | Arvesta Paraguay S.A. | Crop protection | Paraguay | @1 | 78% | - |
| 227 | Arysta Agroquimicos y Fertilzantes Uruguay SA | Crop protection | Uruguay | @1 | 78% | - |
| 228 | Arysta LifeScience U.K. USD-2 Limited | Crop protection | U.K. | @1 | 78% | - |
| 229 | Veto-Pharma SA | Animal Health | France | @1, #5 | 78% | - |
| 230 | Wyjolab S.A. | Animal Health | France | @1, #5 | 78% | - |
| 231 | MacDermid (Nanjing) Chemical Ltd. | Crop protection | China | @1, #1 | 0% | - |

@ Subsidiary formed during the year

@1 Subsidiary acquired during the year

@2 Subsidiary formed during the previous year

`@3 Subsidiary acquired during the previous year

# During the previous year UPL Limited, Mauritius merged in UPL Corporation Limited, Mauritius.

#1 Subsidiary divested during the year.

#2 During the previous year, the Group through its step down wholly owned subsidiary, has increased its stake from 51% to 100%

#3 During the previous year, the Group through its step down wholly owned subsidiary, has increased its stake from 50% to 100%

#4 During the year, Blue Star B.V. was merged into United Phosphorus Holdings B.V.

#5 During the year, Veto-Pharma SA and Wyjolab S.A. were merged into Arysta Animal Health SAS

#6 Subsidiary divested during the previous year.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 31. Group information (contd.)

Associates

The Group's interest in associates are summarised below

| Sr No | Name | Country of incorporation/ Principal place of business | | % equity interest March 31, 2019 | % equity interest March 31, 2018 |
|---|---|---|---|---|---|
| 1 | Weather Risk Management Private Ltd | India | ## | 32% | 27% |
| 2 | Ingen Technologies Private Limited | India | | * | * |
| 3 | Kerala Enviro Infrastructure Limited | India | | 28% | 28% |
| 4 | Polycoat Technologies 2010 Limited | Israel | ### | - | 20% |
| 5 | 3SB Produtos Agricolas S.A. | Brazil | $$$, # | 45% | 49% |
| 6 | Sinagro Produtos Agropecuarios S.A. | Brazil | $$$, # | 45% | 49% |
| 7 | Seara Comercial Agricola Ltda. | Brazil | | ** | ** |
| 8 | Serra Bonita Sementes S.A. | Brazil | $$ | 33% | 33% |
| 9 | Bioplanta Nutricao Vegetal,Industria e Comercio S.A. | Brazil | | *** | *** |
| 10 | Chemisynth (Vapi) Limited | India | | 30% | 30% |
| 11 | Universal Pestochem (Industries) Limited | India | | 44% | 44% |
| 12 | Agri Fokus (Pty) Ltd. | South Africa | $ | 25% | - |
| 13 | Novon Retail Company (Pty) Ltd. | South Africa | $ | 25% | - |
| 14 | Agronamic (Pty) Ltd. | South Africa | $ | 28% | - |
| 15 | Novon Protecta (Pty) Ltd | South Africa | $ | 25% | - |
| 16 | Silvix Forestry (Pty) Ltd. | South Africa | $ | 25% | - |
| 17 | Nexus AG (Pty) Ltd | South Africa | $ | 25% | - |
| 18 | Dalian Advanced Chemical Co.Ltd. | China | $ | 21% | - |
| 19 | Société des Produits Industriels et Agricoles | Senegal | $ | 32% | - |
| 20 | CGNS Limited | U.K. | $ | 25% | - |
| 21 | Callitogo SA | Togo | $ | 35% | - |

$ Investment in Associates during the year.

* This is 100% step-down subsidiary of Weather Risk Management Private 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 2017-18

$$$ 5% stake divested during the year

## Additional 5% stake acquired during the year

# Additional 9% stake acquired during the previous year

### Divested during the year

Joint arrangement in which the group is a venturer

The Group's interest in joint ventures is summarised below

| Sr No | Name | Country of incorporation/ Principal place of business | % equity interest March 31, 2019 | % equity interest March 31, 2018 |
|---|---|---|---|---|
| 1 | Hodagaya UPL Co. Limited | Japan | 40% | 40% |
| 2 | Longreach Plant Breeders Management Pty Limited | Australia | 70% | 70% |
| 3 | United Phosphorus (Bangladesh) Limited | Bangladesh | 50% | 50% |

## 32. Material partly owned subsidiary

Financial information of subsidiary that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests(NCI):

| | Country of incorporation/ Principal place of business | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| UPL Corporation Limited | Mauritius | 22% | 0% |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 32. Material partly owned subsidiary (contd.)

Information regarding non-controlling interest

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Accumulated balances of material non-controlling interest: | | |
| UPL Corporation Limited | 2,891 | - |

| | March 31, 2019 |
|---|---|
| Profit/(loss) allocated to material non-controlling interest: | |
| UPL Corporation Limited | 61 |

Summarised statement of profit or loss for the year ended 31 March 2019:

₹ In crores

| | March 31, 2019 |
|---|---|
| Revenue | 6,576 |
| Profit for the year | 277 |
| Total comprehensive income | 277 |
| Attributable to non-controlling interests | 61 |
| Dividends paid to non-controlling interests | - |

Summarised balance sheet as at 31 March 2019:

₹ In crores

| | March 31, 2019 |
|---|---|
| Current Assets | 22,234 |
| Non-current Assets | 31,899 |
| Current Liabilities | (11,533) |
| Non-current Liabilities | (29,585) |
| Total equity | 13,015 |
| Attributable to: | |
| Equity holders of parent | 10,124 |
| Non-controlling interest | 2,891 |

## 33. Investment in Joint Ventures

a) The Group has a 40% (31 March 2018 : 40%) interest in Hodogaya UPL Co. Limited, a joint venture incorporated in Japan. Hodogaya UPL Co. Limited is involved in the manufacturing, trading and 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:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets, including cash and cash equivalents INR 21 Crores (31st March 2018: INR 19 Crores) | 143 | 136 |
| Non-current assets | 1 | 0 |
| Current liabilities, including tax payable INR 3 Crores (31 March 2018: INR 1 Crores) | (86) | (84) |
| Non-current liabilities | - | - |
| Equity | 58 | 52 |
| Proportion of the Group's ownership | 40% | 40% |
| Carrying amount of the investment(Note) | 23 | 21 |

Note: The group does not have Goodwill

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 216 | 215 |
| Profit for the year | 6 | 3 |
| Other Comprehensive Income(OCI) | - | - |
| Total comprehensive income for the year | 6 | 3 |
| Group's share of total comprehensive income(40%) | 2 | 1 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 33. Investment in Joint Ventures (contd.)

The group had no contingent liabilities or capital commitments relating to its interest in Hodogaya UPL Co. Limited as at 31 March 2019 and 31 March 2018. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

b) The Group has a 70 % (31 March 2018 : 40%) 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:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets including cash and cash equivalents INR 30 Crores. (31st March 2018: INR 5 Crores). | 75 | 68 |
| Non-current assets | 49 | 46 |
| Current liabilities | (79) | (80) |
| Non-current liabilities | (0) | (0) |
| Equity | 46 | 34 |
| Proportion of the Group's ownership | 70% | 70% |
| Carrying amount of the investment before Goodwill | 32 | 24 |
| Add: Goodwill | 18 | 18 |
| Carrying amount of the investment | 50 | 42 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 44 | 48 |
| Profit for the year | 13 | 15 |
| Other Comprehensive Income(OCI) | - | - |
| Total comprehensive income for the year | 13 | 15 |
| Group's share of total comprehensive income(70%) | 9 | 11 |

The group had no contingent liabilities or capital commitments relating to its interest in Longreach Plant Breeders Management Pty Limited as at 31 March 2019 and 31 March 2018. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

In the year ended 31 March 2019 and 31 March 2018, the group did not receive dividends from any of its Joint Ventures.

The group also has interest in an immaterial Joint Venture United Phosphorous (Bangladesh) Limited.

## 34. Investment in Associates

a) The Group has a 27.52% (31 March 2018 : 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 summarises the financial information of Kerala Enviro Infrastructure Limited as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in Kerala Enviro Infrastructure Limited:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets | 18 | 15 |
| Non-current assets | 14 | 11 |
| Current liabilities | (3) | (3) |
| Non-current liabilities | (12) | (11) |
| Equity | 17 | 12 |
| Proportion of the Group's ownership | 28% | 28% |
| Carrying amount of the investment | 5 | 3 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 34. Investment in Associates (contd.)

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 19 | 14 |
| Profit for the year | 5 | 2 |
| Other Comprehensive Income(OCI) | 0 | - |
| Total comprehensive income for the year | 5 | 2 |
| Group's share of profit for the year | 1 | 1 |

Contingent Liability not provided for Rs. 1.55 crores (Previous Year Rs. 1.55 crores) for the appeals pending with Income tax for the AY 2015-16.

b) The Group has a 45% (31 March 2018 : 49%) interest in 3SB Produtos Agropecuarios S.A., which is involved in 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 summarises the financial information of 3SB Produtos Agropecuarios S.A. as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.The following table illustrates the summarised financial information of the Group's investment in 3SB Produtos Agropecuarios S.A.:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets | 234 | 244 |
| Non-current assets | 223 | 281 |
| Current liabilities | (333) | (375) |
| Non-current liabilities | (68) | (91) |
| Equity | 56 | 59 |
| Proportion of the Group's ownership | 45% | 49% |
| Carrying amount of the investment excluding Goodwill | 25 | 29 |
| Goodwill | 66 | 73 |
| Impact of dilution of Equity holding | (2) | 0 |
| Carrying amount of the investment | 89 | 102 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 308 | 408 |
| Profit for the year | (2) | (7) |
| Other Comprehensive Income(OCI) | - | - |
| Total comprehensive income for the year | (2) | (7) |
| Group's share of profit for the year | (1) | (3) |

The associate had no contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

c) The Group has a 45% (31 March 2018 : 49%) 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 summarises the financial information of Sinagro Produtos Agropecuarios S.A.as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in Sinagro Produtos Agropecuarios S.A.:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets | 1,052 | 966 |
| Non-current assets | 335 | 382 |
| Current liabilities | (1,438) | (1,355) |
| Non-current liabilities | (64) | (153) |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 34. Investment in Associates (contd.)

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Non-controlling interest | (14) | (12) |
| Equity | (129) | (172) |
| Proportion of the Group's ownership | 45% | 49% |
| Carrying amount of the investment excluding Goodwill | (58) | (84) |
| Goodwill | 44 | 48 |
| Additional investment during the relevant period | 15 | 36 |
| Carrying amount, restricting loss from associate | - | - |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 1,790 | 2,011 |
| Profit for the year | (20) | (210) |
| Other Comprehensive Income(OCI) | - | - |
| Total comprehensive income for the year | (20) | (210) |
| Group's share of profit for the year | (9) | (103) |
| Group's share of profit for the year, restricting loss from associates to the extent of investment. | - | |

Contingent Liability not provided for Rs. 11 crores (previous year: 14 crores) towards possible losses as assessed by legal advisors.

d) The Group has a 32.1% (31 March 2018 : 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 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. Weather Risk Management Services Private Limited 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 summarises the financial information of Weather Risk Management Services Private Limited as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.The following table illustrates the summarised financial information of the Group's investment in Weather Risk Management Services Private Limited.:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets | 26 | 20 |
| Non-current assets | 11 | 21 |
| Current liabilities | (10) | (8) |
| Non-current liabilities | (0) | (8) |
| Non-controlling interest | 0 | 0 |
| Equity | 27 | 26 |
| Proportion of the Group's ownership | 32% | 27% |
| Carrying amount of the investment excluding Goodwill | 9 | 7 |
| Goodwill | 4 | 3 |
| Carrying amount of the investment | 13 | 10 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 28 | 29 |
| Profit for the year | (3) | (0) |
| Other Comprehensive Income(OCI) | (0) | (0) |
| Total comprehensive income for the year | (3) | (0) |
| Group's share of profit for the year | (1) | (0) |

The associate had no contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 34. Investment in Associates (contd.)

e) The Group has 33.33% (31 March 2018 : 33.33%) interest in Serra Bonita Sementes S.A, which is mainly engaged in producing certified soy beans & crop seeds, producing soy beans, corn grains, sorghum grains, millet grains & beans.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 summarises the financial information of Serra Bonita Sementes S.A. as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in Serra Bonita Sementes S.A:

₹ In crores

| Summarised balance sheet | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current assets | 184 | 119 |
| Non-current assets | 562 | 686 |
| Current liabilities | (90) | (110) |
| Non-current liabilities | (48) | (31) |
| Non-controlling interest | - | - |
| Equity | 608 | 664 |
| Proportion of the Group's ownership | 33% | 33% |
| Carrying amount of the investment excluding Goodwill | 202 | 221 |
| Goodwill | (12) | (14) |
| Carrying amount of the investment | 190 | 208 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Revenue | 207 | 174 |
| Profit for the year | 7 | 2 |
| Other Comprehensive Income(OCI) | 0 | 0 |
| Total comprehensive income for the year | 7 | 2 |
| Group's share of profit for the year | 2 | 1 |

