UPL

UPL Limited

Annual Report, 2017-18

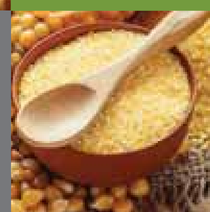
Doing things better!

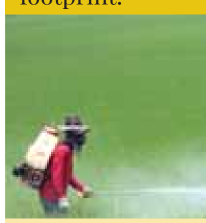
Financial performance, 2017-18

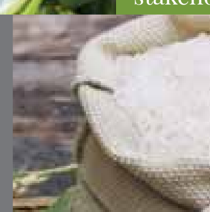
Particulars	Figures
Revenue (₹ crore)	17,920
EBITDA (₹ crore)	3,920
Net profit (₹ crore)	2,022
EBITDA margin (%)	21.9
Net profit margin (%)	11.3
Cash profit (₹ crore)	2,980
ROCE (%)	23.4
Enterprise value (₹ crore)	40,937
Earnings per share (₹)	39.79
Promoter's holding (%)	27.72
Institutional holding (%)	50.64
Market capitalisation (₹ crore)	37,131

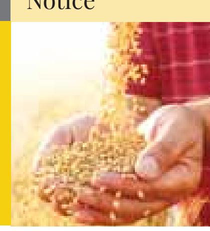
Forward-looking statement

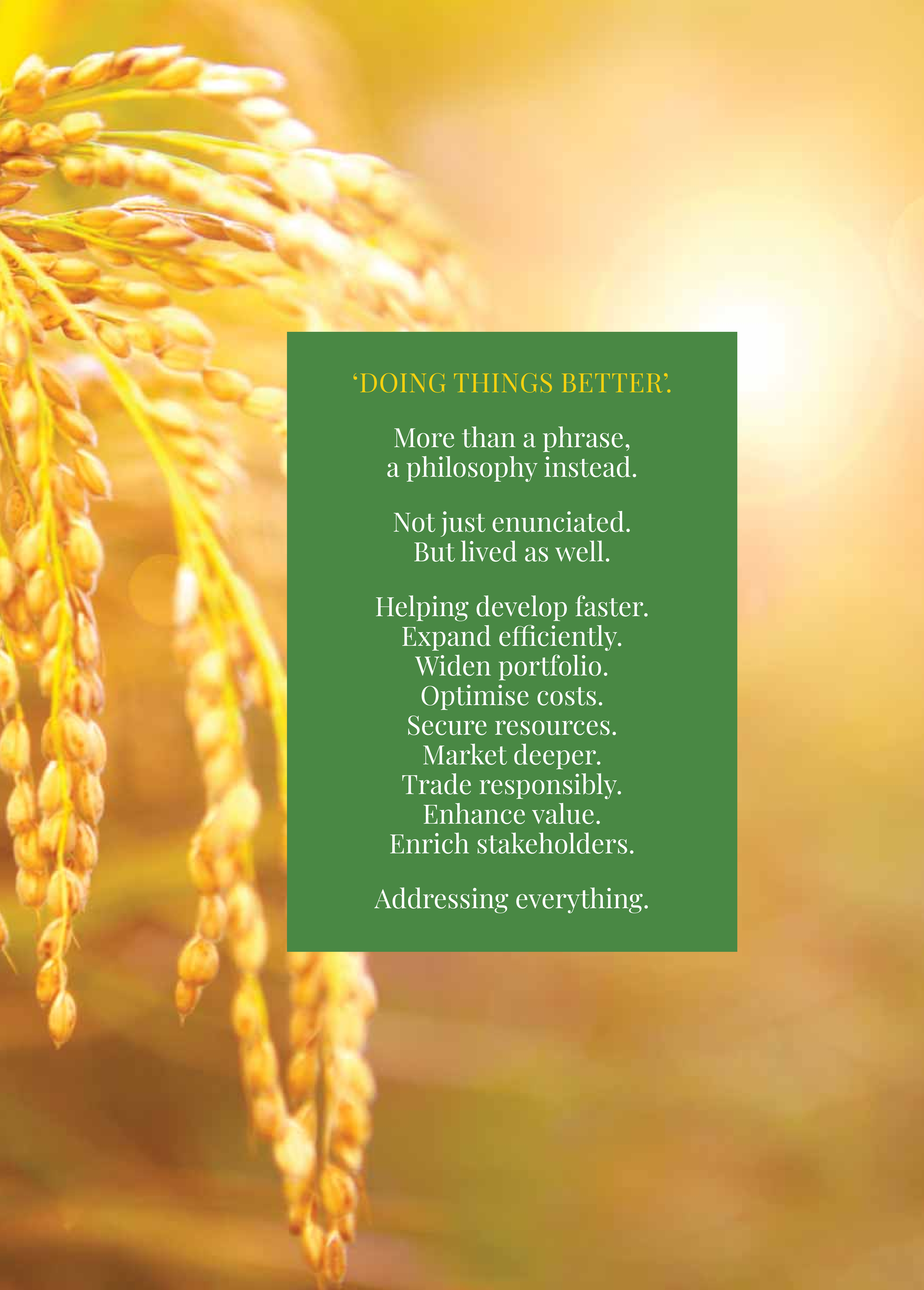
Inside the document











‘DOING THINGS BETTER’.

More than a phrase,
a philosophy instead.

Not just enunciated.
But lived as well.

Helping develop faster.
Expand efficiently.
Widen portfolio.
Optimise costs.
Secure resources.
Market deeper.
Trade responsibly.
Enhance value.
Enrich stakeholders.

Addressing everything.

UPL. Outperformer

When the global crop protection chemicals industry passed through one of its most challenging phases, it would have been reasonable to seek growth cues from the marketplace.

At UPL, we sought our cues from within.

We expanded existing downstream capacities; we built new plants in India and Brazil.

We commissioned capacities to manufacture key raw materials

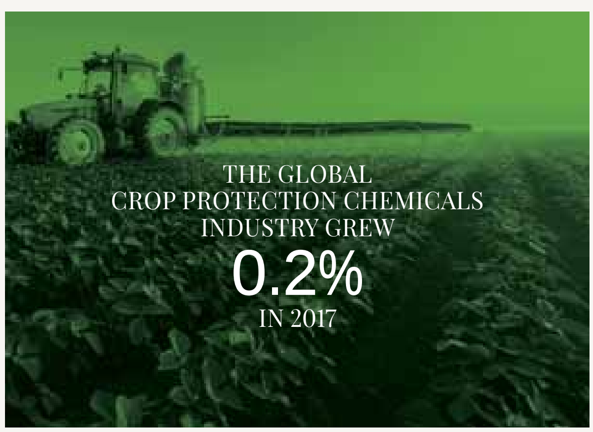
We invested within to increase operating efficiency

The result is in our outperformance.

Highlights, 2017-18

WE ENHANCED CONSUMER CHOICE; LAUNCHED
101
PRODUCTS

WE STRENGTHENED THE PIPELINE
FILED
247
PRODUCT REGISTRATIONS
AND
169
PATENTS



THE GLOBAL CROP PROTECTION CHEMICALS INDUSTRY GREW
0.2%
IN 2017

UPL GREW
7%
REINFORCING ITS POSITION AS ONE OF THE MOST EXCITING GENERIC CROP PROTECTION CHEMICALS COMPANIES.

6 things you need to know about UPL

1 Promoters

The Company is led by visionary invested promoters. The Company was founded by Mr. Rajju Shroff in the late Sixties, who is an industry statesman. The promoters invested ahead of the curve, built large and integrated capacities, generating economies of scale at one end and manufacturing economies at the other. The result is that UPL did not just emerge as India's largest crop protection chemicals company but one of the fastest growing in the global crop protection chemicals sector. The Company is actively managed by Jai Shroff, Global CEO, and a team of competent professionals.

2 Global presence

UPL (incorporated in 1969) commenced with the manufacture of phosphorous-based industrial chemicals. Between 1980 and 2000, it diversified into crop protection chemicals and specialty chemicals. Between 2000 and 2018, it transformed itself from a local to global player with more than 25 international acquisitions. The core of the Company's product selection has centred around products enjoying robust demand even after going off-patent. UPL markets products in 130+ countries.

3 Products

UPL has graduated from crop protection chemicals into a complete agro solutions provider (seeds, crop protection chemicals, biologicals, soil nutrients and post-harvest solutions). The Company's product basket comprises offerings for multiple crops, fruits and vegetables, insulating from an excessive dependence on any one segment. The Company is the second largest post-patent global player in the crop protection market. Its broad portfolio addresses >10 major crop sectors. Its product range addresses crops with relevance across seasons, de-risking it from seasonality.

UPL in numbers

2nd	130+	35	7,435
GLOBAL RANKING AS A POST-PATENT CROP PROTECTION CHEMICALS COMPANY	NUMBER OF COUNTRIES IN WHICH THE COMPANY SELLS ITS PRODUCTS	NUMBER OF MANUFACTURING FACILITIES	NUMBER OF GLOBAL EMPLOYEES

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

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

4

Over the years, UPL has grown its share in whichever market it has selected to be present in. This has been a result of a keen ground-level understanding of farm realities, recognising market gaps, launching relevant products around superior price-value and enhancing farm viability. The result is that the Company accounts for a 14.3% share of India's organised crop protection chemicals sector, the largest market for the Company.

5

UPL's growth has been driven by brands that have enhanced farmer trust. These brands have delivered the following attributes: enhanced effectiveness in line with desired objectives, reinforced farm viability, strengthened functional ease and evolved from a product into a friend. The effectiveness has been reflected in multi-year growth from these brands and a disproportionate share of markets.

6

UPL has been driven by over-arching values, enhancing organisational and stakeholder clarity.

25+	241	6,181
ACQUISITIONS IN MORE THAN TWO DECADES	NUMBER OF PATENTS AWARDED TO THE COMPANY	NUMBER OF PRODUCT REGISTRATIONS ACROSS COUNTRIES

What we have achieved

1969
- Started manufacturing red phosphorus

1976
- Entered the crop protection chemicals sector
- Started exporting products

1980
- Started 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

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

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

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

across the last five decades

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

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

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

2007
- Acquired Cerexagri to enhance global revenues

2016
- Crossed USD 2 billion in revenues
- Crossed 5,000 mark in registrations
- Merged with Advanta

2017
- Issued bonds of USD500 million from an overseas subsidiary – UPL Corporation, under Rule 144A and Regulation S with an Investment Grade rating from Moody's, S&P and Fitch

2018
- Issued bonds of USD300 million from an overseas subsidiary - UPL Corporation, under Regulation S with an Investment Grade rating from S&P and Fitch

The contrarian world of UPL.

