



Date – 29<sup>th</sup> December, 2022

UPL Limited announces a strategic corporate realignment of the crop protection business with UPL Sustainable Agri Solutions Limited (“**UPL SAS**”), aiming to simplify the segmentation of its different businesses and put enhanced focus on the brand business in India considering the growth potential, which shall bring better resource allocations within the UPL group, effective utilisation of resources and better outcome-oriented solutions to the farmers.

UPL SAS brings together the best of world class crop protection and nutrition products, superior pan-India distribution network and range of agriculture and technology services delivered digitally to improve productivity and making farming sustainable.

With this transition, effective from 1<sup>st</sup> January 2023 (“**Effective Date**”), there will be no major change in the business operandi for the [customers] and the crop protection business will continue as usual, without any impact on supplies and services.

However, with the objective to ensure smooth transition, there are few important clarifications / points which should be noted:

1. Customer Onboarding - As you are aware, we are already connected with you on your onboarding as a customer of UPL SAS and the required documentation / formalities are in process of completion to ensure immediate transition from the Effective Date.
2. Quality – UPL SAS is part of the UPL group and there will be no change in the quality of products/services offered in the market vis-à-vis the products / services currently offered by UPL Limited.
3. Accounts – On and from the Effective Date, the existing debit / credit balance of the customers will be transferred from UPL Limited to UPL SAS internally.
4. Credit notes / Debit notes – All credit notes and debit notes issued after the Effective Date will be recorded in the books of UPL SAS, since all your existing debit / credit balance as on the Effective Date will be transferred to UPL SAS.
5. Billing – On and from the Effective Date, all customer billing / invoicing will be initiated and managed by UPL SAS, and customers will have to account for their purchases with UPL SAS as the GST for both entities are different and accordingly the GST credit will flow from UPL SAS.
6. Sales return – The sales return will be accounted for in the organisation from where it was originally billed to ensure no GST loss to the customer. For Eg – consider for this example, the Effective Date is December 1, 2022, so if customer returns Product “X” on December 15, 2022 which was originally billed to the customer in Oct 2022 in UPL Limited then the same will be accounted in UPL Limited at the time of return ensuring no GST loss.
7. Collection – For the convenience of the customers, the same VAN accounts of the customer which are linked to UPL Limited will be transferred to UPL SAS. This will mean that the customers can make payment to UPL SAS in the same VAN account from the Effective Date as well.

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UPL Limited, UPL House, 610 B/2, Bandra Village, Off Western Express Highway, Bandra-East, Mumbai 4000 051, India. + 91 22 7152 8000 Regd. Office: 3-11, GIDC, Vapi 396195, Gujarat, India, P+912602432716 CIN: L24219GJ1985PLC025132

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8. Security deposits – All security deposits which have been paid by the customer at the time of onboarding with UPL Limited will be transferred to UPL SAS and will continue to hold good in UPL SAS for business continuance, and the customer's right with respect to the deposits paid will prevail in UPL SAS.
9. Rebates & Discounts – All rebates and discount schemes announced in the market by UPL Limited through sales excellence will hold good from the Effective Date as well (to the extent there is an overlapping period), and as a one-time exception, we will consider the volumes billed in both organisations (UPL Limited and UPL SAS) to ensure the eligible benefits are passed on to the customer.
10. Inventory – Inventory lying with customers billed from UPL Limited will be applicable for sales returns as per existing standard policy of the UPL Limited.
11. Credit Limit – Credit limits approved for a customer in UPL Limited will be applicable to UPL SAS as well.
12. Business policy – The business policy approved for UPL Limited for FY22-23 will be applicable in UPL SAS as well for FY 22-23.
13. TDS – Customers who were deducting tax deducted at source ("**TDS**") under section 194 Q of the Income Tax Act, 1961 on purchase of goods can continue to deduct TDS for UPL SAS considering limit of Rs. 50 lakhs independent for UPL SAS.
14. On and from the Effective Date, all of UPL Limited's rights, interests, benefits and claims in and under the contractual arrangements entered with the customers, shall stand irrevocably and absolutely transferred / assigned to UPL SAS, and UPL SAS will be entitled to exercise / enforce all such rights, interests, benefits and claims (for avoidance of doubt, including the right to recover any receivables).

Ashish Dobhal

(Director India Region )