The associate had no contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

f) The group has a 28.4% interest in Agronamic Proprietary Limited, which is involved in the buying and selling of agricultural chemicals. Agronamic Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Agronamic Proprietary Limited is accounted for using the equity method in the consolidated financial statements.The following table summarizes the financial information of Agronamic Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Agronamic Proprietary Limited:

₹ In crores

| Summarised balance sheet | March 31, 2019 |
|---|---|
| Current assets | 54 |
| Non-current assets | 0 |
| Current liabilities | (52) |
| Non-current liabilities | - |
| Non-controlling interest | - |
| Equity | 3 |
| Proportion of the Group's ownership | 28% |
| Carrying amount of the investment excluding Goodwill | 1 |
| Goodwill | 4 |
| Carrying amount of the investment | 5 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 36 |
| Profit for the year | 1 |
| Other Comprehensive Income(OCI) | - |
| 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 2019.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 34. Investment in Associates (contd.)

g) The group has a 25.1% interest in Silvix Forestry Proprietary Limited, which is involved in the distribution of chemicals. Silvix Forestry Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Silvix Forestry Proprietary Limited is accounted for using the equity method in the consolidated financial statements.The following table summarizes the financial information of Silvix Forestry Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Silvix Forestry Proprietary Limited:

₹ In crores

| **Summarised balance sheet** | March 31, 2019 |
|---|---|
| Current assets | 10 |
| Non-current assets | 0 |
| Current liabilities | (8) |
| Non-current liabilities | - |
| Non-controlling interest | - |
| Equity | 1 |
| Proportion of the Group's ownership | 25% |
| Carrying amount of the investment excluding Goodwill | 0 |
| Goodwill | 0 |
| Carrying amount of the investment | 0 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 5 |
| Profit for the year | 0 |
| Other Comprehensive Income(OCI) | 0 |
| Total comprehensive income for the year | 0 |
| Group's share of profit for the year | 0 |

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

h) The group has a 25.1% interest in Agrifokus Proprietary Limited, which is involved in the trading chemicals, insecticides and herbicides. Agrifokus Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Agrifokus Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of Agrifokus Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Agrifokus Proprietary Limited:

₹ In crores

| Summarised balance sheet | March 31, 2019 |
|---|---|
| Current assets | 93 |
| Non-current assets | 2 |
| Current liabilities | (62) |
| Non-current liabilities | 0 |
| Non-controlling interest | - |
| Equity | 33 |
| Proportion of the Group's ownership | 25% |
| Carrying amount of the investment excluding Goodwill | 8 |
| Goodwill | (5) |
| Carrying amount of the investment | 4 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 9 |
| Profit for the year | 1 |
| Other Comprehensive Income(OCI) | 0 |
| 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 2019.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 34. Investment in Associates (contd.)

i) The group has a 25.1% interest in Novon Retail Company Proprietary Limited, which is involved in the selling of fertilizers and chemicals. Novon Retail Company Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Novon Retail Company Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of Novon Retail Company Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Novon Retail Company Proprietary Limited:

₹ In crores

| Summarised balance sheet | March 31, 2019 |
|---|---|
| Current assets | 62 |
| Non-current assets | 7 |
| Current liabilities | (55) |
| Non-current liabilities | (1) |
| Non-controlling interest | - |
| Equity | 13 |
| Proportion of the Group's ownership | 25% |
| Carrying amount of the investment excluding Goodwill | 3 |
| Goodwill | 4 |
| Carrying amount of the investment | 7 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 21 |
| Profit for the year | 2 |
| Other Comprehensive Income(OCI) | 0 |
| Total comprehensive income for the year | 2 |
| Group's share of profit for the year | 0 |

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

j) The group has a 25.1% interest in Novon Protecta Proprietary Limited, which is involved in the distribution of agricultural chemicals. Novon Protecta Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Novon Protecta Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of Novon Protecta Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Novon Protecta Proprietary Limited:

₹ In crores

| Summarised balance sheet | March 31, 2019 |
|---|---|
| Current assets | 160 |
| Non-current assets | 4 |
| Current liabilities | (126) |
| Non-current liabilities | (1) |
| Non-controlling interest | - |
| Equity | 36 |
| Proportion of the Group's ownership | 25% |
| Carrying amount of the investment excluding Goodwill | 9 |
| Goodwill | (2) |
| Carrying amount of the investment | 7 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 35 |
| Profit for the year | 1 |
| Other Comprehensive Income(OCI) | 0 |
| Total comprehensive income for the year | 1 |
| Group's share of profit for the year | 0 |

Contingent liability consists of claims against the group not acknowledged as debt amounting to INR 2 crores as on 31 March 2019.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 34. Investment in Associates (contd.)

k) The group has a 25.1% interest in NexusAG Proprietary Limited, which is involved in the wholesale of agricultural chemicals for crop protection and fertilizer products for plant nutrition. NexusAG Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in NexusAG Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of NexusAG Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in NexusAG Proprietary Limited:

₹ In crores

| Summarised balance sheet | March 31, 2019 |
|---|---|
| Current assets | 120 |
| Non-current assets | 18 |
| Current liabilities | (110) |
| Non-current liabilities | (6) |
| Non-controlling interest | - |
| Equity | 22 |
| Proportion of the Group's ownership | 25% |
| Carrying amount of the investment excluding Goodwill | 6 |
| Goodwill | 4 |
| Carrying amount of the investment | 10 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 57 |
| Profit for the year | 1 |
| Other Comprehensive Income(OCI) | 0 |
| 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 2019.

l) The group has a 21% interest in Dalian Advanced Chemical Co.Ltd.(DAC) which is involved in the formulation of Chloropicrin. DAC is private entity that is not listed on any public exchange. DAC is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of DAC as included in its own financials statements, adjusted for faire value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in DAC.

₹ In crores

| Summarised balance sheet | March 31, 2019 |
|---|---|
| Current assets | 0 |
| Non-current assets | 2 |
| Current liabilities | (0) |
| Non-current liabilities | - |
| Non-controlling interest | - |
| Equity | 3 |
| Proportion of the Group's ownership | 21% |
| Carrying amount of the investment excluding Goodwill | 1 |
| Goodwill | - |
| Carrying amount of the investment | 1 |

₹ In crores

| Summarised statement of profit and loss | March 31, 2019 |
|---|---|
| Revenue | 0 |
| Profit for the year | (0) |
| Other Comprehensive Income(OCI) | - |
| Total comprehensive income for the year | (0) |
| Group's share of profit for the year | (0) |

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 35. Net employee defined benefit liabilities

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Net employee defined benefit liabilities | 226 | 73 |
| - Gratuity Plan (Note 35 (b) to (g)) | 87 | 44 |
| - Defined benefit pension scheme (Note 35(h)) | 139 | 29 |

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:

₹ In crores

| (i) Defined Benefit Plan | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost | 9 | 8 |
| Past Service Cost | 4 | 4 |
| Interest cost on benefit obligation | 5 | 4 |
| Expenses recognised in Profit and Loss(under the head Employee Benefit Expenses in Note23) | 18 | 16 |
| Return on plan assets | (3) | (2) |
| Net actuarial (gain)/loss recognised during the year | (6) | (3) |
| Remeasurements recognised in Other Comprehensive Income(OCI) | (8) | (5) |
| Total Expenses recognised in the statement of Profit & Loss | 10 | 11 |
| Actual return on plan assets | 3 | 2 |

₹ In crores

| (ii) Defined Contribution Plan | Provident Fund | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost included under the head Employee Benefit Expense in Note 23 | 19 | 16 |

₹ In crores

| (iii) Defined Contribution Plan | Superannual Fund | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost included under the head Employee Benefit Expense in Note 23 | 10 | 10 |

₹ In crores

| (iv) Defined Contribution Plan | Pension Fund | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current service cost included under the head Employee Benefit Expense in Note 23 | 1 | - |

b) The amounts recognised in the Balance Sheet are as follows:

₹ In crores

| | Defined Benefit Plan - Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Present value of funded obligation | 172 | 73 |
| Less: Fair value of plan assets | 85 | 29 |
| Net Liability | 87 | 44 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 35. Net employee defined benefit liabilities (contd.)

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

₹ In crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Opening defined benefit obligation | 73 | 63 |
| Defined benefit obligation on account of acquisition of Arysta Life Science and its subsidiaries | 127 | - |
| Interest cost | 5 | 5 |
| Current service cost | 9 | 9 |
| Benefits paid | (7) | (4) |
| Actuarial changes arising from changes in financial assumption | (6) | (3) |
| Past service cost | (6) | 0 |
| Exchange difference | (23) | 3 |
| Closing defined benefit obligation | 172 | 73 |

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

₹ In crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Opening fair value of plan assets | 29 | 28 |
| Fair Value of plan assets on account of acquisition of Arysta Life Science and its subsidiaries | 54 | - |
| Return on plan assets | 2 | 2 |
| Actuarial changes arising from changes in financial assumption | (1) | (1) |
| Closing fair value of plan assets | 85 | 29 |

e) Expected contribution to defined benefit plan for the year

₹ In crores

| | Gratuity | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| | 27 | 23 |

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

| | Gratuity | |
|---|---|---|
| | March 31, 2019 % | March 31, 2018 % |
| Investments with insurer under: Funds managed by insurer | 100 | 100 |

g) The principal actuarial assumptions at the Balance Sheet date.

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount rate | 2.80%-7.70% | 2.75 - 7.29% |
| Return on plan assets | 2.80%-7.70% | 6.85 - 7.29% |
| Mortality Rate | Indian Assured Lives Mortality (2006-08) Ult. and Indonesia - III (2011) | Indian Assured Lives Mortality (2006-08) Ult. and Indonesia - III (2011) |
| Annual increase in salary costs | 7% | 8% |
| Attriation rate | 8% | 8% |

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions

₹ In crores

| Sensitivity Level | 1% increase | 1% decrease |
|---|---|---|
| Impact on defined benefit obligation | | |
| Discount rate | (2) | 4 |
| Future salary increases | 4 | (2) |
| Withdrawal rate | 1 | 1 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 35. Net employee defined benefit liabilities (contd.)

The sensitivity analysis 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.

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 2019 amounts to Rs. 139 Crores (31 March 2018: Rs. 29 Crores)

## 36. Share based payments

During the year ended March 31, 2019, the following employee stock option plan (ESOPs) were in existence. The relevant details of the scheme and the grant are as follows:

1 Employees stock option and share plan 2006

1a 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, 2019 | March 31, 2018 |
|---|---|---|
| Number of options granted (net of options lapsed) | 5,08,390 | 5,08,390 |
| 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, 2019 (No. of equity shares) | As at March 31, 2018 (No. of equity shares) |
|---|---|---|
| Outstanding at the beginning of the year | 16,500 | 52,250 |
| Exercisable at the beginning of the year | 16,500 | 52,250 |
| Forfeited during the year | - | - |
| Exercised during the year | - | 35,750 |
| Vested during the year | - | - |
| Expired during the year | - | - |
| Outstanding at the end of the year | 16,500 | 16,500 |
| Exercisable at the end of the year* | 16,500 | 16,500 |
| Weighted average remaining contractual life (in years) | 2.91 | 3.91 |

For options excercised during the current period, the weighted average share price at the exercise date was Rs. Nil (Mar 31, 2018: Rs. 833).

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, 2019 | As at March 31, 2018 |
|---|---|---|
| Weighted average share price/market price | 68.75 | 68.75 |
| Exercise price (Rs. 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 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 36. Share based payments (contd.)

2 Employees stock option plan (ESOP) 2013

2a 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.

| Particulars | March 31, 2019 and March 31, 2018 | | |
|---|---|---|---|
| Dates of grant | 30-Jan-14 | 27-May-14 | 27-May-14 |
| Dates of board approval | 30-Jan-14 | 27-May-14 | 27-May-14 |
| Date of shareholders approval | 3-Dec-13 | 3-Dec-13 | 3-Dec-13 |
| Number of options granted | 7,11,752 | 35,000 | 35,000 |
| 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, 2019 (No. of equity shares) | As at March 31, 2018 (No. of equity shares) |
|---|---|---|
| Outstanding at the beginning of the year | 14,676 | 23,723 |
| Exercisable at the beginning of the year | 13,269 | 2,814 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | 9,047 | 9,047 |
| Vested during the year | - | 19,502 |
| Expired during the year | - | - |
| Outstanding at the end of the year | 5,629 | 14,676 |
| Exercisable at the end of the year* | 4,222 | 13,269 |
| Weighted average remaining contractual life (in years) | 0.32 | 1.02 |

For options excercised during the current period, the weighted average share price at the exercise date was Rs. 756.33 (Mar 31, 2018: Rs. 703.80).