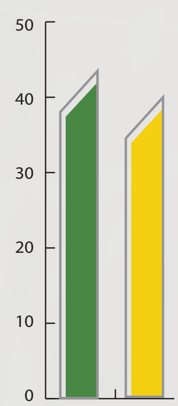
1. It would have been easy focusing on India, one of the largest agricultural economies globally. *We widened our footprint instead.*

2. It would have been simpler focusing on one large crop segment. *We selected to focus on a diversified basket instead.*

Geography-wise performance

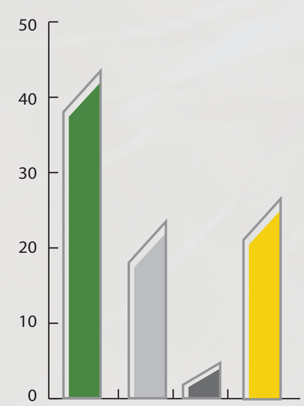
Region	Latin America	India	North America	Europe	Rest of the World
Sales (₹ crore)	5,692	3,189	3,083	2,305	3,109
Human resources	1,155	4,784	291	479	726
Product registrations	1,455	940	363	1,460	1,963

3. UPL could have focused its attention on one segment of the product basket. *We widened our attention across a range of the business, emerging as a broad-based company across the value-chain instead.*



FY 1994

- Insecticides 52%
- Others 48%



FY2003

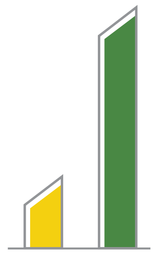
- Insecticides 44%
- Herbicides 24%
- Fungicides 5%
- Others 27%

Doing things better.

4. It would have been easier investing our resources across a handful of brands, deepening our presence through them. *We widened our basket instead, moderating an excessive dependence on few brands.*

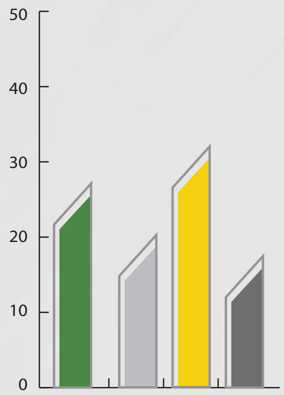
Consistent increase in share of branded product sales

FY14 25%
FY18 87%



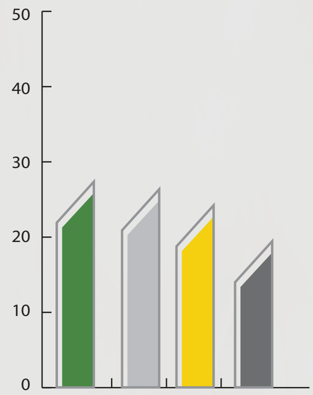
Key brands across geographies

Latin America	India	North America	Europe	Rest of the World
Manzate, Vondozeb, Unizeb, Lancer, Quickphos, Unizeb Gold, Clorin, Zartan, Danado, Imida Gold, Lancer Gold and Glory	Ulala, Phoskill, Lancer Gold, Saaf, Saathi, Starthene, Atabron, Dissect, Wuxal, Avancer Glow, Cuprofix, Iris, Lagam, Eros and Patela	Manzate, Microthiol, Cuprofix, Weevilcide, Super Tin, Blazer, Surflan, Tricor and Banter	Devrinol, Microthiol, Penncozeb, Cuprofix, Metafol and Beet Up	Penncozeb, Kinalux, Quickphos, Microthiol, Vondozeb, Ulala and Asulox



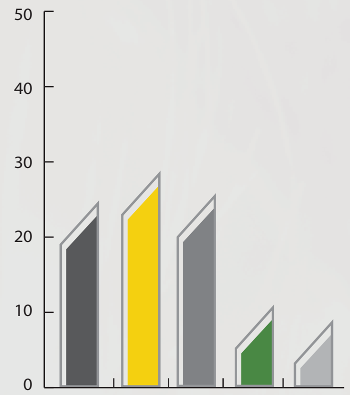
FY2009

Insecticides 28%
Herbicides 21%
Fungicides 33%
Others 18%



FY2014

Insecticides 28%
Herbicides 27%
Fungicides 25%
Others 20%



FY2018

Insecticides 25%
Herbicides 29%
Fungicides 26%
Others 11%
Seeds 9%

UPL's business comprises a complete agro-solution. It is more than a company; it is an integrated solutions provider

Seed and seed treatment	Crop protection	Storage solutions	Post-harvest

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

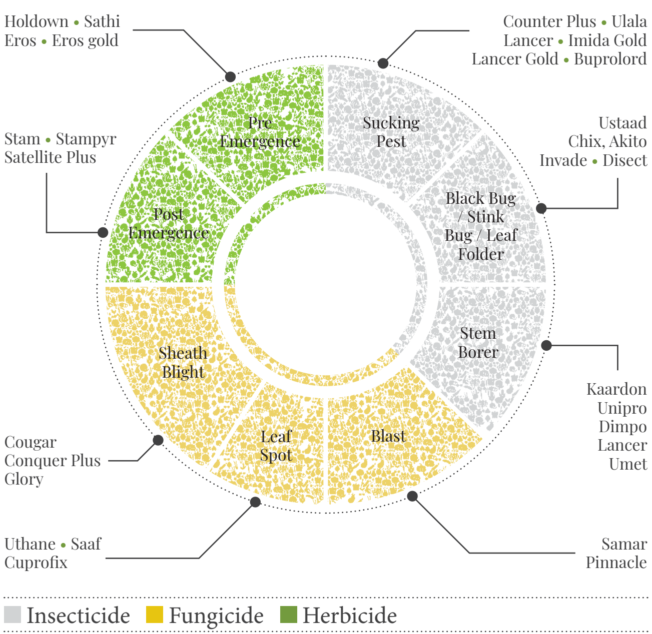
Innovation rate

FY2013-14 2.5%	FY2014-15 5%	FY2015-16 14%	FY2016-17 15%	FY2017-18 19%
• Ulala • Atabron • Acephate 97 DF	• Iris • Eros	• Unizeb Gold • Glory • Lifeline • Satellite • Interline	• Elixir • Banter • Avancer Gold • Moccasin • Wuxal	• Tripzin • Moccasin • Sperto • Triziman • Macarena • Gainexa FC

UPL's business addresses diet-critical products. Enhancing food security.

