

**Notes to consolidated financial statements** for the year ended March 31, 2018**37. Commitments and contingencies (Contd.)****c. Contingent liabilities**

	INR Crores	
	March 31, 2018	March 31, 2017
<b>Claims against the company not acknowledged as debts</b>		
Disputed Excise Duty / Service Tax Liability	203	173
Disputed Income-tax Liability (excluding interest)	26	26
Disputed Sales-tax Liability	75	60
Disputed Custom duty Liability	34	36
Disputed Fiscal Penalty for cancellation of licenses	33	33
Disputed penalty on water tax	-	2
In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.		
Disputed penalty levied by Competition Commission of India for Cartelization of prices*	-	252
Guarantees given by the Group on behalf of third parties	9	13
Claims against the Group not acknowledged as debts	14	17
Earn out fees	6	5
Aggregate maximum amount payable to growers.	13	9
Group's share of contingent liabilities of associates:		
a) Claims against the Associates not acknowledged as debts	23	22

In January 2013, the Group has received a show cause notice from the Directorate of Enforcement, alleging that the Group has contravened certain provisions of Foreign Exchange Management Act, 1999 with regard to foreign direct investment made/received and its utilisation of proceeds of FCCB / ECB.

The management of the Group has replied to the show cause notice and had personal hearings to represent their matter and have filed the written submissions. The matter is pending before the authority and based on internal assessment, the management believes that no liability would arise in respect of the aforesaid matter.

The Competition Commission of India (CCI) had levied a penalty of ₹252 crores on the Company for alleged violation of section 3(3) (b) and 3(3) (d) of the Competition Act 2002. The order of the CCI was challenged before the Competition Appellate Tribunal (COMPAT) which by its order dated 29th October, 2013 has reduced the penalty to ₹7 crores and the same has been confirmed by the Hon'ble Supreme Court in its order. During the year ended 31 March 2018, the Company had received notice from CCI to deposit the interest of ₹4.17 crores for delay of 40 months in payment as per Regulation 5 of CCI (Manner of Recovery of Monetary Penalty) Regulations, 2011. The Company had filed their reply to the above notice on 24 October 2017. The Group does not expect the outcome of the proceedings to have a materially adverse impact on standalone financial statements.

The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

Agrofresh Inc (USA) has 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 year the Group has provided ₹1.29 crores towards amounts expected to be paid in this regard being the estimated profits earned from the product till December 2016. The Group's application for challenging the original patent granted to Agrofresh has been admitted in the US courts.

The Group has filed for dissolution of the subsidiary and a counter claim of ₹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. While effect is not ascertainable, the Group does not expect this to materially affect its financial statements.

**d. Contingent Assets**

During the year the Group settled its claim of ₹13.74 Crores against an agrochemicals trader regarding illegal parallel-trading of unauthorised copies of UPL's product. No gain has been recognised during the year because the receipt of the additional consideration is not virtually certain as it is dependent on the ability of the party to pay the compensation.