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, 2019 | As at March 31, 2018 |
|---|---|---|
| Weighted average share price/market price (Rs. per share) | 112.81 | 112.81 |
| Exercise price (Rs. per share) | Grant 1 Rs 103.80<br>Grant 2 Rs 262.75<br>Grant 3 Rs 319.70 | Grant 1 Rs 103.80<br>Grant 2 Rs 262.75<br>Grant 3 Rs 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 |

*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 March 31, 2019

## 36. Share based payments (contd.)

3 Employees stock option plan (ESOP) 2017

3a The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on July 08, 2017 which provides for a grant of 2,500,000 options (each option convertible into share) to employees.

| Particulars | March 31, 2019 and March 31, 2018 |
|---|---|
| Dates of grant | 25-Jan-18 |
| Dates of board approval | 25-Jan-17 |
| Number of options granted | 60,000 |
| Method of settlement (Cash / Equity) | Equity |
| Vesting period | Spread over 2 years |
| Contractual life of Option | 5 years |

| Vesting Conditions | Grant Date | Number of Options | Contractual life of Options |
|---|---|---|---|
| 1 year from grant date | 25-Jan-18 | 20,000 | 4 years |
| 2 years from grant date | 25-Jan-18 | 40,000 | 5 years |

3b The details of the activity have been summarized below ₹ In crores

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Outstanding at the beginning of the year | 60,000 | - |
| Exercisable at the beginning of the year | - | - |
| Granted during the year | - | 60,000 |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Vested during the year | 20,000 | - |
| Expired during the year | - | - |
| Outstanding at the end of the year | 60,000 | 60,000 |
| Exercisable at the end of the year* | 40,000 | - |
| Weighted average remaining contractual life (in years) | 3.49 | 4.49 |

3c The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Weighted average share price/market price (Rs. per share) | 824 | 824 |
| Exercise price (Rs. per share) | 784 | 784 |
| Expected volatility | 21.49% | 21.49% |
| Life of the options granted (vesting and exercise period) in years | 2 to 3.25 years | 2 to 3.25 years |
| Expected dividends | - | - |
| Average risk-free interest rate | 7.22% per annum | 7.22% per annum |

3d Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

₹ In crores

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Total employee compensation cost pertaining to stock option plan | 1 | 0 |
| Liability for employee stock option plan outstanding as at the year end | 1 | 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 March 31, 2019

## 37. Commitments and contingencies

A. Commitments:

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: ₹ In crores

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Within one year | 62 | 52 |
| After one year but not more than five years | 124 | 125 |
| More than five years | 6 | 17 |
| | 191 | 195 |

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:

₹ In crores

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | Minimum lease payments | Present value of MLP | Minimum lease payments | Present value of MLP |
| Within one year | 2 | 1 | 1 | 1 |
| After one year but not more than five years | 17 | 14 | 0 | 0 |
| More than five years | - | - | - | - |
| Total minimum lease payments | 19 | 15 | 1 | 1 |
| Less: amounts representing finance charges | (4) | - | (0) | 0 |
| Present value of minimum lease payments | 15 | 15 | 1 | 1 |

b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| | 255 | 157 |

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.

B. Contingent liabilities

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Group in respect of these cases have been summarised below.

a. Guarantees

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Guarantees given by the Group on behalf of third parties | 5 | 9 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 37. Commitments and contingencies (contd.)

b. Tax Contigencies

Amounts in respect of claims asserted by various revenue authorities on the Group, in respect of taxes, which are in dispute, have been tabulated below:

₹ In crores

| Nature of Tax | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Disputed Excise Duty / Service Tax Liability (excluding interest) | 196 | 203 |
| Disputed Income-tax Liability (excluding interest) | 26 | 26 |
| Disputed Sales-tax Liability | 31 | 75 |
| Disputed Custom duty Liability | 34 | 34 |
| Disputed Fiscal Penalty for cancellation of licenses | 33 | 33 |

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Group may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

c. Amount in respect of other claims

₹ In crores

| Nature of Claim | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Claims payable to growers. | 22 | 13 |
| Other Claims (claims related to contractual and other disputes) | 31 | 20 |
| Group's share of contingent liabilities of associates:- | | |
| Claims against the Associates not acknowledged as debts. | 5 | 23 |

Agrofresh Inc (USA) had filed a litigation against one subsidiary of the Group and the other shareholders of the subsidiary inter alia for infringement of patents owned by Agrofresh in respect of a product, for loss of profits and for breach of contract. During the previous year the Group had provided Rs. 1.29 crores towards amounts expected to be paid in this regard being the estimated profits earned from the product till December 2016. During the year, the Group's has obtained a favorable ruling resulting in invalidation of Agrofresh's patent.

The Group had filed for dissolution of the subsidary and a counter claim of Rs.16.29 crores has been filed for the proposed dissolution.The Group understands that this claim, if any, should be against the non controlling interest shareholder and is likely to be rejected in its present form. The Group plea for dissolution of subsidiary has been upheld. Agrofresh has appealed this outcome. The litigation for the loss of profits, damages and breach of contract for the main claim is in progress. While effect of all the above is not ascertainable, the Group does not expect this to materially affect its financial statements.

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

i. plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

ii. the proceedings are in early stages;

iii. there is uncertainty as to the outcome of pending appeals or motions or negotiations;

iv. there are significant factual issues to be resolved; and/or

v. there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Group's financial condition, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period.

d. Pursuant to the judgment of the Supreme Court of India on 28 February 2019 regarding the allowances to be considered for computing Provident Fund liability, certain components of compensation hitherto excluded from PF need to be included.There are interpretative challenges in application of the judgment retrospectively and the Company has been legally advised that the judgment would be applicable prospectively.The financial statements disclose a contingent liability in this regard. No provision has been made for the period from 28 February to 31 March 2019 as the same is not material.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 37. Commitments and contingencies (contd.)

C. Contingent Assets

During the previous year the company settled its claim of Rs 13.74 Crs against agrochemicals trader regarding illegal parallel-trading of unauthorised copies of UPL's product. No gain had been recognised during the previous financial year because the receipt of the additional consideration was not virtually certain as it was dependent on the ability of the party to pay the compensation

## 38. Related Party Disclosures:

a) Name of other related parties with whom transactions have taken place during the year.

i) Joint Venture Companies:

United Phosphorus (Bangladesh) Limited
Hodogaya UPL Co. Limited
Longreach Plant Breeders Management Pty Limited

ii) Associate Companies:

Kerala Enviro Infrastructure Limited
Weather Risk Management Services Private Limited
3SB Produtos Agrícolas S.A.
Sinagro Produtos Agropecuários S.A.
Seara Bonita Sementes S.A.
Chemisynth (Vapi) Limited
Universal Pestochem Industries Limited
Agri Fokus (Pty) Ltd.
Novon Retail Company (Pty) Ltd.
Agronamic (Pty) Ltd.
Novon Protecta (Pty) Ltd
Silvix Forestry (Pty) Ltd.
Nexus AG (Pty) Ltd
Dalian Advanced Chemical Co.Ltd.
Société des Produits Industriels et Agricoles
CGNS Limited
Callitogo SA

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
Uniphos Envirotronic Private Limited
UPL Environmental Engineers Limited
Vikram Farm
Ubania Realty LLP
VJS Investments Limited
Bench Bio Private Limited
Agraja Properties Limited
Crop Care Federation of India
Vankala Krishi Care Pvt Ltd

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 (Upto : 31st July 2018)
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 (Upto : 26th April 2018)
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 March 31, 2019

## 38. Related Party Disclosures: (contd.)

(b) The following transactions were carried out with 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.

₹ In crores

| NATURE OF TRANSACTIONS: | 31 March 2019 | | | | 31 March 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associates | Other related parties | TOTAL | Joint Ventures | Associates | Other related parties | TOTAL |
| 1. INCOME | | | | | | | | |
| a) SALE OF GOODS | 52 | 125 | 5 | 183 | 57 | 120 | 5 | 182 |
| Sinagro Produtos Agropecuários S.A. | - | 110 | - | 110 | - | 81 | - | 81 |
| Hodogaya UPL Co. Limited | 47 | - | - | 47 | 50 | - | - | 50 |
| 3SB Productos Agricolas S.A. | - | 4 | - | 4 | - | 29 | - | 29 |
| Others | 5 | 11 | 5 | 22 | 7 | 10 | 5 | 22 |
| b) MANAGEMENT FEES | - | - | 7 | 7 | - | - | 8 | 8 |
| Tatva Global Environment Private Limited | - | - | 2 | 2 | - | - | 2 | 2 |
| Gharpure Engineering & Construction Private Limited | - | - | 2 | 2 | - | - | 4 | 4 |
| 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 |
| Others | - | - | 0 | 0 | - | - | 0 | 0 |
| d) INTEREST RECEIVED | 0 | - | - | 0 | - | - | - | - |
| Tatva Global Environment Private Limited | 0 | - | - | 0 | - | - | - | - |
| e) GROUP RECHARGE | 1 | - | - | 1 | 1 | - | - | 1 |
| Longreach Plant Breeders Management Services Pty Limited | 1 | - | - | 1 | 1 | - | - | 1 |
| f) ROYALTY | 48 | - | - | 48 | 61 | - | - | 61 |
| Longreach Plant Breeders Management Services Pty Limited | 48 | - | - | 48 | 61 | - | - | 61 |
| 2. EXPENSES | | | | | | | | |
| a) PURCHASES OF GOODS | 20 | 0 | 68 | 88 | 20 | - | 51 | 71 |
| Hodogaya UPL Co. Limited | 20 | - | - | 20 | 20 | - | - | 20 |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | - | - | - |
| Bloom Seal Containers Private Limited | - | - | 43 | 43 | - | - | 32 | 32 |
| Bloom Packaging Private Limited | - | - | 14 | 14 | - | - | 13 | 13 |
| Others | - | 0 | 11 | 11 | - | - | 6 | 6 |
| b) FIXED ASSETS | 0 | - | 1 | 1 | - | 0 | 0 | 0 |
| Uniphos Envirotronic Private Limited | - | - | 1 | 1 | - | - | 0 | - |
| Ingen Technologies P.Ltd | 0 | - | - | 0 | - | - | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 38. Related Party Disclosures: (contd.)

₹ In crores

| NATURE OF TRANSACTIONS: | 31 March 2019 | | | | 31 March 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associates | Other related parties | TOTAL | Joint Ventures | Associates | Other related parties | TOTAL |
| Chemie Synth (Vapi) Limited. | - | - | - | - | - | 0 | - | 0 |
| c) OTHERS | 0 | - | 1 | 1 | - | 0 | 0 | 0 |
| Vikram Farm | - | - | 0 | 0 | - | 0 | - | 0 |
| Pot Plants | - | - | 0 | 0 | - | - | - | - |
| Crop Care Federation of India | - | - | 0 | 0 | - | - | 0 | 0 |
| Uniphos Envirotronic Private Limited | - | - | 0 | - | - | - | - | - |
| others | 0 | - | 0 | 0 | - | - | - | - |
| d) SERVICES | 0 | - | 94 | 95 | - | - | 79 | 79 |
| Bharuch Enviro Infrastructure Limited | - | - | 93 | 93 | - | - | 77 | 77 |
| Others | 0 | - | 2 | 2 | - | - | 2 | 2 |
| e) RENT | - | - | 1 | 1 | - | - | 1 | 1 |
| Sanguine Holdings Private Limited | - | - | 0 | 0 | - | - | 0 | 0 |
| Ultima Search | - | - | 0 | 0 | - | - | 0 | 0 |
| Bloom Packaging Private Limited | - | - | 0 | 0 | - | - | 0 | 0 |
| Jai Trust | - | - | 0 | 0 | - | - | - | - |
| Others | - | - | 0 | 0 | - | - | - | - |
| f) ROYALTY | - | - | - | - | - | - | - | - |
| Longreach Plant Breeders Management Services Pty Limited | - | - | - | - | | - | - | - |
| g) COMMISSION EXPENSE | - | - | - | - | - | - | - | - |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | - | - | - |
| h) PROVISION FOR DOUBTFUL ADVANCES | - | - | - | - | - | - | - | - |
| Polycoat Technologies 2010 Limited | - | - | - | - | - | - | - | - |
| i) CONTRIBUTION TO CSR | - | - | - | - | - | - | - | - |
| Vikram Farm | - | - | - | - | - | - | - | - |
| j) GROUP RECHARGE | 0 | - | - | 0 | 0 | - | - | 0 |
| Longreach Plant Breeders Management Services Pty Limited | 0 | - | - | 0 | 0 | - | - | 0 |
| 3. FINANCE | - | - | - | - | - | - | - | - |
| a) INTEREST INCOME | 5 | - | - | 5 | 5 | 42 | - | 47 |
| Longreach Plant Breeders Management Services Pty Limited | 5 | - | - | 5 | 5 | - | - | 5 |
| Bharuch Enviro Infrastructure Limited | - | - | - | - | | - | - | - |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | 20 | - | 20 |
| Tatva Global Environment Private Limited | - | - | - | - | - | - | - | - |
| 3SB Productos Agricolas S.A. | - | - | - | - | - | 22 | - | 22 |
| others | - | - | - | - | - | - | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 38. Related Party Disclosures: (contd.)