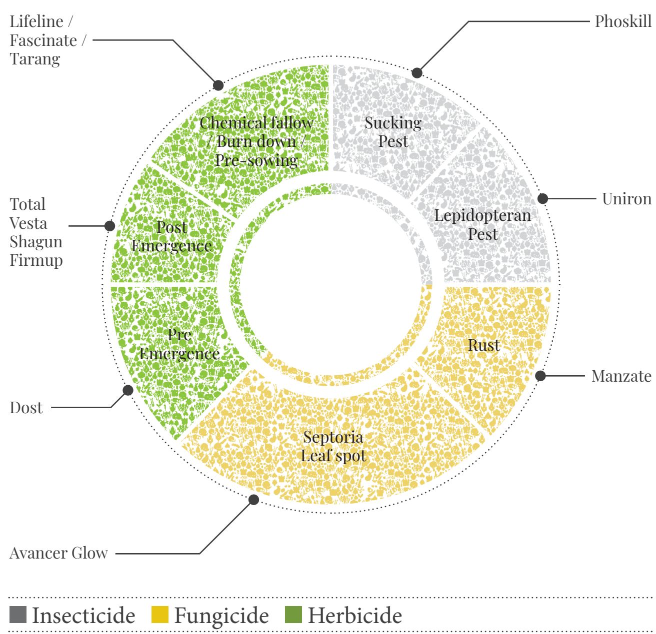
Rice

A USD 5.2 billion global opportunity



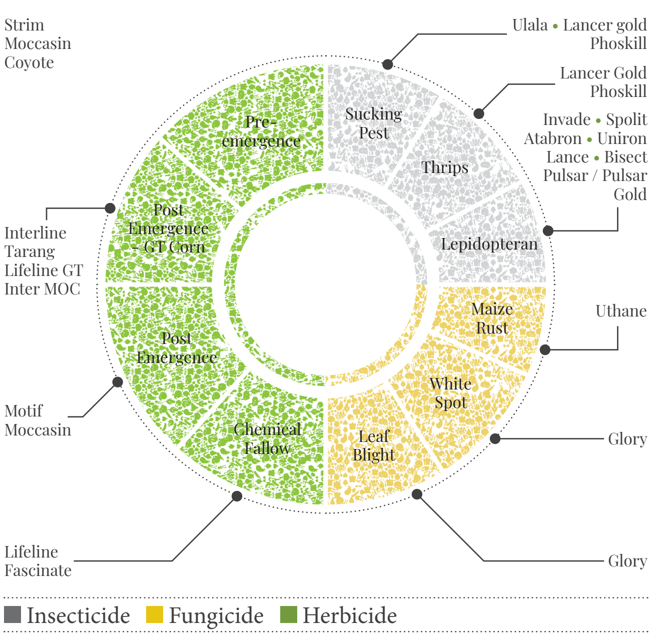
Wheat

A USD 8.7 billion global opportunity



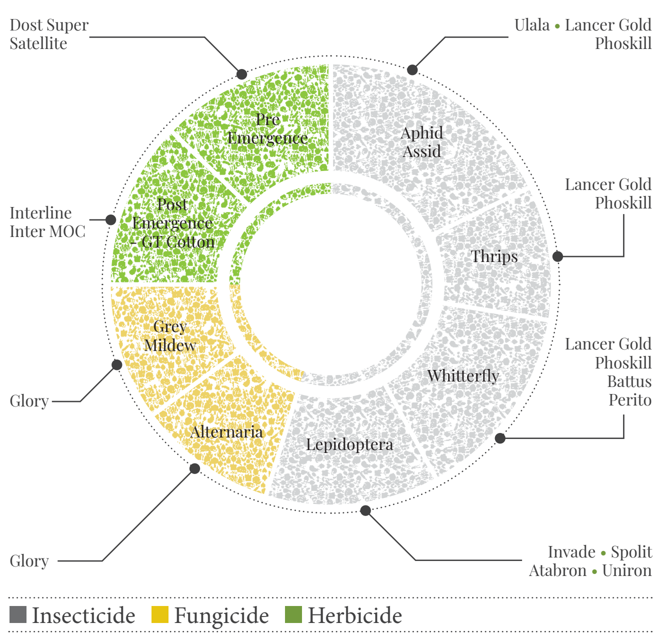
Corn

A USD 5.8 billion global opportunity

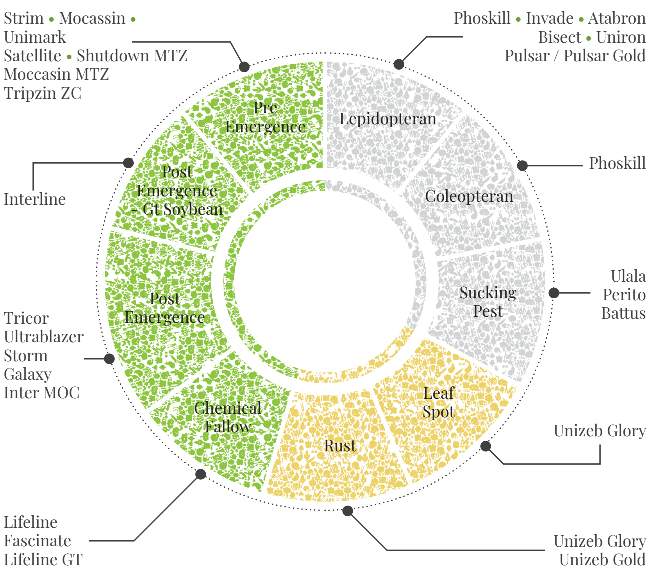


Cotton

A USD 1.6 billion global opportunity



Soybean
A USD 8.2 billion global opportunity

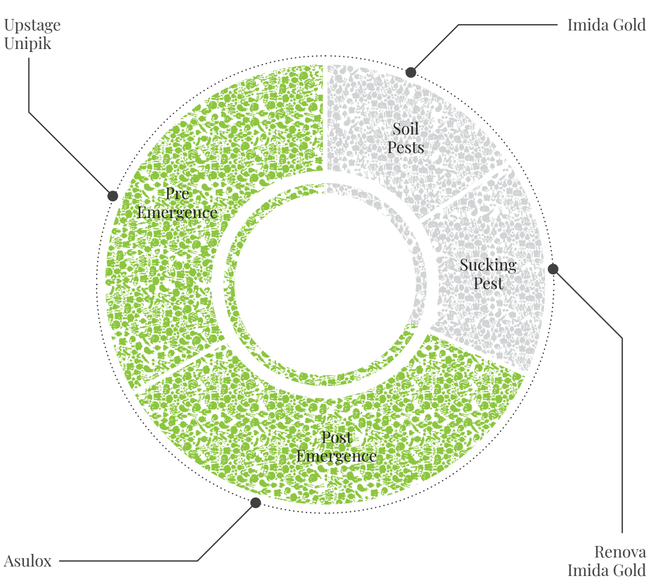


Insecticide Fungicide Herbicide

Potato
A USD 1.5 billion global opportunity

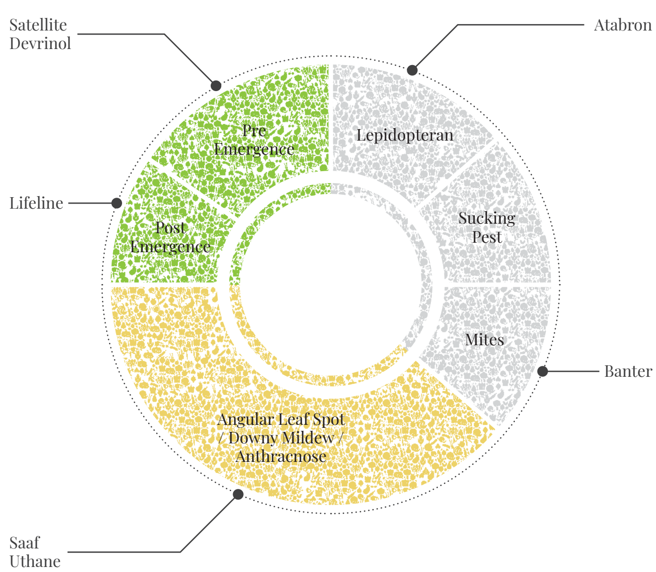
Insecticide Fungicide Herbicide

Sugarcane
A USD 1.3 billion global opportunity



Insecticide Herbicide

Vine
A USD 1.6 billion global opportunity



Insecticide Fungicide Herbicide

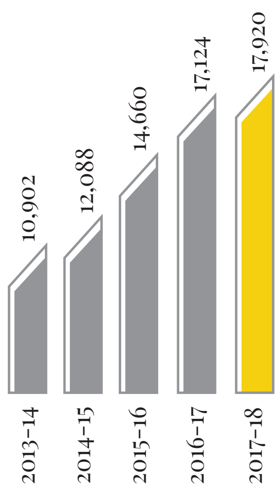
UPL. Present where customers are. Resulting in a wide global footprint.

Manufacturing locations

India	16
Argentina	3
Brazil	1
Colombia	1
France	3
Italy	1
Netherlands	2
China	1
Turkey	1
UK	1
USA	2
Vietnam	1
Australia	1
Thailand	1

UPL. Consistently outperforming. Enriching farmers. Enhancing stakeholder value.

Revenues (₹ crore)



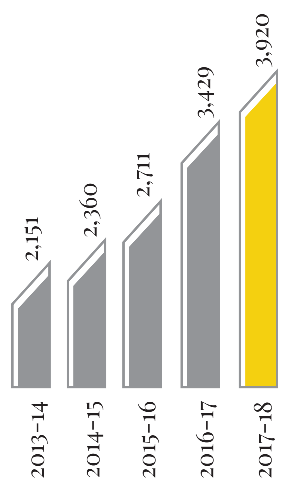
Definition
Revenues (including Other Income)

Why is this measured?
To measure the Company's ability in comprehending global demand trends, enhancing supply chain efficiency and strengthening product acceptance

What does it mean?
Aggregate sales increased by 5% to reach ₹17,920 crore in FY2017-18 due to increasing demand for existing products and strategic launch of new ones.

Value impact
Improved product offtake and enhanced the Company's sectoral reputation.

EBITDA (₹ crore)



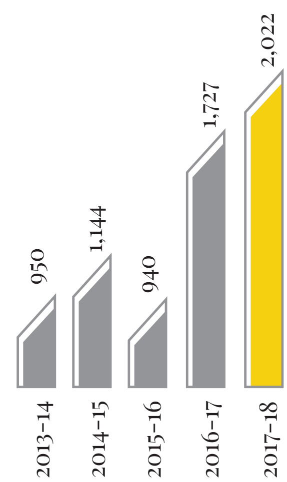
Definition
Earning (including other income) before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

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

What does it mean?
Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

Value impact
The Company's EBIDTA grew every single year through the last 5 years. The Company reported a 14% increase in its EBIDTA in FY2017-18 – an outcome of painstaking efforts in improving operational efficiency.

Net profit (₹ crore)



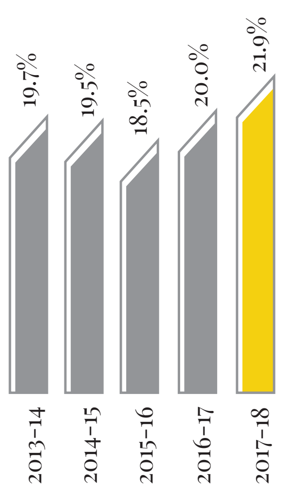
Definition
Profit earned during the year after deducting all expenses and provisions

Why is this measured?
It highlights the strength in the business model in generating value for its shareholders.

What does it mean?
Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain.

Value impact
The Company reported a 17% increase in its net profit in FY2017-18 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

EBIDTA margin (%)



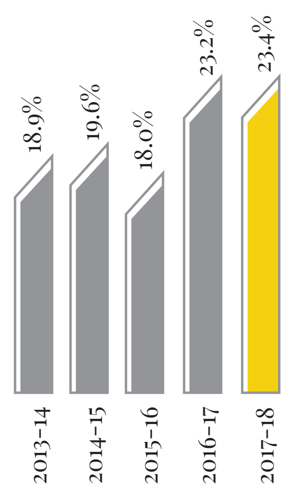
Definition
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

Why is this measured?
The EBIDTA margin gives an idea of how much a company earns (before accounting for depreciation, amortisation interest and taxes) on each rupee of sales.

What does it mean?
Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

Value impact
The Company reported a 185 bps increase in EBIDTA margin during FY2017-18.

ROCE (%)



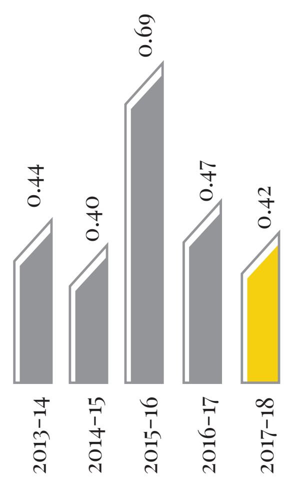
Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?
Enhanced ROCE can potentially drive valuations and perception.

Value impact
The Company reported a 23 bps increase/in ROCE during FY2017-18.

Gearing (x)



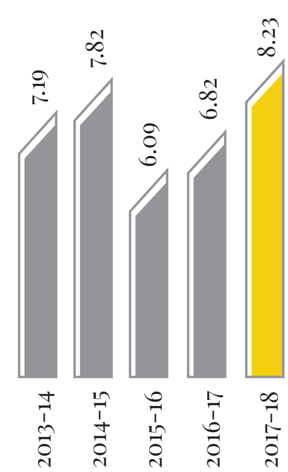
Definition
This is derived through the ratio of net debt to net worth (less revaluation reserves)

Why is this measured?
This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

What does it mean?
Adds value in the hands of the shareholders by keeping the equity side constant and boosts flexibility by progressively moderating debt costs.

Value impact
The Company's gearing stood at 0.42 in FY2017-18 compared to 0.47 in FY2016-17. This ratio should ideally be read in conjunction with net debt/operating profit (a reduction indicating greater ease in terms of servicing debt).

Interest cover (x)



Definition
This is derived through the division of EBIDTA by interest outflow

Why is this measured?
Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?
A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in guaranteeing sizeable returns to shareholders.

Value impact
The Company strengthened its interest cover from 6.82 in FY2016-17 to 8.23 in FY2017-18.

UPL's outlook appears as relevant as when the Company started out in the late Sixties

Increasing incomes

- Rising farmers' income and their affordability for crop protection chemicals
- Demand for processed food rising concurrently with growing disposable incomes, urbanisation and nuclear families
- Per capita incomes in India expected to expand at a CAGR of 8.09% till 2019

Finite arable area

- 48.93 million square kilometres of available global agricultural land
- Of the total land area across the world, 37.51% is fit for agriculture
- ~10.92% of the total land across the globe is cultivated
- Arable land per person across the globe stood at 0.1954 hectares

India attractively placed

- The world's fourth-largest producer of crop protection chemicals
- India's crop protection chemicals market estimated at USD 7.5 billion by FY19 (exports ~50% of revenues)
- Emerged as one of the largest crop protection chemical exporters (2015)

More mouths to feed

- Projected global population of 9.8 billion in 2050, up by 31% from 7.5 billion
- ~84.21 million people being annually added to the global population
- 4x global population growth over the last century
- 1.09% global population growth in 2018
- India's projected population of 1.67 billion by 2067 (1.34 bn today)

India's food security at stake

- India loses 15-25% of its crop output due to pests, weeds and diseases
- Demand for cereals is projected to reach ~3 billion tonnes by 2050 (2.1 billion tonnes today)
- Global food production will need to increase 70% to feed India in 2050
- Annual cereal production would need to grow by almost a billion tonnes by 2050
- Food production levels in developing countries would need to almost double by 2050

India dependent on agriculture

- The largest producer of spices, pulses, milk, tea, cashew and jute
- The second-largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton, oilseeds, fruits and vegetables
- Accounts for the second-largest agricultural land in the world (157.35 million hectares)
- ~285 new irrigation projects to be undertaken in 2018 to provide irrigation across 18.8 million hectares

(Source: FAO, Agrivi, Statista, IBEF, World Bank, Economic Times)

Chairman's overview

'Doing things better'.

More than a mantra at UPL. It is a way of life showcased in workplace every single day

Dear shareholders,

The year 2018 marked the completion of our 49th year. As we embark on the 50th year, I must reiterate that UPL continues to stand for what it had always stood for in the past: Doing things better.

