

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

The Explanatory Statement for Item Nos. 5 to 8 of the accompanying Notice set out hereinabove is as under:

### Item No. 5:

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, 2019.

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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 Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

### Item No.6:

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 to be made for such NCDs during the year.

NCDs, issued on private placement basis, are a significant source of borrowings for the Company. The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches for an amount not exceeding ₹ 3,000 crores (Rupees Three Thousand Crores Only) during the period of one year from the date of passing of the Resolution at Item No.6, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board commends the Special Resolution at Item No.6 of the accompanying Notice for approval by the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company

/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

### Item Nos. 7 and 8

The Board of Directors of the Company ("the Board") at its meeting held on 27th April, 2018 have, subject to approval of members of the Company, re-appointed Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director and Mr. Arun Chandrasen Ashar (DIN: 00192088) as Whole-time Director designated as Director-Finance for further period of 5 (Five) years from the expiry of their present term of office, i.e., with effect from 1st October, 2018 on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

As per the first proviso of Section 196(3)(a) of the Act read with Part-1 of Schedule V provides that no Company shall appoint any person as Managing Director, Whole-time Director or Manager who has attained the age of 70 years unless it is approved by the Shareholders as Special Resolutions in General Meeting. Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar are over 70 years of age on the date of re-appointment.

It is proposed to seek the approval of the members of the Company for the re-appointment of and remuneration payable to aforesaid two Directors of the Company, in terms of the applicable provisions of the Act.

Mr. Rajnikant Devidas Shroff has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. Mr. Rajnikant Devidas Shroff has provided dedicated and meritorious services and significant contribution to the overall growth of the Company and guided the Company since inception of the Company and through five decades of diversification and growth, the Company has emerged as one of the most competitive total crop solutions Company and one of the world's top companies in the agro industry. Keeping this in view, it would be in the interest of the Company to re-appoint Mr. Rajnikant Devidas Shroff, as Chairman and Managing Director. Mr. Rajnikant Devidas Shroff is a science graduate and has been at the helm of UPL Group since 1969.

Mr. Arun Chandrasen Ashar is a Chartered Accountant and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. He has provided dedicated and meritorious services and significant contribution to the overall growth of the Company. Keeping this in view, it would be in the interest of the Company to re-appoint Mr. Arun Chandrasen Ashar, as Whole-time Director designated as Director-Finance.