₹ In crores

| NATURE OF TRANSACTIONS: | 31 March 2019 | | | | 31 March 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associates | Other related parties | TOTAL | Joint Ventures | Associates | Other related parties | TOTAL |
| b) LOAN /INTER CORPORATE DEPOSITS GIVEN | - | - | - | - | - | - | - | - |
| Tatva Global Environment Private Limited | - | - | - | - | - | - | - | - |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | - | - | - |
| Gharpure Engineering and Constructions | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| c) PURCHASE/ALLOTMENT OF BONDS | - | - | - | - | - | - | - | - |
| Weather Risk Management Services Private Limited | - | - | - | - | - | - | - | - |
| Tatva Global Environment Private Limited | - | - | - | - | - | - | - | - |
| d) REPAYMENT OF LOAN / INTER CORPORATE DEPOSITS GIVEN | - | - | - | 1 | - | - | - | 1 |
| Tatva Global Environment Private Limited | - | - | - | - | - | - | - | - |
| Gharpure Engineering and Constructions | - | - | - | - | - | - | - | - |
| Bharuch Enviro Infrastructure Limited | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| e) ADVANCES GIVEN | - | - | 2 | 2 | - | - | 17 | 17 |
| Urbania Realty LLP | - | - | 2 | 2 | - | - | 17 | 17 |
| f) SALE/REDEMPTION OF SHARES/NCD | - | - | - | - | - | - | - | - |
| UPL Investment India Pvt. Ltd. | - | - | - | - | - | - | - | - |
| g) RECEIPT AGAINST LOAN GIVEN | - | - | - | - | - | - | 1 | 1 |
| Bharuch Enviro Infrastructure Limited | - | - | - | - | - | - | 1 | 1 |
| 4. REIMBURSEMENTS | - | - | - | - | - | - | - | - |
| a) RECEIVED | - | - | 1 | 1 | - | - | 0 | 0 |
| Uniphos Envirotronic Private Limited | - | - | 0 | 0 | - | - | 0 | 0 |
| Ultima Search | - | - | 0 | 0 | - | - | 0 | 0 |
| Others | - | - | 0 | 0 | - | - | 0 | 0 |
| b) MADE | - | - | 0 | 0 | - | - | - | - |
| UPL Enviromental Engineering Limited | - | - | 0 | 0 | - | - | - | - |
| Urbania Realty LLP | - | - | 0 | 0 | - | - | - | - |
| Others | - | - | 0 | 0 | - | - | - | - |
| 5. OUTSTANDINGS AS AT BALANCE SHEET DATE | - | - | - | - | - | - | - | - |
| a) PAYABLES | 14 | 0 | 4 | 18 | 25 | 3 | 3 | 31 |
| Longreach Plant Breeders Management Services Pty Limited | - | - | - | - | 12 | - | - | 12 |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | - | - | - |
| Hodogaya UPL Co. Limited | 14 | - | - | 14 | 13 | - | - | 13 |
| Others | - | 0 | 4 | 4 | - | 3 | 3 | 6 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 38. Related Party Disclosures: (contd.)

₹ In crores

| NATURE OF TRANSACTIONS: | 31 March 2019 | | | | 31 March 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associates | Other related parties | TOTAL | Joint Ventures | Associates | Other related parties | TOTAL |
| b) RECEIVABLES | 24 | 98 | 19 | 141 | 29 | 187 | 4 | 220 |
| Hodogaya UPL Co. Limited | 24 | - | - | 24 | 28 | - | - | 28 |
| Bharuch Enviro Infrastructure Limited | - | - | 3 | 3 | - | - | - | - |
| 3SB Produtos Agrícolas S.A. | - | 4 | - | 4 | - | 51 | - | 51 |
| Sinagro Produtos Agropecuários S.A. | - | 85 | - | 85 | - | 129 | - | 129 |
| Longreach Plant Breeders Management Services Pty Limited | 0 | - | - | - | - | - | - | - |
| Others | - | 9 | 16 | 25 | 1 | 7 | 4 | 12 |
| c) LOANS / INTER CORPORATE DEPOSITS GIVEN | 58 | - | 13 | 71 | 59 | 127 | - | 186 |
| 3SB Productos Agricolas S.A. | - | - | - | - | - | 54 | - | 54 |
| Longreach Plant Breeders Management Services Pty Limited | 58 | - | - | 58 | 59 | - | - | 59 |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | 73 | - | 73 |
| Bharuch Enviro Infrastructure Limited | - | - | 6 | 6 | - | - | - | - |
| Bloom Packaging Private Limited | - | - | 2 | 2 | - | - | - | - |
| Others | - | - | 4 | 4 | - | - | - | - |
| d) MANAGEMENT FEES RECEIVABLE | - | - | - | - | - | - | 10 | 10 |
| Tatva Global Environment Private Limited | - | - | - | - | - | - | 1 | 1 |
| Gharpure Engineering and Construction Private Limited | - | - | - | - | - | - | 8 | 8 |
| Bharuch Enviro Infrastructure Limited | - | - | - | - | - | - | - | - |
| Others | | | | - | | | 1 | 1 |
| e) INTEREST RECEIVABLES | 0 | - | 0 | 1 | 0 | - | 0 | 1 |
| Gharpure Engineering and Construction Private Limited | - | - | - | - | - | - | - | - |
| Sinagro Produtos Agropecuários S.A. | - | - | - | - | - | - | - | - |
| Longreach Plant Breeders Management Services Pty Limited | 0 | - | - | 0 | 0 | - | - | 0 |
| Tatva Global Environment Private Limited | - | - | 0 | 0 | - | - | - | - |
| Others | - | - | - | - | - | - | 0 | 0 |
| f) DEPOSITS GIVEN | - | - | - | - | - | - | 14 | 14 |
| Bharuch Enviro Infrastructure Limited | - | - | - | - | - | - | 8 | 8 |
| Daman Ganga Pulp and Papers Private Limited | - | - | - | - | - | - | 4 | 4 |
| Bloom Packaging Private Limited | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | 2 | 2 |
| g) ADVANCES GIVEN | - | - | 29 | 29 | - | - | 27 | 27 |
| Urbania reality LLP | - | - | 29 | 29 | - | - | 27 | 27 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 38. Related Party Disclosures: (contd.)

c) Transactions with key management personnel of the Holding Company and their relatives

₹ In crores

| Nature of Transactions | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Remuneration | | |
| - Mr. Rajnikant D. Shroff | 13 | 10 |
| - Mr. Jaidev R. Shroff | 38 | 13 |
| - Mr. Vikram R. Shroff | 12 | 8 |
| - Mrs. Sandra R. Shroff | 8 | 8 |
| - Mr. Arun C. Ashar | 1 | 3 |
| - Mr. Kalyan Banerjee | 3 | 1 |
| - Others | 1 | 4 |
| Total | 76 | 47 |
| Rent paid | | |
| - Mr. Rajnikant D. Shroff | 0 | 0 |
| - Mr. Jaidev R. Shroff | 1 | 1 |
| - Mr. Vikram R. Shroff | 7 | 6 |
| - Mrs. Sandra R. Shroff | 0 | 0 |
| Total | 9 | 8 |
| Professional fees | | |
| Mr. Navin Ashar | 1 | 0 |
| Loan given during the year | | |
| Mr. Anand Vora | - | 0 |
| Sundry Deposits Given | | |
| Mr. Kalyan Banarjee | 0 | - |
| Mr. R.D.Shroff | 0 | - |
| Outstandings as at the Balance Sheet Date | | |
| Sundry deposits given | - | 2 |
| Loan outstanding | - | 0 |

Note

1 This includes short term employee benefits and key management personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognied as per Ind AS19- Employee Benefits in the consolidated financial statements. As these employee benefits are lumpsum such amounts provided on the basis of actuarial valuation, the same is not included above.

2 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 Consolidated Financial Statements for the year ended March 31, 2019

## 39. Segment information

(A) Primary Segment Reporting (by Business Segment)

₹ In crores

| Sr. No. | Particulars | 31 March 2019 | | | | 31 March 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Agro Activity | Non Agro Activity | Unallo-cated | Total | Agro Activity | Non Agro Activity | Unallo-cated | Total |
| 1 | Revenue from operations (net) | | | | | | | | |
| a | External | 21,147 | 681 | 9 | 21,837 | 16,917 | 574 | 15 | 17,506 |
| c | Intersegment | (285) | 285 | - | - | (183) | 183 | - | - |
| | Total | 20,862 | 966 | 9 | 21,837 | 16,734 | 757 | 15 | 17,506 |
| 2 | Segment Results | | | | | | | | |
| a | Contribution | 3,564 | 147 | | 3,711 | 3,722 | 66 | | 3,788 |
| | Intersegment profits | (53) | 53 | | | (37) | 37 | | - |
| | Total Segment Results | 3,511 | 200 | - | 3,711 | 3,685 | 103 | - | 3,788 |
| | Less : | | | | | | | | |
| | (i) Finance Costs | | | | 963 | | | | 783 |
| | (ii) Unallocable Expenditure/ Income (net) | | | | 627 | | | | 544 |
| | (iii) Share of profit/(loss) of associates and joint ventures | | | | 14 | | | | (93) |
| | (iv) Exceptional items (refer note no. 27) | | | | 451 | | | | 63 |
| | Total Profit before Tax | | | | 1,684 | | | | 2,305 |
| | Provision for tax | | | | | | | | |
| | Current tax | | | | 442 | | | | 311 |
| | Adjustments of tax relating to earlier years | | | | (4) | | | | (79) |
| | Deferred tax | | | | (273) | | | | 43 |
| | Profit for the year attributable to | | | | 1,519 | | | | 2,030 |
| | Owners of the parent | | | | 1,447 | | | | 2,022 |
| | Non-controlling interest | | | | 72 | | | | 8 |
| | Other Information | | | | | | | | |
| | Segment Assets | 56,128 | 1,356 | 5,564 | 63,048 | 17,209 | 738 | 5,096 | 23,043 |
| | Segment Liabilities | 11,034 | 353 | 33,658 | 45,045 | 6,320 | 176 | 7,359 | 13,855 |
| | Capital Expenditure | 1,447 | 139 | 7 | 1,594 | 1,325 | 69 | 19 | 1,413 |
| | Depreciation | 389 | 37 | 25 | 451 | 291 | 27 | 25 | 343 |
| | Amortization | 441 | - | 77 | 518 | 267 | - | 65 | 332 |
| | Non cash expenses other than depreciation | (38) | 4 | - | (34) | 39 | 5 | - | 44 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 39. Segment information (contd.)

(B) Secondary Segment Reporting (by Geographical location of the customers)

₹ In crores

| Particulars | 31 March 2019 | | | | | |
|---|---|---|---|---|---|---|
| | India | Europe | North America | Latin America | ROW | Total |
| Revenue by Geographical Market | 3,314 | 3,532 | 3,697 | 7,457 | 3,837 | 21,837 |
| Carrying amount of Non Current Operating Assets (Non Current Assets for this purpose consists of property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and other non current assets) | 3,801 | 2,004 | 25,450 | 1,568 | 1,141 | 33,964 |

₹ In crores

| Particulars | 31 March 2018 | | | | | |
|---|---|---|---|---|---|---|
| | India | Europe | North America | Latin America | ROW | Total |
| Revenue by Geographical Market | 3,317 | 2,305 | 3,083 | 5,692 | 3,109 | 17,506 |
| Carrying amount of Non Current Operating Assets (Non Current Assets for this purpose consists of property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and other non current assets) | 3,138 | 997 | 371 | 1,084 | 485 | 6,075 |

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 March 31, 2019

## 40. Acquisition of a subsidiary

On 31st January 2019, the Group acquired the entire share capital of Arysta Lifescience Inc, a global provider of innovative crop protection solutions including BioSolutions and Seed Treatment. As a result the Group obtained control of Arysta and it's subsidiaries.

For the two months ended 31st March 2019, the Group's result include a revenue of INR 1,968 crores and a profit of INR 131 crores without fair valuation adjustments pertaining to business combination of Arysta Lifescience Inc and its subsidiaries. Acquisition occurred towards the end of year and considering size and spread of business and different GAAP followed by Arysta Group, it was impracticable to calculate estimated Full year revenue and profit if it would have occurred on 1st April 2018.

### A. Consideration

| | ₹ In crores |
|---|---|
| Consideration | 31,459 |
| Total | 31,459 |

The consideration is subject to further adjustments as per the stock purchase agreements signed between the parties based on the level of working capital of the acquired business at the closing date. The maximum additional consideration would be INR 160 crores as required by Ind AS 103- Business Combinations.

The acquisition fulfills UPL's objective of creating an integrated patent and post patent agricultural solutions business with a global footprint. It will enable the group to offer a complete basket of solutions comprising of crop protection chemicals, bio solutions and seeds covering the entire crop value chain from planting to harvest.

### B. Acquisition - related costs

The Group incurred acquisition related costs of INR 332 crore related to the acquisition of Arysta Group. These costs have been included under "Exceptional items."