'Doing things better' is more than a mantra at UPL; it is something that we live every single day. We engage in R&D to offer innovative and effective products, we produce cost-effectively, we are engaged continuously in widening markets, we focus on enhancing profitability, we mitigate business risks and, in doing all there, we help enhance food security for the world.

A number of people have attempted to examine the reasons behind our sustained outperformance even when we are not an inventor. The answer comes down to a simple reality: we do things others do not or cannot; we do things better.

Even as we have not been product inventors, UPL did something contrarian: the Company continued to invest significantly in its research and development. The Company invests 2.2% of its revenues on research; even as we are not an inventor of products, we are a research-driven Company on how products can be evolved and adapted to diverse customer needs the world over. This research-driven last mile focus has helped widen our brand portfolio and strengthened our understanding of how effectively to plug market gaps. The effectiveness is not only derived from the quantum of research spending; it is also derived from the effectiveness of our research systems. Our research and development efforts are focused

A number of people have attempted to examine the reasons behind our sustained outperformance even when we are not an inventor. The answer comes down to a simple reality: we do things others do not or cannot; we do things better.

on innovating rather than inventing. For instance, our R&D team worked on one of the fungicides, which was primarily used on fruits and vegetables, and innovated a label extension for treatment against fungal disease on row crops. The market for this fungicide expanded significantly, particularly in Latin America. We further invested in backward integration and ensured that key raw materials needed for this fungicide are manufactured in-house, reducing dependency on third-party suppliers to a large extent and leading to greater cost and supply chain efficiencies. These efforts made UPL one of the largest and most cost efficient players in this molecule.

Further, for one of the herbicides recently launched in the North American markets, we began by setting up a pilot plant and then, due to the strong demand, scaled up the capacities in record time and at much lower cost than our peers. For this herbicide too, we are fully integrated – backward as well as forward, helping us in offering quality formulations at economical prices.

The bottomline is that at UPL, we don't compete with the market; we compete with ourselves - and that has made all the difference.

Reviewing 2017-18

The global crop protection chemicals industry remained flat during the year under review as commodity realisations remained subdued.

The slowing demand notwithstanding, UPL outperformed the industry average. The Company reported a topline growth of 7% during the year under review. The Indian market grew slower than expected due to a number of reasons: the lingering impact of demonetisation affected offtake; the 2017 monsoon was less than adequate; GST implementation led to de-stocking in the first quarter and slowed business during the first half of the year.

The raw materials availability scenario too was unfavourable. Owing to tightening environment control regulations, there was a decline in materials availability from China. In a proactive measure, the Company invested in building additional capacity, strengthening resource security. We believe that this resource security has helped us enhance manufacturing predictability on the one hand while strengthening our value chain on the other. The result is that even as supply lines were affected for some manufacturers, UPL continued to service farmer needs, strengthening its brand around dependability.

Our key markets of North America and Latin America performed admirably during the year under review. Glufosinate, a key UPL product, performed creditably in the US; Mancozeb, another key UPL product, reported attractive offtake in the global market.

101
PRODUCTS LAUNCHED TO ENHANCE CONSUMER CHOICE

As a future-facing company, UPL continued to strengthen registration, patent filing and market widening exercises. During the year under review, we filed 169 patents and registered 247 new products across markets. The Company launched 101 products during the year under review.

During the year, UPL enhanced operational efficiencies. The Company saved around ₹65 crore in operating costs and strengthened gross margins by 30 bps to 41.3%.

During the year under review, the Company strengthened its Balance Sheet to address prospective growth: it mobilised USD300 million through 10-year bonds from the European and Asian market. Besides, the Company restructured a large part of its existing debt with the objective to reduce interest costs and increase tenure, strengthening our cash flows.

Objective remains relevant

The objective of why UPL is in business continues to be relevant: there is a growing danger that going ahead, the world may find it increasingly difficult to feed its growing population.

Consider the evidence: global population is expected to grow from

UPL'S ADVANTAGE LIES IN ITS DEEP PRODUCT CHEMISTRY COMPETENCE.

7.5 billion to 9.8 billion by 2050, requiring the world to produce at least 70% more food, when one factors the plugging of prevailing and prospective gaps.

Even as this reality is by itself daunting, there are concerns of finite arable area, plateauing yields and climate change impacting agricultural productivity. With emerging economies entering an era of unprecedented economic prosperity, there is a gradual shift in dietary preferences. More people are consuming dairy and poultry products, increasing fodder demand.

Even as this is already placing a larger pressure on arable land, the reality is that the world is losing a substantial crop quantity in pre-harvest and post-harvest losses owing to pest attacks. In India, ~15-25% of the potential crop output is lost on this count.

UPL optimism

UPL is the right company at the right time.

The Company continues to work in the pre-harvest and post-harvest spaces, helping protect a sizeable crop output. The Company's wide products range covers the entire crop cycle, protecting farm viability. The Company extended its business model beyond core products to solutions, providing customers allied services (crop protection chemicals spraying, price trends and ancillary products supply). The Company also offers innovative products that help conserve ground water, particularly relevant in drought conditions.

UPL's advantage lies in its deep product chemistry competence. The Company invested proactively to build expertise, resulting in timely product launches. The Company emerged as one of the largest players in the post-patent space. The Company strengthened its position as a cost leader.

Five-pronged strategy

Going ahead, UPL intends to leverage a five-pronged strategy to grow its business:

- UPL's sustained R&D investment will empower it to alter formulations and launch new products capable of overcoming pest resistance more effectively
- UPL's revenue from branded products increased from 25% of overall sales in FY2014 to 87% in FY2018. The Company will strengthen its branding, generating significant shares in branded sales in the geographies of its presence, especially Latin America and North America.
- UPL filed 378 patents (58 patents granted) over FY2014-18. The revenue from innovative products in three years increased from 5% of revenues in FY2015 to 19% in FY2018. Going ahead, UPL will leverage its in-depth knowledge of registration requirements to enter new markets and introduce new products, strengthening revenues.
- UPL aims to make the most of the impending opportunity in the generics space, as a number of products (~USD 3 billion) are going off-patent over CY2017-20. Despite the dominance of existing MNCs in Latin America, Europe and North America, UPL has been able to make significant inroads in these markets on the back of its distinctive products and robust distribution network, an initiative that will be sustained.
- The Company will continue to improve profits by optimising product mix, rationalising costs and enhancing operational efficiency.

Outlook

The global crop protection chemicals sector passed through two consecutive years of contraction and one year of flat growth. The scenario is gradually improving with crop protection chemical inventories declining and realisations stabilising. UPL's range of products and deep distribution bandwidth should address a growing demand for cost-effective generic crop protection chemicals.

In the last five decades, the Company invested proactively and the foreseeable future now appears more exciting than ever.

R.D. Shroff
Chairman

UPL filed 378 patents (58 patents granted) over FY2014-18. The revenue from innovative products in three years increased from 5% of revenues in FY2015 to 19% in FY2018

CEO's business review

Q&A

How do you assess the Company's performance in FY2018?

FY 2018 was one of the most challenging years for the global crop protection chemicals industry with industry revenues remaining practically flat over FY 2017. Commodity realisations continued to decline that led farmers to move towards post-patent products.

Given this reality, when most players either reported lower growth at best or contracted in line with the prevailing sectoral average, the Company's performance was striking: consolidated revenues improved 5% from H17,124 crore in FY17 to H17,920 crore in FY18, EBIDTA reported a 14% growth from H3,429 crore in FY17 to H3,920 crore in FY18 and PAT grew 17% from H1,727 crore in FY17 to H2,022 crore in FY18 profitable growth for the Company.

I am pleased to report that the Company continued to strengthen margins: EBIDTA margin strengthened 185 bps over FY17 and net profit margin improved 121 bps over FY17.

The result was complete outperformance: UPL's revenue growth was 5% while the global crop protection chemicals industry growth was practically flat.

What were the reasons that translated into this outperformance?

UPL continued to do things better in various ways.

One, we enhanced operational efficiency that made it possible to moderate costs. During the year under review, we saved close to H65 crore through various initiatives.

Two, we saw our key global markets stage a much-awaited recovery during the course of the year. We reported good traction for our products in North America, Latin America and Europe following the removal of quotas on sugar production.

Three, the Company mobilised USD300 million by offering US dollar-denominated bonds to international investors at 4.5% (173 bps spread over the US benchmark treasury yields). Around three-fourths of this mobilisation will be used to refinance high-cost and long-term overseas loans while the rest will help

At UPL, we are attractively positioned to capitalise on sectoral realities:

- We have a deep on-field marketing presence in most of markets while in other areas we rely on dedicated marketing agents
- We possess ample capacities to address demand surges
- We are focusing on branded generics to fetch better returns
- Our new launches have already shown promising growth in key markets
- We provide a one-stop solution in a world marked by a growing need for convenience
- Our value-added services enhance farm productivity and farmer incomes

repay high-cost and short-term debt. Although the initial pricing guidance was ~200 bps spread over the US benchmark yields, robust investor demand of about USD1.7 billion helped to tighten the spread by 27 bps.

Four, UPL strengthened its global presence with the introduction of 101 products in the markets of India, Europe, North America, Latin America and Rest of World, while sustaining brand performance across respective markets.

What were some of the Company's performance highlights?

Despite a sectoral slowdown, UPL continued to strengthen its business. During the year, the Company invested H239 crore in 247 new registrations, enhancing our tally of registered products to 6,181 by the end of the year. Our working capital management improved from 91 days of turnover equivalent as on 31st March 2017 to 84 days as on 31st March 2018. This indicates that the heart of the business engine continued to be in good shape even during a challenging year.

What challenges did UPL counter during the year?

The major challenge was the slowdown in the Indian market, a region accounting for 18% of our consolidated revenues. The lingering impact of demonetisation in the first half of the year dampened sales. No sooner had we recovered that we were affected by GST, which created dealer uncertainty translating into de-stocking. The dispersion of rainfall was uneven across the country, with some southern states suffering from deficient rainfall.

On the positive side, wheat, a key driver of herbicide revenues, drove growth in Q3. The products that we launched late last year gained immediate acceptance; a couple of fungicides performed exceptionally well.

Australia, a key market for the Company, went through a dry spell following which crop protection chemicals demand declined. Raw material supply from China was adversely impacted as regulators in that country imposed restrictions from the environmental control standpoint, resulting in a shortage and consequent spike in prices.

What were some of the other bright spots of the Company's working?

We recognised that as the markets moved out of a slowdown there would be a need for enhanced production. In view of this, the Company scaled capacities at its plants in Gujarat; it commissioned a new plant in Brazil for an investment of ~H30 crore in less than a year (a similar-sized plant usually would have required ~18-24 months). In a strategic move to venture into profitable niches, we launched three products in the bio-pesticides segment in the Indian market, which proved to be timely and successful.

What makes you optimistic of the sector's prospects?

Although the past three years were marked by contraction, the sector appears to have bottomed out for two reasons: declining crop protection chemicals pipeline across the globe and steadying commodity prices. I believe that 2018 will be the year when the industry will rebound, strengthening our prospects.

The complement of the realities provide me with the optimism that the coming year will be a landmark, when we continue to outperform the industry on the one hand and enhance shareholder value on the other.