### C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

| | ₹ In crores |
|---|---|
| Property,Plant and Equipment | 141 |
| Inventories | 869 |
| Intellectual Property Rights/ technology | 6,045 |
| Distribution Network/ Customer Relationships | 2,289 |
| Non compete | 239 |
| Brand | 367 |
| Current liabilities | (100) |
| Deferred Tax Liability | (2,831) |
| Contingent Liabilities on PPA | (412) |
| Total identifiable net assets acquired | 6,606 |

#### Measurement of fair values

The valuation techniques used for measuring the fair values of material assets acquired were as follows

| Assets Acquired | Valuation technique used |
|---|---|
| Property, Plant and Equipment | The Cost Approach relies upon the principle of substitution and recognizes that a prudent investor will pay no more for an asset than the cost to replace it anew with an identical or similar unit of equal utility. Replacement Cost New (RCN) is the current cost of producing or constructing a similar new item having the nearest equivalent utility as the property being valued. Under this approach, the value is determined by adjusting the replacement / reproduction cost new by the loss in value due to physical deterioration and obsolescence for asset (by passage of time and use of the asset), where applicable. |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 40. Acquisition of a subsidiary (contd.)

| Assets Acquired | Valuation technique used |
|---|---|
| | Market Approach: The Market Approach, commonly referred to as the Sales Comparison Approach, measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. When the Market Approach is utilized, data are collected on the prices paid for reasonable comparable assets. Adjustments are made to the comparable assets to compensate for differences between those assets and the asset being valued. The application of the Market Approach results in an estimate of the price reasonably expected to be realized from the sale of the asset. |
| Intangible Assets | Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets |
| Inventories | Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories. |

Fair values measured on a provisional basis

The Group is in process to finalise purchase price accounting for Arysta Group acquisiton. As it was occurred towards the end of year and considering size of acquisition and spread of Arysta Group business, fair valuation is provisional. It will be finalised within one year from the date of acquisiton as per Ind AS 103.

If any new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows

| | Note | ₹ In crores |
|---|---|---|
| Consideration transferred | (A) | 31,459 |
| NCI, based on their proportionate interest in the recognised amounts of the assets and liabilitites of Arysta | | 496 |
| Net worth on date of acquisition | | (10,313) |
| Fair value of identifiable net assets | (C) | (6,606) |
| | | **15,035** |

Goodwill primarily relates to revenue synergies expected from complementary product portfolio and cross selling opportunities across key markets from the business combination

## 41. Research and development costs

₹ In crores

| Research and Development costs, as certified by the Management. | March 31, 2019 | March 31, 2018 |
|---|---|---|
| a) Revenue expenses debited to appropriate heads in statement of Profit & Loss | 417 | 334 |
| b) Capital Expenditure | 64 | 69 |

## 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 Rs. 121 Crores as on March 31, 2018 (Rs. 246 Crores as on 31st March'17), UPL group has settled Rs.54 Crores during the year (Rs. 125 Crores in the year ended March 31, 2018) with previous shareholders. Out of the amount payable, the amount payable within one year from the balance sheet date amounting to Rs. 2 Crores (Rs. 27 Crores in March 31, 2018) has been disclosed as current and balance amount of Rs.65 Crores (Rs. 94 Crores as on March 31, 2018) has been disclosed as non current.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013:

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| 1 | Parent | UPL Limited, India | 29% | 4,299 | 52% | 746 | | | 132% | 746 | 52% | 4,726 | 48% | 963 | | | 46% | 963 |
| 2 | Subsidiaries | | | | | | | | | | | | | | | | | |
| | Indian | Shroffs United Chemicals Limited | 0% | 0 | 0% | 0 | | | 0% | 0 | 0% | 0 | 0% | 0 | | | 0% | 0 |
| | | Swal Corporation Limited | 1% | 83 | 1% | 22 | | | 4% | 22 | 1% | 90 | 1% | 30 | | | 1% | 30 |
| | | United Phosphorus (India) Llp | 0% | 36 | 1% | 9 | | | 2% | 9 | 0% | 15 | 2% | 33 | | | 2% | 33 |
| | | United Phosphorus Global Llp | 0% | 0 | 0% | - | | | 0% | - | 0% | 0 | 0% | - | | | 0% | - |
| | | Optima Farm Solutions Ltd | 0% | 40 | 1% | 10 | | | 2% | 10 | 0% | 29 | 1% | 20 | | | 1% | 20 |
| | | Agrinet Solutions Limited | 0% | 3 | 0% | - | | | 0% | - | 0% | 3 | 0% | - | | | 0% | - |
| | | Arysta Lifescience India Limited | 1% | 108 | 0% | 2 | | | 0% | 2 | - | | - | - | | | - | - |
| | | Arysta Lifescience Agriservice Private Limited | 0% | 0 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Agro Private Limited | 0% | 0 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience Services Llp | 0% | 0 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | Foreign | Anesa S.A. | 0% | 2 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience Benelux Sprl | 5% | 670 | 6% | 82 | | | 15% | 82 | - | | - | - | | | - | - |
| | | Arysta Lifescience Ougrée Production Sprl | 0% | 51 | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | Upl Europe Ltd.(Formerly Known As United Phosphorus Limited, U.K.) | -36% | (5,258) | -5% | (70) | | | -12% | (70) | 2% | 203 | 6% | 114 | | | 5% | 114 |
| | | Arysta Lifescience U.K. Brl Limited | 30% | 4,371 | 5% | 80 | | | 14% | 80 | - | | - | - | | | - | - |
| | | Arysta Lifescience Uk & Ireland Ltd | 0% | 6 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arysta Lifescience Global Services Limited | -3% | (446) | 0% | (3) | | | 0% | (3) | - | | - | - | | | - | - |
| | | Upl Deutschland Gmbh(Formerly Known As United Phosphorus Gmbh - Germany) | 0% | 37 | 2% | 26 | | | 5% | 26 | 0% | 14 | 0% | 9 | | | 0% | 9 |
| | | Arysta Lifescience U.K. Usd-2 Limited | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | United Phosphorus Polska Sp.Z O.O - Poland | 0% | (0) | 0% | (0) | | | 0% | (0) | 0% | (0) | 0% | (0) | | | 0% | -0 |
| | | Arysta Lifescience U.K. Jpy Limited | 0% | (1) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience U.K. Limited | 0% | 18 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience U.K. Holdings Limited | -15% | (2,156) | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Arysta Lifescience Romania Srl | 0% | 6 | 0% | 7 | | | 1% | 7 | - | | - | - | | | - | - |
| | | Arysta Lifescience Global Limited | 20% | 2,956 | 2% | 36 | | | 6% | 36 | - | | - | - | | | - | - |
| | | Arysta Lifescience Switzerland Sarl | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience U.K. Cad Limited | 0% | (1) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Upl Benelux B.V.(Formerly Known As Agrichem B.V.) | 1% | 122 | 2% | 23 | | | 4% | 23 | 1% | 103 | 1% | 15 | | | 1% | 15 |
| | | Arysta Lifescience European Investments Limited | -10% | (1,398) | -1% | (9) | | | -2% | (9) | - | | - | - | | | - | - |
| | | Arysta Lifescience Great Britain Ltd | -4% | (588) | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Arysta Lifescience U.K. Usd Limited | -21% | (3,092) | -6% | (82) | | | -14% | (82) | - | | - | - | | | - | - |
| | | Arysta Lifescience Registrations Great Britain Ltd | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Arysta Lifescience Germany Gmbh | 0% | (5) | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arysta Lifescience U.K. Eur Limited | 7% | 1,054 | 0% | 7 | | | 1% | 7 | - | | - | - | | | - | - |
| | | Cerexagri B.V. - Netherlands | 2% | 235 | 2% | 35 | | | 6% | 35 | 2% | 220 | 0% | 5 | | | 0% | 5 |
| | | Arysta Lifescience Netherlands Bv | 1% | 199 | 0% | (4) | | | -1% | (4) | - | | - | - | | | - | - |
| | | Blue Star B.V. | 0% | - | 0% | (0) | | | 0% | (0) | 0% | 0 | 0% | (1) | | | 0% | -1 |
| | | Macdermid Agricultural Solutions Holdings Bv | 7% | 957 | 0% | (6) | | | -1% | (6) | - | | - | - | | | - | - |
| | | United Phosphorus Holdings Cooperatief U.A. | -46% | (6,734) | -8% | (119) | | | -21% | (119) | 0% | (20) | 0% | (1) | | | 0% | -1 |
| | | Macdermid Agricultural Solutions Netherlands Cooperatief Ua | 0% | 52 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | United Phosphorus Holdings B.V., Netherlands | 2% | 290 | 6% | 89 | | | 16% | 89 | -3% | (279) | 0% | (0) | | | 0% | -0 |
| | | Arysta Lifescience Technology Bv | 0% | 1 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Decco Worldwide Post-Harvest Holdings Cooperatief U.A. | 0% | (0) | 0% | (0) | | | 0% | (0) | 0% | (0) | 0% | (0) | | | 0% | -0 |
| | | Dutch Agricultural Formations Cv | 12% | 1,785 | 1% | 11 | | | 2% | 11 | - | | - | - | | | - | - |
| | | Decco Worldwide Post-Harvest Holdings B.V. | 0% | (57) | 0% | (4) | | | -1% | (4) | -1% | (62) | 0% | 2 | | | 0% | 2 |
| | | Netherlands Agricultural Technologies Cv | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | United Phosphorus Holding, Brazil B.V. | -2% | (297) | -1% | (15) | | | -3% | (15) | -3% | (296) | -1% | (17) | | | -1% | -17 |
| | | Advanta Holdings Bv, Netherland | -7% | (991) | -2% | (24) | | | -4% | (24) | -6% | (561) | 2% | 43 | | | 2% | 43 |
| | | Advanta Netherlands Holdings Bv,Netherlands | 4% | 552 | -1% | (14) | | | -3% | (14) | 6% | 588 | 0% | (3) | | | 0% | -3 |
| | | Upl Italia S.R.L.(Formerly Known As Cerexagri Italia S.R.L.) | 0% | 59 | 1% | 13 | | | 2% | 13 | 1% | 48 | 0% | 6 | | | 0% | 6 |
| | | Arysta Lifescience Italia Srl | 0% | 65 | 0% | 3 | | | 0% | 3 | - | | - | - | | | - | - |
| | | Macdermid Agricultural Solutions Italy Srl | 0% | 13 | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Arysta Lifescience Bulgaria Eood | 0% | 7 | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | Arysta Lifescience Hellas S.A. Plant Protection, Nutrition And Other Related Products And Services | 0% | 6 | 0% | 2 | | | 0% | 2 | - | | - | - | | | - | - |
| | | Upl Iberia, Sociedad Anonima | 1% | 81 | 0% | (4) | | | -1% | (4) | 1% | 88 | 0% | 0 | | | 0% | 0 |
| | | Santamix Iberica Sl | 0% | (5) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience Iberia Slu | 0% | 38 | 0% | 4 | | | 1% | 4 | - | | - | - | | | - | - |
| | | Decco Iberica Postcosecha, S.A.U., Spain (Formerly Cerexagri Iberica) | 1% | 105 | 1% | 17 | | | 3% | 17 | 1% | 92 | 1% | 13 | | | 1% | 13 |
| | | Transterra Invest, S. L. U., Spain | -1% | (76) | 2% | 24 | | | 4% | 24 | -1% | (104) | 0% | 4 | | | 0% | 4 |
| | | Cerexagri S.A.S. | 2% | 308 | 1% | 12 | | | 2% | 12 | 3% | 307 | 2% | 45 | | | 2% | 45 |
| | | Neo-Fog S.A. | 0% | 37 | 0% | 7 | | | 1% | 7 | 0% | 31 | 0% | 3 | | | 0% | 3 |
| | | Veto-Pharma Sa | 0% | - | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Wyjolab S.A. | 0% | - | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Upl France(Formerly Known As As Pen Sas) | 1% | 104 | 2% | 23 | | | 4% | 23 | 1% | 86 | 0% | (5) | | | 0% | -5 |
| | | Arysta Lifescience S.A.S. | 10% | 1,455 | 2% | 35 | | | 6% | 35 | - | | - | - | | | - | - |
| | | Arysta Lifescience France Sas | -1% | (76) | 0% | (3) | | | -1% | (3) | - | | - | - | | | - | - |
| | | United Phosphorus Switzerland Limited. | 0% | 1 | 0% | 0 | | | 0% | 0 | 0% | 1 | 0% | 0 | | | 0% | 0 |
| | | Agrodan, Aps | 0% | 3 | 0% | 0 | | | 0% | 0 | 0% | 3 | 0% | (4) | | | 0% | -4 |
| | | Platform Sales Suisse Gmbh | -3% | (375) | -3% | (38) | | | -7% | (38) | - | | - | - | | | - | - |
| | | Decco Italia Srl,Italy | 0% | 48 | 0% | 4 | | | 1% | 4 | 1% | 48 | 0% | 4 | | | 0% | 4 |
| | | Natural Plant Protection S.A.S. | 0% | 50 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arysta Lifescience Holdings France Sas | -3% | (485) | -1% | (8) | | | -1% | (8) | - | | - | - | | | - | - |
| | | Goëmar Développement Sas | 0% | (66) | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Laboratoires Goëmar Sas | 1% | 130 | 1% | 15 | | | 3% | 15 | - | | - | - | | | - | - |
| | | Arysta Animal Health Sas | 1% | 148 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Betel Reunion S.A. | 0% | 4 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience Europe Sarl | 0% | (0) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Ppwj Sci | 0% | 1 | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Limited Liability Company "Upl" (Formerly Cjsc United Phosphorus Limited, Russia) | 0% | 12 | 0% | 3 | | | 1% | 3 | 0% | 10 | 0% | 1 | | | 0% | 1 |
| | | Arysta Lifescience Czech S.R.O. | 0% | 22 | 0% | 4 | | | 1% | 4 | - | | - | - | | | - | - |
| | | Arysta Lifescience Magyarorszag Kft. | 0% | 42 | 0% | 7 | | | 1% | 7 | - | | - | - | | | - | - |
| | | Advanta Seeds Ukraine Llc | 0% | 4 | 0% | (2) | | | 0% | (2) | 0% | 0 | 0% | - | | | 0% | - |
| | | Arysta Lifescience Vostok Ltd. | 0% | (20) | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Arysta Lifescience Polska Sp. Z.O.O | 1% | 74 | 0% | 5 | | | 1% | 5 | - | | - | - | | | - | - |
| | | Arysta Lifescience Rus Llc | 1% | 116 | 1% | 17 | | | 3% | 17 | - | | - | - | | | - | - |
| | | Decco Portugal Post Harvest Lda | 0% | (0) | 0% | 0 | | | 0% | 0 | 0% | (0) | 0% | 0 | | | 0% | 0 |
| | | Agripraza Ltda. | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Agriphar Poland Sp. Zoo | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience Slovakia S.R.O. | 0% | 4 | 0% | 2 | | | 0% | 2 | - | | - | - | | | - | - |
| | | Arysta Lifescience Ukraine Llc | 0% | 28 | 1% | 18 | | | 3% | 18 | - | | - | - | | | - | - |
| | | Arysta Lifescience Kiev Llc | 0% | 0 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | United Phosphorus Inc., U.S.A. | -15% | (2,225) | 4% | 60 | | | 11% | 60 | -9% | (857) | 3% | 57 | | | 3% | 57 |
| | | Upi Finance Llc | 0% | 0 | 0% | 0 | | | 0% | 0 | 0% | 0 | 0% | 0 | | | 0% | 0 |
| | | Cerexagri, Inc. (Pa),Usa | 3% | 369 | 0% | 2 | | | 0% | 2 | 4% | 358 | 1% | 12 | | | 1% | 12 |
| | | Upl Delaware, Inc.,Usa | 0% | (26) | -1% | (16) | | | -3% | (16) | 0% | (10) | -1% | (14) | | | -1% | -14 |
| | | Canegrass Llc, Usa | 0% | 45 | 1% | 8 | | | 1% | 8 | 1% | 54 | 1% | 21 | | | 1% | 21 |
| | | Decco Us Post-Harvest Inc (Us) | 0% | 70 | -2% | (36) | | | -6% | (36) | 1% | 99 | 1% | 16 | | | 1% | 16 |
| | | Essentiv Lcc (50%) | 0% | (24) | 0% | (0) | | | 0% | (0) | 0% | (22) | -1% | (14) | | | -1% | -14 |
| | | Riceco Llc,Usa | 1% | 87 | -2% | (27) | | | -5% | (27) | 1% | 84 | 0% | (3) | | | 0% | -3 |
| | | Riceco International, Inc.Bhamas | 2% | 266 | 1% | 21 | | | 4% | 21 | 3% | 230 | 2% | 42 | | | 2% | 42 |
| | | Arysta Lifescience Inc. | 157% | 23,036 | -32% | (462) | | | -82% | (462) | - | | - | - | | | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Arysta Lifescience Management Company, Llc | -1% | (163) | -3% | (41) | | | -7% | (41) | - | | - | - | | | - | - |
| | | Arysta Lifescience Spc, Llc | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience America Inc. | 0% | 59 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arvesta Corporation | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Advanta Us, Llc (Foremerly Known As Advanta Us Inc,Usa) | 0% | (9) | -3% | (48) | | | -9% | (48) | 0% | 37 | -4% | (83) | | | -4% | -83 |
| | | Arysta Lifescience Canada, Inc. | 9% | 1,359 | 1% | 11 | | | 2% | 11 | - | | - | - | | | - | - |
| | | Arysta Lifescience Canada Bc Inc. | 7% | 972 | 0% | 2 | | | 0% | 2 | - | | - | - | | | - | - |
| | | Arysta Lifescience North America, Llc | -10% | (1,397) | -1% | (12) | | | -2% | (12) | - | | - | - | | | - | - |
| | | Arysta Lifescience Na Holding Llc | 3% | 410 | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | Gbm Usa Llc | 0% | (8) | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Dutch Agricultural Investment Partners Llc | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Netherlands Agricultural Investment Partners Llc | 0% | 10 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arysta Lifescience Investments Llc | 0% | 2 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Upl Corporation Limited, Mauritius | -41% | (6,015) | 12% | 177 | | | 31% | 177 | -23% | (2,118) | -8% | (164) | | | -8% | -164 |
| | | Upl Limited | 0% | - | 0% | - | | | 0% | - | 0% | - | 20% | 403 | | | 19% | 403 |
| | | Upl Management Dmcc | 1% | 157 | 2% | 27 | | | 5% | 27 | 1% | 123 | 1% | 26 | | | 1% | 26 |
| | | Upl Limited Mauritius | 3% | 475 | 13% | 186 | | | 33% | 186 | 3% | 255 | 9% | 187 | | | 9% | 187 |
| | | Advanta Seeds International, Mauritius | 5% | 758 | 6% | 89 | | | 16% | 89 | 6% | 585 | 4% | 75 | | | 4% | 75 |
| | | Advanta Seeds Dmcc [Formerly Advanta Seeds Jlt], Uae | 1% | 155 | 0% | (5) | | | -1% | (5) | 2% | 151 | 0% | (9) | | | 0% | -9 |
| | | Upl Limited,Gibraltor (Formerly Known As Uniphos Limited,Gibraltor) | 20% | 2,953 | 37% | 537 | | | 95% | 537 | 25% | 2,340 | 14% | 290 | | | 14% | 290 |
| | | Arysta Lifescience (Mauritius) Ltd | 2% | 238 | 1% | 13 | | | 2% | 13 | - | | - | - | | | - | - |
| | | Upl Agro Sa De Cv.(Formerly Known As United Phosphorus De Mexico, S.A. De C.V.) | 0% | (23) | 0% | (7) | | | -1% | (7) | 0% | (12) | 0% | (3) | | | 0% | -3 |
| | | Arysta Lifescience Mexico, S.A.De C.V | 2% | 276 | -1% | (8) | | | -1% | (8) | - | | - | - | | | - | - |
| | | Arysta Lifescience Mexico Holding S.A.De C.V | 0% | (3) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Decco Postharvest Mexico (Formerly Known As Decco Jifkins Mexico Sapi) | 0% | (12) | 0% | (4) | | | -1% | (4) | 0% | (8) | 0% | (2) | | | 0% | -2 |
| | | Bioenzymas S.A. De C.V. | 0% | 12 | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Desarrollos Inmobiliarios Alianza De Coahuila, S.A. De C.V. | 0% | 0 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Grupo Bioquimico Mexicano, S.A. De C.V. | 2% | 313 | 1% | 10 | | | 2% | 10 | - | | - | - | | | - | - |
| | | Agroquimicos Y Semillas, S.A. De C.V. | 0% | 16 | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Omega Agroindustrial, S.A. De C.V. | 0% | 9 | 0% | (3) | | | 0% | (3) | - | | - | - | | | - | - |
| | | Servicios Agricolas Mundiales Sa De Cv | 0% | 8 | 0% | 2 | | | 0% | 2 | - | | - | - | | | - | - |
| | | Tecno Extractos Vegetales, S.A. De C.V. | 1% | 99 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Tesaurus Mexico S.A. De C.V. | 0% | 0 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Advanta Commercio De Sementes Ltda,Brazil | -1% | (92) | -3% | (46) | | | -8% | (46) | -2% | (217) | -4% | (83) | | | -4% | -83 |
| | | Perrey Participações S.A | 0% | 7 | 0% | (0) | | | 0% | (0) | 0% | 8 | 0% | - | | | 0% | - |
| | | Uniphos Industria E Comercio De Produtos Quimicos Ltda. | 0% | 12 | 1% | 19 | | | 3% | 19 | 2% | 140 | 1% | 11 | | | 1% | 11 |
| | | United Phosphorus Indústria E Comércio de Produtos Químicos Ltda. | 0% | - | 0% | - | | | 0% | - | 0% | (13) | 0% | - | | | 0% | - |
| | | Upl Do Brasil - Industria E Comércio De Insumos Agropecuários S.A. | -8% | (1,100) | 13% | 194 | | | 34% | 194 | 13% | 1,159 | 3% | 52 | | | 2% | 52 |
| | | Volcano Agrociencia Industria E Comercio De Defensivos Agricolas Ltda | 0% | 2 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience Centroamerica, S.A. | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience De Guatemala, S.A. | 0% | 9 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Industrias Agriphar Sa | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience Corporation Republica Dominicana, Srl | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Grupo Bioquimico Mexicano Republica Dominicana Sa | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Upl Costa Rica S.A. | 0% | (20) | 0% | (1) | | | 0% | (1) | 0% | (26) | -1% | (12) | | | -1% | -12 |
| | | Arysta Lifescience S.R.L. | 0% | 40 | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Upl Bolivia S.A | 0% | (13) | 0% | (7) | | | -1% | (7) | 0% | (1) | 0% | (1) | | | 0% | -1 |
| | | Upl Paraguay S.A. | 0% | (6) | 0% | 4 | | | 1% | 4 | 0% | (6) | 0% | (4) | | | 0% | -4 |
| | | Arysta Lifescience Paraguay S.R.L. | 0% | 20 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arvesta Paraguay S.A. | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Dva Technology Argentina S.A. | 0% | - | 0% | 0 | | | 0% | 0 | 0% | 0 | 0% | - | | | 0% | - |
| | | Icona Sanluis S A - Argentina | 0% | (24) | 0% | (6) | | | -1% | (6) | 0% | (18) | 0% | (5) | | | 0% | -5 |
| | | Advanta Semillas Saic, Argentina | 0% | (57) | -2% | (22) | | | -4% | (22) | 0% | 18 | -1% | (29) | | | -1% | -29 |
| | | Arysta Lifescience Costa Rica Sa. | 0% | (1) | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Agriphar De Costa Rica Sa | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Agroquimicos Y Fertilzantes Uruguay Sa | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience Ecuador S.A. | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta-Lifescience Ecuador S.A. | 0% | 10 | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Upl Argentina S A (Formerly Known As Icona S A - Argentina) | -2% | (235) | -15% | (220) | | | -39% | (220) | 0% | (45) | -4% | (80) | | | -4% | -80 |
| | | Arysta Lifescience Argentina S.A. | 1% | 178 | -1% | (13) | | | -2% | (13) | - | | - | - | | | - | - |
| | | Decco Chile Spa | 0% | 19 | 1% | 7 | | | 1% | 7 | 0% | 12 | 0% | 6 | | | 0% | 6 |
| | | Arysta Lifescience Chile S.A. | 2% | 300 | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | Arysta Lifescience Peru S.A.C | 0% | 2 | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Arysta Lifescience Do Brasil Indústria Química E Agropecuária Sa | 6% | 900 | 2% | 29 | | | 5% | 29 | - | | - | - | | | - | - |
| | | Upl Colombia Sas(Foremerly Known As Evofarms Colombia Sa) | 0% | 7 | -1% | (12) | | | -2% | (12) | 0% | 12 | 0% | (9) | | | 0% | -9 |
| | | Arysta Lifescience Colombia S.A.S | 1% | 116 | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Agriphar De Colombia Sas | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | United Phosphorus Cayman Limited | 0% | 51 | -1% | (12) | | | -2% | (12) | 1% | 67 | 1% | 14 | | | 1% | 14 |
| | | Up Aviation Limited,Cayman Island | 0% | 18 | 0% | 2 | | | 0% | 2 | 0% | 15 | 0% | 3 | | | 0% | 3 |
| | | Upl Australia Limited (Formerly Known As United Phosphorus Limited, Australia) | 0% | 32 | 0% | 7 | | | 1% | 7 | 0% | 25 | 0% | 10 | | | 0% | 10 |
| | | Arysta Lifescience Australia Pty Ltd. | 1% | 79 | 0% | 6 | | | 1% | 6 | - | | - | - | | | - | - |
| | | Macdermid Agricultural Solutions Australia Pty Ltd | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Upl New Zealand Limited (Formerly Known As United Phosphorus Limited, New Zealand) | 0% | 3 | 0% | 1 | | | 0% | 1 | 0% | 3 | 0% | 0 | | | 0% | 0 |
| | | Etec Crop Solutions Limited | 0% | 47 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Upl Shanghai Ltd (Formerly Known As United Phosphorus (Shanghai) Company Limited) | 0% | 10 | 0% | (5) | | | -1% | (5) | 0% | 17 | 0% | 4 | | | 0% | 4 |
| | | Upl Jiagnsu Limited | 0% | 5 | 0% | 0 | | | 0% | 0 | 0% | 2 | 0% | 0 | | | 0% | 0 |
| | | Arysta Lifescience (Shanghai) Co., Ltd. | 0% | 39 | 0% | (3) | | | -1% | (3) | - | | - | - | | | - | - |
| | | Advanta Seeds Pty Ltd,Australia | 2% | 248 | 3% | 47 | | | 8% | 47 | 2% | 207 | 1% | 16 | | | 1% | 16 |
| | | Macdermid (Nanjing) Chemical Ltd. | 0% | 5 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Macdermid (Shanghai) Chemical Ltd. | 0% | 7 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Upl Limited Korea Co.Ltd. (Formerly Known As United Phosphorus (Korea) Limited) | 0% | 1 | 0% | (2) | | | 0% | (2) | 0% | 3 | 0% | 1 | | | 0% | 1 |
| | | Arysta Lifescience Korea Ltd. | 0% | (1) | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |
| | | Arysta Lifescience Pakistan (Pvt.) Ltd. | 0% | 24 | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Pacific Seeds (Thai) Ltd, Thailand | 3% | 458 | 7% | 108 | | | 19% | 108 | 4% | 334 | 4% | 80 | | | 4% | 80 |
| | | Myanmar Arysta Lifescience Co., Ltd. | 0% | 67 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Pacific Seeds Holdings (Thai) Ltd, Thailand | 0% | 4 | 1% | 10 | | | 2% | 10 | 0% | 4 | 0% | (0) | | | 0% | -0 |
| | | Arysta Lifescience (Thailand) Co., Ltd. | 0% | 51 | 0% | (2) | | | 0% | (2) | - | | - | - | | | - | - |
| | | Chemtura (Thailand) Ltd | 0% | 4 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Pt.Upl Indonesia (Formerly Known As Pt. United Phosphorus Indonesia) | 0% | 0 | 0% | (4) | | | -1% | (4) | 0% | 3 | 0% | 4 | | | 0% | 4 |
| | | Pt Catur Agrodaya Mandiri, Indonesia | 0% | (12) | 0% | 2 | | | 0% | 2 | 0% | (14) | 0% | (0) | | | 0% | -0 |
| | | Pt. Advanta Seeds Indonesia | 0% | (9) | 0% | 5 | | | 1% | 5 | 0% | (17) | 1% | 16 | | | 1% | 16 |
| | | Pt. Arysta Lifescience Tirta Indonesia | 0% | 28 | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Upl Limited,Hong Kong(Formerly Known As United Phosphorus Limited, Hongkong) | 2% | 236 | 2% | 22 | | | 4% | 22 | 2% | 196 | 1% | 26 | | | 1% | 26 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Upl Philippines Inc.(Formerly Known As United Phosphorus Corp. Philippines) | 0% | 2 | 1% | 10 | | | 2% | 10 | 0% | (1) | 0% | (7) | | | 0% | -7 |
| | | Arysta Lifescience Philippines Inc. | 0% | (50) | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Upl Vietnam Co. Ltd (Formerly Known As United Phosphorus Vietnam Co., Limited) | 1% | 106 | 2% | 24 | | | 4% | 24 | 1% | 79 | 1% | 21 | | | 1% | 21 |
| | | Arysta Lifescience Vietnam Co., Ltd. | 0% | 73 | 1% | 14 | | | 3% | 14 | - | | - | - | | | - | - |
| | | Uniphos Malaysia Sdn Bhd | 0% | 2 | 0% | - | | | 0% | - | 0% | 2 | 0% | (0) | | | 0% | -0 |
| | | Agriphar Sdn Bhd | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Health And Nutrition Sciences Corporation | 3% | 418 | 1% | 12 | | | 2% | 12 | - | | - | - | | | - | - |
| | | Arysta Lifescience Corporation | -21% | (3,084) | -3% | (42) | | | -7% | (42) | - | | - | - | | | - | - |
| | | Arysta Lifescience Japan Holdings Goudou Kaisha | 0% | (0) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Upl Limited, Japan | -19% | (2,793) | -3% | (43) | | | -8% | (43) | 1% | 103 | 0% | (1) | | | 0% | -1 |
| | | Anning Decco Fine Chemical Co. Limited, China | 0% | 30 | 0% | 5 | | | 1% | 5 | 0% | 26 | 0% | 0 | | | 0% | 0 |
| | | Arysta Lifescience Asia Pte., Ltd. | 0% | 47 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Riceco International Bangladesh Limited | 0% | 5 | 0% | 2 | | | 0% | 2 | 0% | 1 | 0% | 0 | | | 0% | 0 |
| | | Upl Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi (Formerly Known As Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey) | 0% | 69 | -2% | (24) | | | -4% | (24) | 0% | 2 | -1% | (15) | | | -1% | -15 |
| | | Upl Agromed Tohumculuk Sa,Turkey | 0% | (12) | -2% | (32) | | | -6% | (32) | 0% | 19 | 0% | (1) | | | 0% | -1 |
| | | Decco Gıda Tarım Ve Zirai Ürünler San. Tic A.S. | 0% | 7 | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | Arysta Lifescience Turkey Tarim Urunleri Limited Sirketi | 0% | 0 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Safepack Products Limited,Isreal | 0% | 28 | -1% | (12) | | | -2% | (12) | 0% | 40 | 0% | (3) | | | 0% | -3 |
| | | Agrifocus Limitada | 1% | 94 | 0% | 4 | | | 1% | 4 | - | | - | - | | | - | - |
| | | Citrashine (Pty) Ltd, South Africa(Foremrly Known As Friedshelf 1114 (Pty) Ltd, South Africa) | 0% | (4) | 0% | 1 | | | 0% | 1 | 0% | (6) | 0% | (1) | | | 0% | -1 |
| | | Anchorprops 39 (Pty) Ltd | 0% | (2) | 0% | 0 | | | 0% | 0 | - | | - | - | | | - | - |
| | | Arysta Lifescience Holdings Sa (Pty) Ltd | -1% | (79) | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Callietha Investments (Pty) Ltd | 0% | 16 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Volcano Agroscience (Pty) Ltd | 1% | 107 | 0% | (4) | | | -1% | (4) | - | | - | - | | | - | - |
| | | Arysta Lifescience South Africa (Pty) Ltd | 1% | 98 | 0% | (7) | | | -1% | (7) | - | | - | - | | | - | - |
| | | Volcano Chemicals (Pty) Ltd | 0% | 0 | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Kempton Chemicals (Pty) Ltd | 0% | - | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Sidewalk Trading (Pty) Ltd | 0% | (0) | 0% | - | | | 0% | - | - | | - | - | | | - | - |
| | | Arysta Lifescience Kenya Ltd. | 0% | 4 | 0% | 1 | | | 0% | 1 | - | | - | - | | | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013: (contd.)

₹ In crores

| S. No | Particulars | Name of the Entity in the Group | 31st March 2019 | | | | | | | | 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| | | Arysta Lifescience Tanzania Ltd | 0% | (3) | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Arysta Lifescience Cameroun Sa | 0% | (8) | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | Upl Africa Sarl | 0% | - | 0% | - | | | 0% | - | 0% | - | 0% | 0 | | | 0% | 0 |
| | | Prolong Limited | 0% | (0) | 0% | (2) | | | 0% | (2) | 0% | 2 | 0% | (1) | | | 0% | -1 |
| | | Arysta Lifescience Egypt Ltd | 0% | 2 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Arysta Lifescience Togo Sau | 0% | 2 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Calli Ghana Ltd. | 0% | (10) | 0% | (1) | | | 0% | (1) | - | | - | - | | | - | - |
| | | Callivoire Sgfd S.A. | 0% | 43 | 0% | (0) | | | 0% | (0) | - | | - | - | | | - | - |
| | | Mali Protection Des Cultures (M.P.C.) Sa | 0% | 5 | 0% | 3 | | | 1% | 3 | - | | - | - | | | - | - |
| | | | | | | | | | 0% | - | | | | | | | 0% | - |
| 3 | Non-controlling interest | | -23% | (3,358) | -5% | (72) | | | -13% | (72) | 0% | (19) | 0% | (8) | | | 0% | -8 |
| 4 | Associates | | | | | | | | | | | | | | | | | |
| | Indian | | | | | | | | | | | | | | | | | |
| | | Kerala Enviro Infrastructure Limited | 0% | 5 | 0% | 1 | | | 0% | 1 | 0% | 3 | 0% | 1 | | | 0% | 1 |
| | | Weather Risk Management Private Ltd | 0% | 13 | 0% | (1) | | | 0% | (1) | 0% | 10 | 0% | (0) | | | 0% | -0 |
| | | Universal Pestochem (Industries) Limited | 0% | - | 0% | - | | | 0% | - | - | | - | - | - | - | - | - |
| | | Chemisynth (Vapi) Limited | 0% | - | 0% | - | | | 0% | - | 0% | | 0% | (0) | | | 0% | -0 |
| | Foreign | 3Sb Produtos Agrícolas S.A. (45%) | 1% | 89 | 0% | (1) | | | 0% | (1) | 1% | 102 | 0% | (4) | | | 0% | -4 |
| | | Sinagro Produtos Agropecuários S.A. (45%) | 0% | - | 0% | - | | | 0% | - | 0% | | -5% | (103) | | | -5% | -103 |
| | | Seara Bonita Sementes S.A. (33.33%) | 1% | 190 | 0% | 2 | | | 0% | 2 | 2% | 208 | 0% | 1 | | | 0% | 1 |
| | | Agri Fokus (Pty) Ltd. | 0% | 4 | 0% | 0 | | | 0% | 0 | | | | | | | | |
| | | Novon Retail Company (Pty) Ltd. | 0% | 7 | 0% | 0 | | | 0% | 0 | | | | | | | | |
| | | Agronamic (Pty) Ltd. | 0% | 5 | 0% | 0 | | | 0% | 0 | | | | | | | | |
| | | Novon Protecta (Pty) Ltd | 0% | 7 | 0% | 0 | | | 0% | 0 | | | | | | | | |
| | | Silvix Forestry (Pty) Ltd. | 0% | 0 | 0% | 0 | | | 0% | 0 | | | | | | | | |
| | | Nexus Ag (Pty) Ltd | 0% | 10 | 0% | 0 | | | 0% | 0 | | | | | | | | |
| | | Dalian Advanced Chemical Co.Ltd. | 0% | 1 | 0% | (0) | | | 0% | (0) | | | | | | | | |
| | | Société Des Produits Industriels Et Agricoles | 0% | 4 | 0% | - | | | 0% | - | | | | | | | | |
| 5 | Joint Venture | | | | | | | | | | | | | | | | | |
| | Foreign | Hodagaya UPL Co. Limited | 0% | 23 | 0% | 2 | | | 0% | 2 | 0% | 21 | 0% | 1 | | | 0% | 1 |
| | | Longreach Plant Breeders Management Pty Limited | 0% | 50 | 1% | 9 | | | 2% | 9 | 0% | 42 | 1% | 11 | | | 1% | 11 |
| 6 | Other Comprehensive Income | | | | | | 100% | (882) | -156% | (882) | | | | | 100% | 70 | 3% | 70 |
| | | Total | 100% | 14,645 | 100% | 1,447 | 100% | (882) | 100% | 565 | 100% | 9,169 | 100% | 2,022 | 100% | 70 | 100% | 2,092 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 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.