The crop protection chemicals industry was marked by challenges

Sectoral challenges

- High inventory at the beginning of the year
- Softening commodity prices
- Hardening raw material prices owing to supply scarcity
- Macroeconomic factors
- Sub-optimal monsoons

Impact: Demand slowdown, softening margins, slower offtake and decelerated growth

UPL's response

- Widened operational footprint
- Strengthened offtake in North America, Europe, Latin America
- Deepened distribution network in key geographies
- Focus on branded products
- Commissioned new plant in Brazil
- Introduced 101 products
- Undertook cost-reduction initiatives
- Reduced adverse environment impact
- Filed 247 new registrations
- Started captive manufacture of key raw materials

The result

New plants	New registrations	Industry growth vs. UPL growth	Share of revenues accounted for by branded products
9 in India and 1 in Brazil	247	0.2% vs. 7%	87%

The spirit of UPL

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

Our seven business priorities

UPL's growth is directly influenced and dependent on farmer prosperity.
With population and food demand growing, the need of the hour is to improve food productivity and security.
At UPL, we are seized of this global priority. We have selected to address this need through seven priorities:

The projected outcome

Efficient growth	Consistent value creation	Enhanced credibility	Inspired employees	Sustained outperformance

Reduce dependence on third parties

We are investing in captive capacities to become self-reliant and emerge as a 'backward integration' pioneer. We are one of few global companies to manufacture complex organo-phosphorus compounds.

Strengthen product portfolio

We will consistently launch innovative branded products in sync with evolving scenarios that efficaciously address emerging farmer needs over the world.

Diversify proactively

The success of a company is not defined by entering a particular sector; it is defined by making our presence felt. UPL intends to do precisely that in the lucrative market for branded generics.

Scale capacities competitively

To service the growing global demand for crop protection chemicals, UPL will vigorously expand capacities – at competitive costs.

Optimise costs

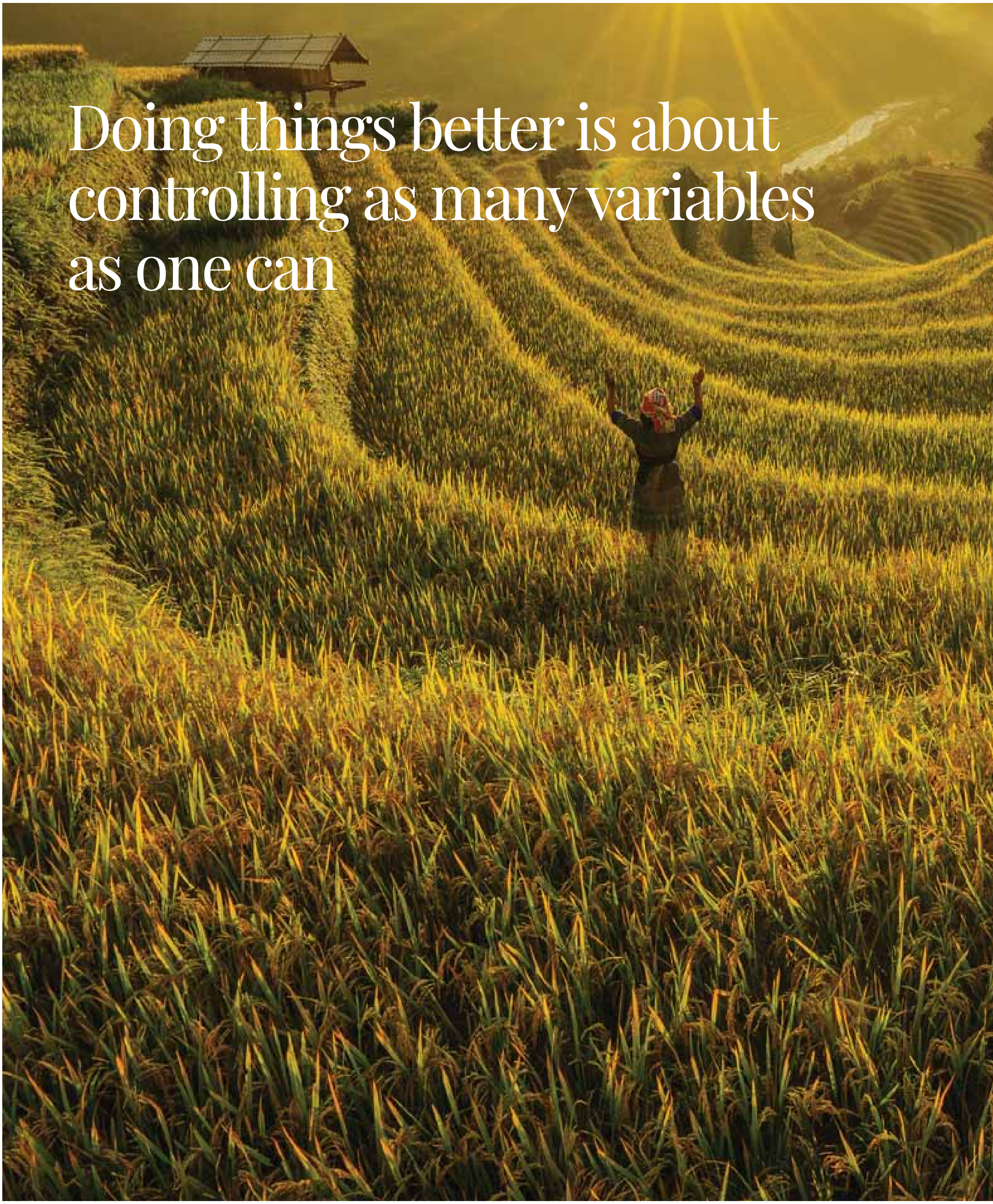
By delivering quality and affordable products to farmers, we expected to enhance revenues and customer loyalty.

Reduce carbon footprint

Being eco-friendly for UPL is not merely complying with predetermined regulations. The Company will extend beyond the call of duty through a series of measures to conserve environment resources.

Enhance safety levels

UPL not only lays down the guidelines on systems, policy and training but also monitors compliance, maintains and disseminates information on laws and regulations. To monitor the progress against projected improvement numbers, performance levels will be periodically reviewed at facility, divisional and corporate levels.


Doing things better is about controlling as many variables as one can

UPL addressed this reality with the objective to reduce as many variables as it could through a progressive increase in in-house manufacture. The Company commissioned 11 new plants during the last 3 years, strengthening integration.

11

NEW PLANTS COMMISSIONED DURING THE LAST 3 YEARS

Doing things better is about being able to provide exactly what the farmer needs

In an evolving world where even climatic patterns are changing, influencing pest action on crops, there is a premium on the need to develop products that completely and effectively address these ever-changing requirements.

Over the years, the Company evolved its positioning: from an crop protection chemicals manufacturer to a complete solutions provider. In view if this, UPL invested in brand-building and new product development.

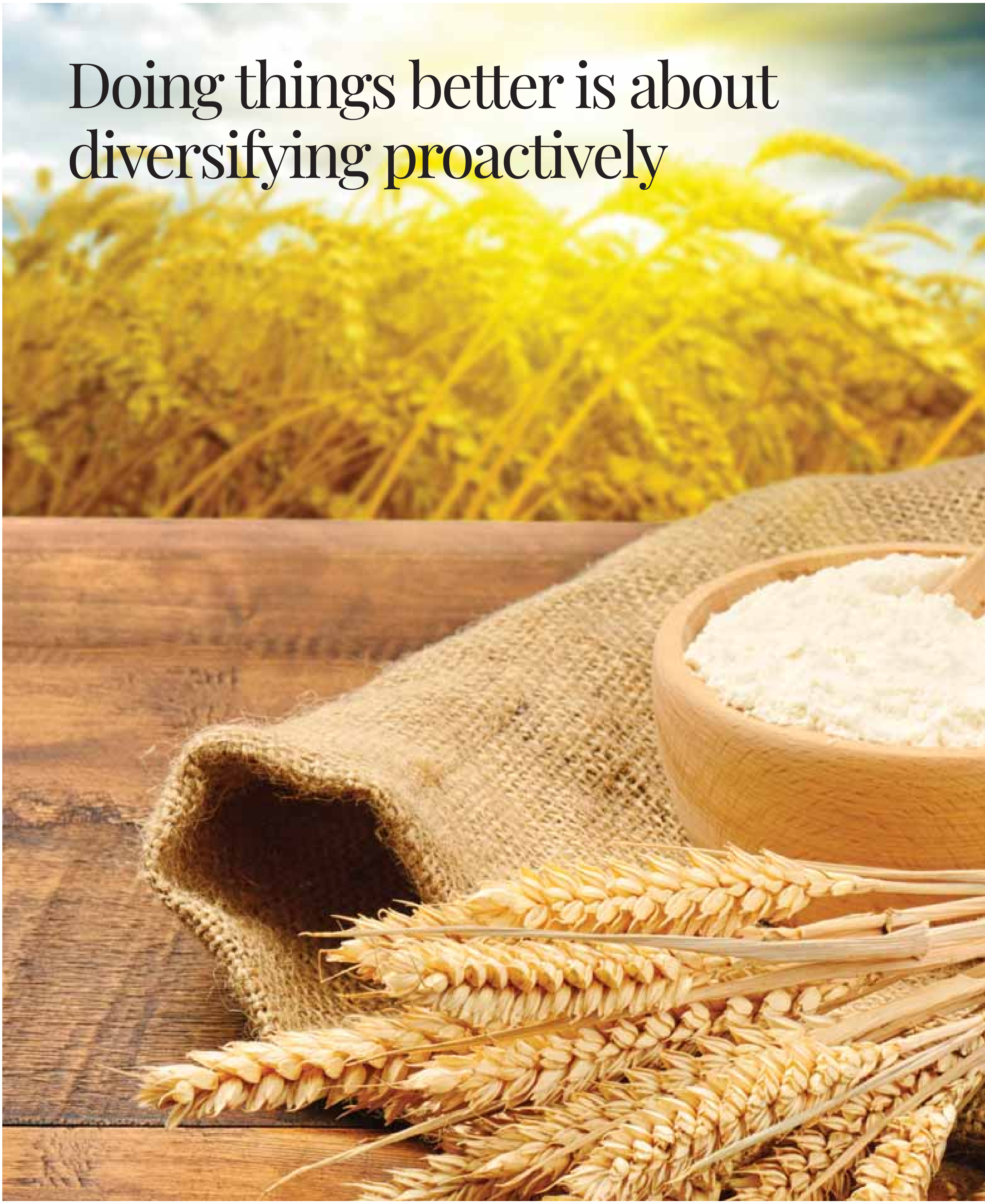
The result: EBITDA margin improved from 18.8% during FY2009-10 to 21.9% during FY2017-18 as branded products commanded higher margins than commoditised products. The revenue share of branded products increased from 25% in FY2014 to 87% in FY2018. The Company filed 378 patents (58 patents granted) between FY2014 and FY2018. Global product registrations increased from 4,692 in FY2015 to 6,181 in FY2018. Revenue contribution from innovative products launched in four years grew from 5% in FY2015 to 19% in FY2018.

The result is the UPL has steadily improved its revenue mix with value-added products accounting for an incremental share of overall revenues.

19%

PROPORTION OF REVENUES DERIVED FROM INNOVATIVE PRODUCTS LAUNCHED IN FOUR YEARS

Doing things better is about diversifying proactively



UPL is a specialised generic crop protection chemicals manufacturer. The generic crop protection chemicals account for ~66% of the global crop protection market, while proprietary off-patent and patented crop protection chemicals account for the rest.

In recent years, declining farm realisations and deteriorating profitability drove American and Latin American farmers towards inexpensive generic products. The US and Latin American markets accounted for sizeable shares (~27% and ~17%) of the global crop protection chemicals market. The gradual shift to generic crop protection chemicals and products going off-patent are expected to open up attractive growth avenues (worth ~USD 3 billion between CY17 and CY20).

Products worth USD 3.7 billion have already gone off-patent between CY15 and CY17. While this could result in a contraction in the US and Latin American markets in value terms, it could widen opportunities for UPL. The Company has carved out a niche for itself in the branded generics space which offers the same quality but costs less.

Result

Branded generics account for 87% share of UPL revenues and the Company has emerged as one of the most reliable manufacturers of generic crop protection chemicals in the world.

87%

SHARE OF REVENUES FROM BRANDED PRODUCTS

Doing things better is about scaling capacities at a low cost

At UPL, we believe that the world will continue to need of quality crop protection chemicals at economical prices

At UPL, we believe that the challenge will not just lie in manufacturing a larger quantity to address this growing appetite: it will lie in creating the incremental capacity at a cost lower than the prevailing average, shrinking payback time and helping the Company consistently enhance profitability and revenues.

This ability to grow capacities at lower than prevailing costs has been derived from UPL's rich understanding of standardised plant designs, procuring best-in-class equipment, strategic supplier partnerships, off-site construction (fabricated remotely and assembled at plant locations) and 3D walk-throughs of designs.

Result

These competencies allowed UPL to commission its MR205 and Glufosinate plant in half the time taken by other companies.

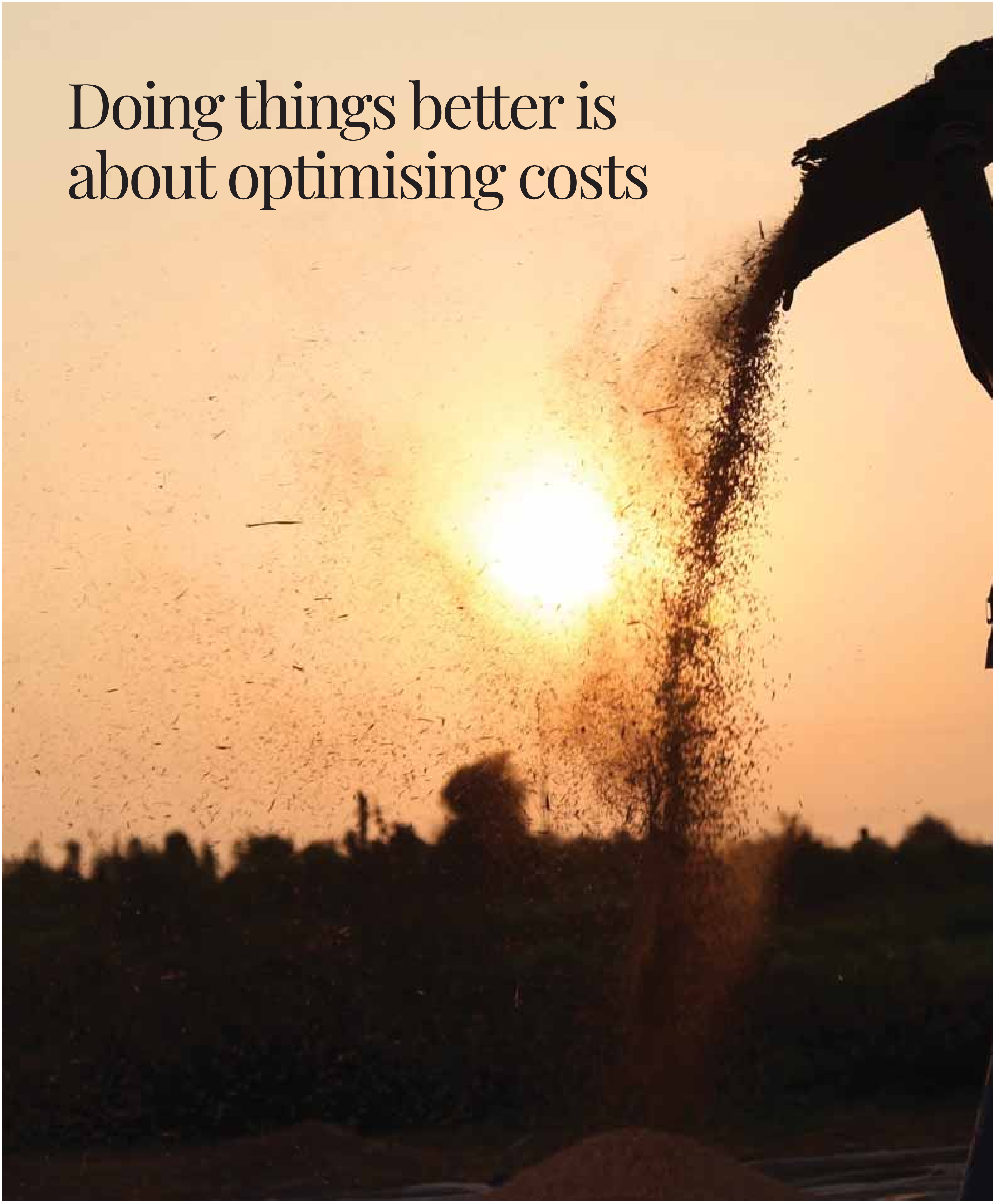
The Company commissioned a power plant, six formulation plants and three technical plants in FY2017-18 at competitive costs, strengthening overall profitability.

3 months

TIME TAKEN BY UPL FOR COMMISSIONING ITS BRAZILIAN PLANT (50% FASTER THAN THE SECTORAL AVERAGE)

UPL's capex spending in FY2017-18 (%)

Doing things better is about optimising costs



UPL believes that the truly sustainable company of the future will be one with lower costs.

Over the years, the Company embarked on a programme of cost moderation.

UPL standardised products and plants by utilising variability reduction measures as a part of its TQM programme. The Company invested in state-of-the-art manufacturing technologies to automate processes and robotised packaging lines to enhance quality.

Result

Customer complaints declined 40% during FY2017-18. UPL executed a supply chain excellence programme to moderate costs by >H50 crore during FY2017-18. Process intensification helped increase throughput of six to seven products by 10-40% against minimal investment. UPL's material conversion cost now stands at one of the lowest in the industry.

H155 crore

CUMULATIVE SAVINGS EARNED THROUGH OPERATIONAL EFFICIENCY-ENHANCING INITIATIVES BETWEEN FY13 AND FY18

Doing things better is about reducing our carbon footprint

In the modern world, respect is derived through two concurrent achievements: increase in profits and reduction in carbon footprint.

Over the years, UPL invested substantial resources in reducing energy and fossil fuel consumption. The Company invested in the reverse osmosis technology to treat and reuse wastewater.

At UPL, this commitment extends beyond compliance with the statutory. Even as the permissible effluents discharge limit is 100 kilolitres per day, the Company is already at a lower benchmark and expects this to be substantially lower across the foreseeable future.

Result

UPL moderated its carbon footprint 5%, raw water use 2% and waste water use 15% during the year under review – and set a target to shrink this by 30% by FY2020-21.

25

ENVIRONMENTAL SUSTAINABILITY-RELATED AWARDS RECEIVED BY UPL IN FY2017-18

Doing things better is about putting safety first

At UPL, we believe that business sustainability is derived from putting safety first.

It is no coincidence that the most profitable companies are also the safest.

At UPL, we have consistently invested in safety-enhancing professionals, practices and plants – an overarching culture of safety.

In FY2017-18, the Company initiated an asset transformation and zero leakage programmes to eliminate leaks of water, air, steam and chemicals. This helped increase workplace safety and enhance process efficiencies.

The Company embraced the Japanese 5S philosophy (sort, stand in order, shine, standardise and sustain) to enhance operational uniformity with no corrosion, waste or leakage – key tenets of a certified 5S unit.

The Company incorporated the sixth 'S' - safety - into this paradigm through intense training spanning five-days per person per year, underlining its commitment.

Result

UPL reported a significant reduction in untoward workplace incidents during the year under review.