₹ In crores

| Nature of Instrument | Currency | 31 March 2019 | 31 March 2019 | 31 March 2018 | 31 March 2018 | Purpose - Hedging/ Speculation |
|---|---|---|---|---|---|---|
| | | (In '000) Amount outstanding | Amount outstanding | (In '000) Amount outstanding | Amount outstanding | |
| (a) Forward contracts - Sell | USD | 1,25,564 | 868 | 3,874 | 25 | Hedging |
| Forward contracts - Sell | AUD | 10,650 | 53 | - | - | Hedging |
| Forward contracts - Sell | EUR | 39,552 | 307 | 2,893 | 23 | Hedging |
| Forward contracts - Sell | CAD | 3,200 | 16 | - | - | Hedging |
| Forward contracts - Sell | NZD | 814 | 4 | - | - | Hedging |
| Forward contracts - Buy | USD | 5,24,261 | 3,626 | 74,571 | 486 | Hedging |
| Forward contracts - Buy | EUR | 33,687 | 262 | - | - | Hedging |
| Forward contracts - Buy | JPY | 4,40,167 | 27 | - | - | Hedging |
| (b) Derivative contracts | | | | | | |
| (i) (a) Option Receivable | USD | 10,000 | 69 | - | - | Hedging |
| (ii) Full Currency Interest Rate Swap contracts - Buy | USD | - | - | 1,11,179 | 725 | Hedging (refer note 1 below) |
| Full Currency Interest Rate Swap contracts - Buy | | | | | | |
| (iii) Cross Currency Interest Rate Swaps on Loans Payable | EUR | - | - | 25,667 | 207 | Hedging (refer note 1 below) |
| Cross Currency Interest Rate Swaps on Loans Payable | | | | | | |
| | EUR | 13,28,872 | 10,321 | - | - | Hedging (refer note 2 below) |
| Note 1:- | | | | | | |
| Hedging against the underlying INR borrowings by which: | JPY | 4,43,00,000 | 2,766 | - | - | Hedging (refer note 2 below) |
| - 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. | | | | | | |
| Note 2:- | | | | | | |
| Hedging against the underlying USD borrowings by which: | | | | | | |
| - Group will receive principal in USD and pay in EUR and JPY | | | | | | |
| - Group will receive floating interest in USD and pay fixed interest in EUR and JPY. | | | | | | |
| (c) Un-hedged Foreign Currency Exposure on: | | | | | | |
| 1 Payables | USD | 21,16,797 | 14,639 | 3,50,549 | 2,285 | |
| (including Foreign Currency payable in respect of derivative contracts as mentioned in (b) (ii & iii) above) | EUR | 1,77,453 | 1,378 | 3,102 | 25 | |
| | GBP | 20,047 | 182 | 6,937 | 64 | |
| | JPY | 4,46,41,717 | 2,746 | - | - | |
| | CHF | 461 | 3 | 5 | 0 | |
| | DKK | 3,643 | 4 | 878 | 1 | |
| | CLP | 8,78,658 | 9 | - | - | |
| | AED | 136 | 0 | 1,076 | 2 | |
| | INR | 2,697 | 0 | - | - | |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 44. Hedging activities and derivatives (contd.)

₹ In crores

| Nature of Instrument | Currency | 31 March 2019 (In '000) Amount outstanding | 31 March 2019 Amount outstanding | 31 March 2018 (In '000) Amount outstanding | 31 March 2018 Amount outstanding | Purpose - Hedging/ Speculation |
|---|---|---|---|---|---|---|
| | PLN | 11 | 0 | 11 | 0 | |
| | CAD | 11,595 | 60 | 146 | 1 | |
| | BRL | 677 | 1 | - | - | |
| | MUR | 776 | 0 | - | - | |
| | AUD | 1,800 | 9 | - | - | |
| | COP | 1,48,61,709 | 32 | 73,61,730 | 17 | |
| | ARS | 1,77,319 | 28 | - | - | |
| | CZK | 24,105 | 7 | 0 | 0 | |
| | HUF | 93,837 | 2 | 163 | 0 | |
| | CFA/XOF | 1,70,633 | 2 | - | - | |
| | TRY | 59 | 0 | - | - | |
| | ZAR | 4,660 | 2 | - | - | |
| | PYG | 8,23,512 | 1 | - | - | |
| | THB | - | - | 421 | 0 | |
| 2 Receivable | USD | 12,40,402 | 8,578 | 3,78,725 | 2,468 | |
| | EUR | 1,77,158 | 1,376 | 6,805 | 55 | |
| | GBP | 29,235 | 265 | 5,085 | 47 | |
| | JPY | 4,46,59,602 | 2,747 | 1,06,713 | 7 | |
| | CHF | 181 | 1 | 864 | 6 | |
| | DKK | 932 | 1 | 834 | 1 | |
| | CLP | 25,45,931 | 26 | - | - | |
| | AED | 946 | 2 | 8 | 0 | |
| | NZD | 24 | 0 | - | - | |
| | PLN | 4,092 | 7 | 3,431 | 7 | |
| | CAD | 85,528 | 441 | 7,978 | 40 | |
| | AUD | 6,806 | 33 | 1,450 | 7 | |
| | COP | 2,54,15,945 | 55 | 34,56,462 | 8 | |
| | ARS | 6,10,999 | 97 | - | - | |
| | CFA/XOF | 2,948 | 0 | - | - | |
| | ZAR | 5,77,495 | 275 | - | - | |
| | PYG | 25,030 | 0 | - | - | |
| | RON | 5,841 | 10 | - | - | |
| | RUB | 2,38,602 | 25 | - | - | |

## 45. Catergory-wise classification of Financial Instruments

₹ In crores

| | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| (A) Accounting, classification and Fair Value : | | | | | |
| Investments accounted for using the equity method | 5 | 408 | 386 | - | - |
| Financial assets measured at fair value through profit or loss (FVTPL) | | | | | |
| Investments in others (unsecured) | 5 | 9 | 433 | 2 | - |
| Investments in unquoted equity shares | 5 | 42 | 40 | - | - |
| Investments in unquoted optionally convertible bonds | 5 | 83 | 76 | - | - |
| Derivative contracts (net) | 7 | - | - | 28 | - |
| | | 135 | 549 | 30 | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 45. Catergory-wise classification of Financial Instruments (contd.)

| | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| **Financial assets measured at fair value through other comprehensive income (FVTOCI)** | | | | | |
| Investments in quoted equity shares | 5 | 133 | 99 | - | - |
| Investments in unquoted equity shares | 5 | 30 | - | - | - |
| | | 163 | 99 | - | - |
| **Financial assets measured at amortised cost** | | | | | |
| Sundry deposits | 6 | 85 | 62 | 35 | 31 |
| Loans and advances to related party | 6 | 71 | 89 | 0 | 96 |
| Loans to employees | 6 | 0 | 0 | 1 | 8 |
| Sundry loans | 6 | - | - | 15 | 12 |
| Trade receivables | 10 | 4 | 1 | 11,812 | 6,056 |
| Interest Receivable | 7 | - | - | 10 | 49 |
| Export benefit receivables | 7 | 35 | 35 | 138 | 94 |
| Cash and Cash Equivalents | 11 | - | - | 2,826 | 2,859 |
| Other Bank Balances | 11A | - | - | 25 | 35 |
| Other advances | 7 | 132 | - | 134 | 24 |
| | | 327 | 187 | 14,996 | 9,264 |
| **Financial liabilities measured at fair value through profit or loss (FVTPL)** | | | | | |
| Derivative contracts | 16 | 53 | 134 | 1 | 41 |
| | | 53 | 134 | 1 | 41 |
| **Financial liabilities measured at amortised cost** | | | | | |
| Redeemable Non convertible Debentures (Unsecured) | 15 | 458 | 682 | - | - |
| **Bonds (Unsecured)** | | | | | |
| - 3.25% Senior Notes | 15 | 3,437 | 3,230 | - | - |
| - 4.50% Senior Notes | 15 | 2,045 | 1,937 | - | - |
| **From Bank** | | | | | |
| - Foreign currency loan (Unsecured) | 15 | 20,394 | 2 | - | - |
| - Foreign currency loan (Secured) | 15 | 1 | 3 | 169 | 65 |
| - Others borrowings | 15 | 17 | 19 | 1,597 | 556 |
| **Long term maturities of finance lease obligation** | | | | | |
| - Obligations under finance leases | 15 | 30 | - | - | - |
| Commercial Papers | 15 | - | - | 400 | - |
| Discounted Trade receivables (Unsecured) - Factoring with recourse | 15 | - | - | 312 | 13 |
| Current maturities of long term borrowings | 16 | - | - | 275 | 131 |
| Payable towards acquisition of additional stake in UPL Do Brasil | 16 | 65 | 94 | 2 | 27 |
| Capital goods creditors | 16 | - | - | 70 | 155 |
| Interest accrued and not due on borrowings | 16 | - | - | 181 | 59 |
| Trade Deposits | 16 | - | - | 61 | 73 |
| Trade payables (including Acceptances) | 19 | - | - | 9,423 | 5,675 |
| Unpaid dividend | 16 | - | - | 8 | 7 |
| Current maturities of long term lease obligation | 16 | - | - | 4 | - |
| Others | 16 | 18 | 4 | 897 | 262 |
| | | 26,466 | 5,971 | 13,399 | 7,023 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 45. Catergory-wise classification of Financial Instruments (contd.)

(B) Measurement of fair value:

Valuation techniques and significant unobservable inputs:

(i) Financial instruments measured at fair value

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 2018 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.

(ii) Financial instrument measured at amortized cost:

The carrying amount of financial assets and financial liability measured at amortized cost in the financial statements are a resonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

## 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 2019:** ₹ In 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): | | | | | |
| Investments in equity instruments (Quoted) | 31-Mar-19 | 133 | 133 | - | - |
| Others (Unquoted) | 31-Mar-19 | 30 | - | - | 30 |
| FVTPL financial investments (Note 5): | | | | | |
| Investments in equity instruments (Unquoted) | 31-Mar-19 | 42 | - | - | 42 |
| Investments in Optionally Convertible Bonds (Unquoted) | 31-Mar-19 | 83 | - | - | 83 |
| Investments in Others (Unquoted) | 31-Mar-19 | 11 | - | - | 11 |
| FVTPL Derivative Contracts (Note 7): | | | | | |
| Derivative contracts | 31-Mar-19 | 28 | 28 | - | - |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 46. Fair value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019: ₹ In 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-19 | 54 | 54 | - | - |

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018: ₹ In 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): | | | | | |
| Investments in Equity Instruments (Quoted) | 31-Mar-18 | 99 | 99 | - | - |
| Others (Unquoted) | 31-Mar-18 | - | - | - | - |
| FVTPL financial investments (Note 5): | | | | | |
| Investment in Equity Instruments (Unquoted) | 31-Mar-18 | 40 | - | - | 40 |
| Investments in Optionally Convertible Bonds (Unquoted) | 31-Mar-18 | 76 | - | - | 76 |
| Investment in Others (Unquoted) | 31-Mar-18 | 433 | - | - | 433 |

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018: ₹ In 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-18 | 175 | 175 | - | - |

## 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.

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 47. Financial risk management objectives and policies (contd.)

### 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 and by using interest rate swaps.

### 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:

₹ In crores

| | Increase/ decrease in basis points | Effect on profit or loss | Effect on equity |
|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) |
| 31-Mar-19 | | | |
| USD | +50 | (39) | (26) |
| | -50 | 39 | 26 |
| Others | +100 | (4) | (3) |
| | -100 | 4 | 3 |
| 31-Mar-18 | | | |
| USD | +50 | (1) | (1) |
| | -50 | 1 | 1 |
| Others | +100 | (3) | (2) |
| | -100 | 3 | 2 |

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.

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 2019, 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.

₹ In crores

| | Change in USD rate | Effect on profit or loss | Effect on equity |
|---|---|---|---|
| 31-Mar-19 | 1% | (61) | (40) |
| | -1% | 61 | 40 |
| 31-Mar-18 | 1% | 2 | 1 |
| | -1% | (2) | (1) |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 47. Financial risk management objectives and policies (contd.)

| | Change in Euro rate | Effect on profit or loss | Effect on equity |
|---|---|---|---|
| 31-Mar-19 | 1% | (0) | (0) |
| | -1% | 0 | 0 |
| 31-Mar-18 | 1% | 0 | 0 |
| | -1% | (0) | (0) |

The movement in the pre-tax effect is a result of a change in the fair value 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.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 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.

₹ In crores

| | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| Year ended | | | | |
| 31-Mar-19 | | | | |
| Borrowings (Refer Note 15) | 2,878 | 23,966 | 2,295 | 29,139 |
| Other financial liabilities (Refer Note 16) | 1,499 | 83 | - | 1,582 |
| Trade and other payables (Refer Note 19) | 9,423 | - | - | 9,423 |
| Derivative contracts (Refer Note 16) | 1 | 53 | - | 54 |
| | 13,800 | 24,102 | 2,295 | 40,197 |
| Year ended | | | | |
| 31-Mar-18 | | | | |
| Borrowings (Refer Note 15) | 634 | 3,798 | 2,206 | 6,637 |
| Other financial liabilities (Refer Note 16) | 715 | 98 | - | 812 |
| Trade and other payables (Refer Note 19) | 5,675 | - | - | 5,675 |
| Derivative contracts (Refer Note 16) | 41 | 134 | - | 175 |
| | 7,064 | 3,900 | 2,206 | 13,170 |

# Notes to Consolidated Financial Statements for the year ended March 31, 2019

## 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, 2019 and March 31, 2018.

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.

₹ In crores

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Borrowings (Note 15) | 29,139 | 6,637 |
| Less: cash and cash equivalents (Note 11) | (2,826) | (2,859) |
| **Net debt** | **26,313** | **3,778** |
| Equity | 18,003 | 9,188 |
| Total capital | 18,003 | 9,188 |
| **Capital and net debt** | **44,316** | **12,966** |
| Gearing ratio | 59% | 29% |

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.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: May 17, 2019

R.D. Shroff
Chairman & Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: May 17, 2019

M.B.Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

# Notes

# Notes

# Notes

Notes

# Notes

**UPL House**
610 B/2, Bandra Village, Off Western Express Highway,
Bandra-East, Mumbai 400 051, India.