68%

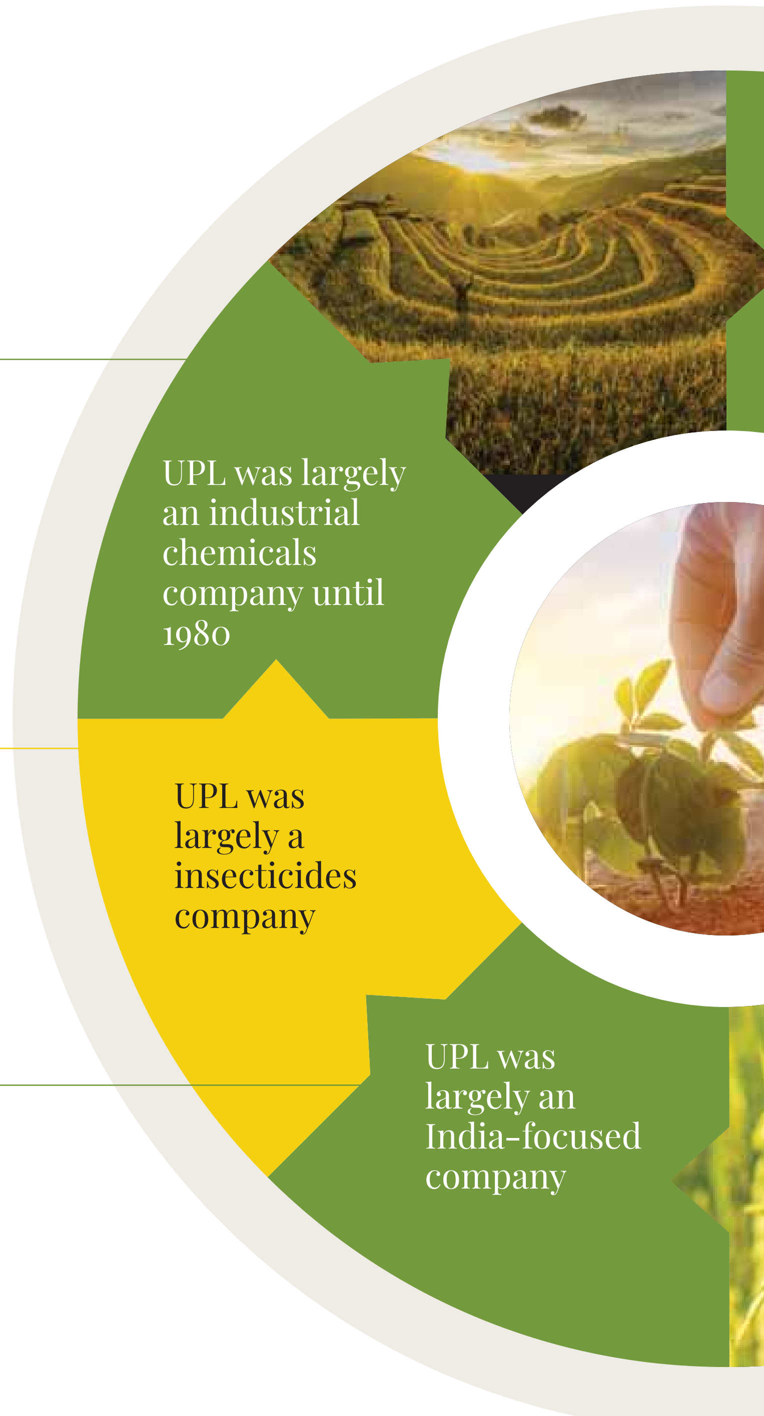
DECLINE IN UNTOWARD INCIDENTS AT THE WORKPLACE DURING THE PAST FIVE YEARS

How UPL has addressed

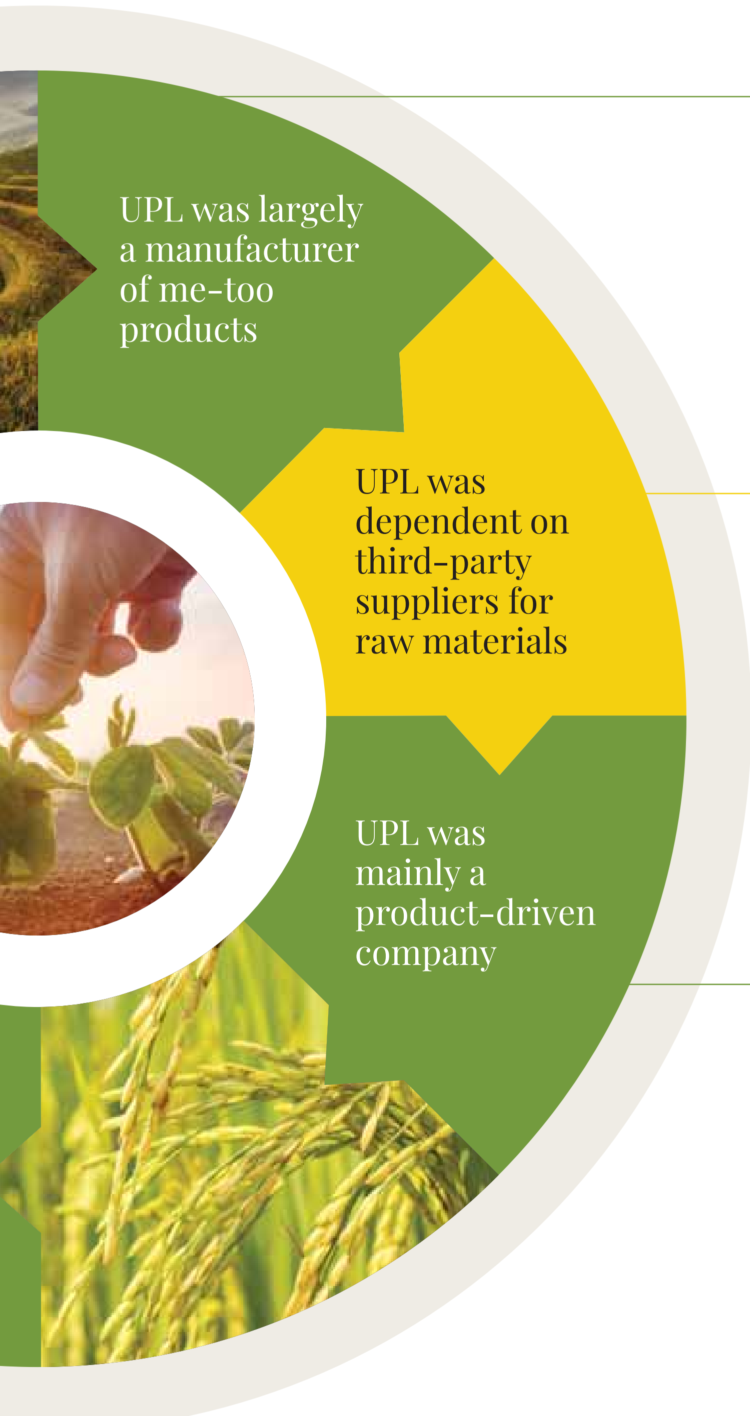
- The Company started as manufacturer of phosphorus-based industrial chemicals
- It ventured into crop protection chemicals and specialty chemicals 38 years ago
- The Company enhanced its presence in patented, proprietary and post-patent products
- The Company is now the 8th largest crop protection chemicals company in the world

- The Company focused on the insecticides segment in the crop protection chemicals space
- The Company ventured into other segments (herbicides, fungicides and rodenticides, among others)
- The Company extended its footprint to cover a host of crop protection solutions ranging from seeds to post-harvest products

- The Company's operations were restricted to India until 1994
- The Company ventured into global geographies thereafter
- The Company's marketing presence is in 130+ countries through 88 subsidiaries
- The Company has 19 international manufacturing units across 13 countries in 4 continents
- 82% of the Company's consolidated revenues are derived from international markets



a moving goalpost



- A majority of UPL revenues was derived from unbranded generics till mid-nineties
- The Company invested in cutting-edge R&D to develop innovative products
- The Company combined different molecules to create more efficient products.
- The Company started investing in branding
- 87% of the Company's revenues were derived from branded generics in FY2018

- The UPL sourced a majority of its raw materials from third-parties
- The Company invested in building captive capacities to secure raw materials access
- The Company invested in a 36-megawatt plant for supplying 65% of the Company's power requirements
- The Company's India facilities possess capabilities in manufacturing the entire range from APIs to formulations, whereas the global ones are engaged in manufacturing formulations specific to nearby markets
- > 11% of the Company's raw materials was derived from captive sources

- The Company used to be a product-driven company until the late nineties
- The Company forayed into the allied services segment
- The Company's Unimart stores provide farmers with products and advice
- The Company's Kisan Call Centres provide critical inputs to farmers pertaining to commodity price trends and climatic conditions, among others

How we run our business: The UPL business model explained

UPL delivers crop protection chemicals products and related services to ensure food security for people across the world.

The Company provides seeds, seed treatment solutions, pre-harvest and post-harvest solutions and allied services.

The Company's products and services ensure crop output on the one hand and enhanced farmer prosperity on the other.

The Company's diverse portfolio encompasses crops, pests and geographies.

The Company's extensive integration (backward and forward), dispersed manufacturing locations and deep marketing penetration helps UPL mitigate diverse business risks.

Growing sectoral relevance

- **Increasing need for food security:** Food output needs to increase 70% to feed a growing global population. Consequently, the demand for crop protection chemicals will continue to rise
- **Evolving dietary preferences:** With increasing prosperity across emerging economies, dietary preferences are shifting: people are progressively consuming more poultry and dairy-based food. To ensure adequate supply, fodder cultivation needs to increase to feed a growing cattle population.
- **Shrinking acreages:** Rapid urbanisation has had a detrimental impact on land availability. The need of the hour is to produce more from less, brightening prospects of farm productivity-enhancing inputs.
- **Mounting crop losses:** Pest attacks across various stages of crop life-cycles are affecting farmers the world over. Reduction in crop loss can result in significant farm gains owing to higher production levels and farm prosperity.
- **Changing climatic conditions:** Erratic climatic conditions are impacting crop output. Farms need an array of inputs to protect crops from adverse climatic realities.

1.09%

GLOBAL ANNUAL POPULATION GROWTH

9.8 billion

ESTIMATED GLOBAL POPULATION BY 2050

70%

ADDITIONAL FARM OUTPUT REQUIRED TO FEED FUTURE POPULATION

13%

CROP LOST WORLD OVER OWING TO PEST ATTACKS

H28.50 crore

INVESTMENT IN ENVIRONMENT CONSERVATION INITIATIVES IN THE LAST THREE YEARS

H155 crore

CUMULATIVE SAVINGS EARNED IN THE LAST THREE YEARS

35

MANUFACTURING LOCATIONS ACROSS 14 COUNTRIES

How UPL is addressing the evolving sectoral landscape

Long-term: At UPL, we have built the business around long-term sustainability rather short-term profitability. The Company invested in raw material supply assurance, enhanced process efficiency and environment conservation initiatives.

Credible: At UPL, we have embraced the highest degree of corporate governance and transparency. We have built a portfolio of responsible products providing optimal returns to farmers. Our proactive investment towards guaranteeing workplace safety has reinforced our business commitment.

Strategic: At UPL, we believe that strategic clarity represents the foundation of our business model. We have created manufacturing units in India as well as 13 global locations to leverage cost arbitrage on the one hand and enhance customer proximity on the other. We continuously undertake cost optimisation to strengthen competitiveness.

Integrated: To become an efficient manufacturer with a strong control on quality and pricing, we invested in the captive manufacture of key raw materials, including power generation.

Stable: We believe efficient management of that the funds is crucial in boosting business sustainability. We focus on strengthening our Balance Sheet to create long-term stability. We consistently refinanced high-cost debt with low-cost alternatives to enhance viability.

UPL's foundation of intangibles

Brand: Over the decades, the Company generated a distinctive recall: ethical (fairness and compliance), reliable (consistent delivery) and dependable (stakeholder welfare).

Innovation: The Company established a reputation for being a pioneer. The Company was the first to manufacture groundbreaking products like Zeba.

Research: The Company invested in reinforcing R&D capabilities coupled with focusing on off-patent molecules. The Company has filed 500+ patents globally for products and processes.

Technology: UPL embraced cutting-edge technologies to enhance operating efficiency. The Company was among the first in the industry to focus on optimising output quality and emerge leakage-free.

People: The Company's pool of knowledgeable functional experts across areas (chemical engineering, project management, operations, farmer engagement, supply chain management, quality control, marketing, strategic direction and financial management) has allowed it to stay ahead of the curve. The Company had 7,435 employees on its payroll as on 31st March 2018 with a >95% retention rate at the managerial level.

Business Review

India

Presence

Year	Manufacturing units
2018	16

Revenues from operations

Year	Revenues (₹ crore)	Growth over last year (%)
FY2015	2,622	16.8
FY2016	2,696	2.8
FY2017	2,595	-3.7
FY2018	3,078	18.6

Proportion of Global Revenues

Year	Proportion (%)
FY13	19
FY18	18

Overview

The Indian crop protection chemicals market is characterised by a growing use of insecticides, contrary to global trends, where herbicides form the largest share. India is a tropical country marked by fungi and insect attacks. This, coupled with the traditional farm practices holding sway (farmers tend to pull out weeds rather than using herbicides), has resulted in a low use of herbicides (~16% in India compared to the global average of ~42%). However, the use of herbicides is on the rise and this is expected to emerge as a key growth segment for UPL in India. The Company's backward integration has reduced its resource dependence on third-parties.

India is the second-largest revenue contributor for UPL after Latin America, contributing 18% of the overall revenues as of FY18. India has also been one of the best-performing geographies for UPL, growing at a CAGR of 12% between FY13 and FY18. UPL has a presence across all crops and regions in India.

Highlights, FY2017-18

- Increased revenues by 8% to ₹3,189 crore due to enhanced demand
- Introduced 4 herbicides, 4 insecticides and 3 adjacent technology products
- Filled the portfolio gap through the successful launch of Macarena and Gainexa
- Significant growth of new fungicides (Avancer Glow, Cuprofix) launched in the previous year
- 3 new nutritional specialty / biological products launched successfully

Growth drivers

- Brands such as Ulala, Saaf and Phoskill joining the ₹1-billion-club
- Balanced product portfolio across crops growing at a healthy pace
- Greater customer engagement
- Introduction of biologicals and nutritional products
- Strategic focus on vegetables and fruits

Road ahead

India adds 15 million people every year to its population; scope for bringing new areas under cultivation is limited. To attain food sufficiency, productivity must increase. India's crop protection chemicals consumption is one of the lowest in the world with per hectare consumption of just 0.6 kilograms per hectare compared to US (5-7 kilograms per hectare) and Japan (11-12 kilograms per hectare). Also, ~15-25% of crops produced are lost due to inadequate crop protection chemical use. UPL will focus on introducing seeds, crop protection chemicals, biologicals, soil nutrients and post-harvest solutions, while increasing farmer awareness regarding crop protection chemicals.

Key brands

Ulala, Phoskill, Lancer Gold, Saaf, Saathi, Starthene, Atabron, Disect, Wuxal, Avancer Glow and Cuprofix, Iris, Lagam, Patela

Latin America

Presence

Year	Manufacturing units
2018	5

Revenues from operations

Year	Revenues (₹ crore)	Growth over last year (%)
FY2015	3,406	19.3
FY2016	4,273	25.4
FY2017	5,396	26.3
FY2018	5,692	5.5

Proportion of Global Revenues

Year	Proportion (%)
FY13	27
FY18	33

Overview

The Latin American region is an important net exporter of food and agricultural commodities, accounting for 16% of the global food and agriculture exports and 4% of the global food and agriculture imports.

Fruits such as avocado, pineapple, papaya and guava are also native to tropical South America. Brazil is the world's largest exporter of coffee and the sixth-largest producer of cacao. Corn is produced throughout the temperate climates and soybeans have become an increasingly lucrative crop in the Pampas. Heavily irrigated crops, such as rice and cotton, are grown in desert oases.

UPL enjoys a large presence in Latin America, especially in soybeans, oil crops, corn, cotton, coffee, sugarcane and fruits and vegetables. The key countries in the region are Brazil, Argentina, Columbia and Mexico. UPL will launch its Glufosinate brands in Latin America, which has the potential to replace glyphosate that has developed weed resistance.

The largest revenue contributor from the geography is Brazil, with half the revenues in the country accounted for by the North and the other half by the South. Most farmers in the northern part of Brazil export their produce. Though crop protection chemical sales in the northern part of Brazil are in Brazilian Real, they are pegged to the US dollar, creating a natural hedge. Sales in the Southern part of Brazil are in Brazilian Real. However, most of the materials are imported in Brazil in US dollar terms. Thus, 50% of UPL's sales in Brazil are exposed to currency volatility. The Company uses a forward cover to mitigate this risk. UPL has collaborated with Bayer to promote fungicides targeting Asian Rust in Brazil. While UPL will cross-market Bayer's Fox, Bayer will cross-market UPL's Unizeb (Mancozeb). When applied together, these products will ensure greater protection. Although the demand for Unizeb had been good, limited distribution had constrained sales. The tie-up will allow UPL to gain access to Bayer's robust distribution network and catalyse offtake.

Highlights, FY2017-18

- Increased revenues by 5% to reach ₹5,692 crore despite a market contraction of 4%
- Contributed 33% to UPL's overall revenues, growing at a healthy CAGR of 18% between FY13 and FY18
- Launched 6 herbicides, 13 fungicides, 7 insecticides, 2 seed treatment products and an adjacent technology product
- Successfully launched Sperto (insecticide) in Brazil

Growth drivers

- Launch of new products
- Focus on fighting weed resistance
- Manufacturing soybean and oilseed-specific products
- Robust distribution network

Road ahead

Latin America is the largest contributor to UPL's revenues, it will continue being a key market. The market is showing an increased preference for inexpensive branded generic products and the Company will deepen its presence in the region through the launch of new products. It will widen its customer reach by collaborating with Bayer.

Key brands

Manzate, Vondozeb, Unizeb, Lancer, Quickphos, Unizeb Gold, Clorin, Zartan, Danado, Imida Gold, Lancer Gold, Glory

Europe

Presence

Year	Manufacturing units
2018	7

Revenues from operations

Year	Revenues (H crore)	Growth over last year (%)
FY2015	2,032	0.8
FY2016	1,925	(5.3)
FY2017	2,148	11.6
FY2018	2,305	7.3

Proportion of Global Revenues

Year	Proportion (%)
FY13	19
FY18	13

Overview

Europe is an important region for the global agricultural industry in terms of arable lands and crop output. The region has been affected by wet weather in the North, resulting in a diseased output of potatoes. Dry weather in the South reduced disease incidence (for vine and vegetable crops), impacting the consumption of fungicides.

Despite the market declining by 2%, UPL posted a steady growth of 7% in revenues. UPL diversified its presence across Europe to reduce dependence on a specific nation. The Company diversified its presence across crops – sugar beet, oilseeds, fruit (grapes and others) and vegetables – even as there is a gap related to cereals.

Europe is one of the most challenging markets from the perspective of registration approval (takes ~5 years to complete). UPL proactively aggregated registrations expected to be registered over the next couple of years. The EU abolished the quota system for sugar from October 2017 to make European agriculture more market-oriented. To support European farmers and processors, the sugar sector was originally subject to production quotas and a minimum price. Most of the EU's sugar beet is grown in Northern Europe, where the climate is more suited to growing sugar beet.

Sugar beet is a key crop for UPL. Hence, the policy change could drive UPL European revenues.

Highlights, FY2017-18

- Increased revenues by 7% to reach H2,305 crore despite market contraction of 2%
- Business in Germany rebounded to show good growth
- Launched 4 herbicides, 9 fungicides, 2 insecticides and 3 adjacent technology products

Growth drivers

- Herbicide portfolio on sugar beet – low opening inventories and increased area
- Abolished quota for sugar production and export
- Strong presence in major crops
- Launch of new products

Road ahead

The liberalisation of the sugar production policy and UPL's strategic focus on sugar beet bodes well. The herbicide portfolio for sugar beet will be the growth driver in Europe, aided by a low opening inventory and increased acreage. The Company will focus on improving its market presence and introduce new products.

Key brands

Devrinol, Microthiol, Penncozeb, Cuprofix, Metafol, BeetUp

North America

Presence

Year	Manufacturing units
2018	2

Revenues from operations

Year	Revenues (₹ crore)	Growth over last year (%)
FY2015	2,259	6.5
FY2016	2,612	15.6
FY2017	2,888	10.6
FY2018	3,083	6.8

Proportion of Global Revenues

Year	Proportion (%)
FY13	20
FY18	18

Overview

North America benefits greatly from its fertile soil, plentiful freshwater, oil and mineral deposits and forests. The major crops in the region comprise soybean, corn, potato and grapes, among others. UPL offers a wide array of products for key crops like rice, fruits and vegetables. The Company gained a foothold in aquatics (crop protection chemicals used to counter weeds in fresh water lakes), horticulture, and post-harvest segments.

UPL's subsidiary Riceco in North America served as an ally in the area of rice. The estimated size of this crop segment is USD 5.9 billion and UPL enjoys steady demand for key brands like Eros Gold, Stam and Londax. In 2014, UPL launched two brands of the herbicide Glufosinate for soybean and corn to address portfolio gaps. The Lifeline brand was targeted at regions outside the Midwest. The other brand Interline focused on the Midwest, given the quantum of area under soybean and corn cultivation in the region. Glufosinate competed with glyphosate. The size of the market for glyphosate is estimated at ~USD 4.5 billion. With several weeds having developed resistance to Glyphosate, the prospects for Glufosinate appear bright.

Highlights, FY2017-18

- Increased revenues by 7% to reach ₹3,083 crore, outperforming industry the growth of 3%
- Launched 6 herbicides, 2 fungicides, 3 insecticides, a seed treatment product and 4 adjacent technology products
- Potato / vegetables supported growth of key fungicides

Growth drivers

- Focus on fruits and vegetables
- Presence in key markets
- Herbicide portfolio – Interline, Blazer, Shutdown and Satellite
- Significant increase in cotton planted area and improved insecticide performance

Road ahead

UPL will plug gaps in the market and launch new products to enhance its market presence

Key brands

Interline, Manzate, Microthiol, Cuprofix, Weevilcide, Super Tin, Ultra Blazer, Surflan, Tricor, Banter, Satellite

Rest of the World

Presence

Year	Manufacturing units
2018	5

Revenues from operations

Year	Revenues (₹ crore)	Growth over last year (%)
FY2015	1.770	15.5
FY2016	2.542	43.6
FY2017	2.917	14.6
FY2018	3,109	6.6

Proportion of Global Revenues

Year	Proportion (%)
FY13	15
FY18	18

Overview

UPL has a strong presence in Australia, Turkey, Japan, Indonesia and China. Historically, UPL maintained a strong base in these countries, growing revenues at a CAGR of 18% between FY13 and FY18 on the back of a strong distribution network.

Some of the markets in south-east Asia and Africa delivered double-digit growth. Business in China improved at a good pace. Australian market was a bit muted due to the drought situation. The Company enjoys a presence across key crops – rice (Asian countries like Indonesia, Bangladesh and Vietnam), cotton, wheat and sugarcane (countries like Turkey and Pakistan) and pulses (African countries like Nigeria, Morocco and Egypt).

UPL now seeks to strengthen logistical efficiencies to penetrate deeper into existing markets and make its presence felt in newer markets to grow revenues at a CAGR of 14% till FY20.

Highlights, FY2017-18

- Increased revenues by 7% to reach ₹3,109 crore
- Launched 9 herbicides, 3 fungicides, 8 insecticides and 7 adjacent technology products
- Double-digit growth in Africa and key South East Asian countries
- Successful launch of Satellite and Lifeline in Turkey
- Improved local business in China

Growth drivers

- Strong distribution in Nigeria
- Regional base in Kenya
- Foray into China

Road ahead

Going ahead, the Company will capitalise on its strength in branded generics to venture into new markets.

Key brands

Penncozeb, Kinalux, Quickphos, Asulox

Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival became visible. Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing eurozone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Crude oil prices increased in 2017, the prices at the beginning of the year were $54.13 per barrel, declining to a low of $46.78 per barrel in June 2017 and closing the year at $61.02 per barrel, the highest since 2013.

Global economic growth for 6 years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

A review of the various national economies is provided below:

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with USD1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2% in 2017.

Eurozone: This region experienced the upside arising out of cheap money provided by the central bank. In 2017, Euro zone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all eurozone economies and sectors. (Source: WEO January 2018, Focus Economics)

China: The Chinese economy grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. For the full year, China's growth is estimated at 6.9%, its highest since 2010. Private firm investments rose 6% in 2017 from 3.2% in 2016. Disposable income growth picked up to 7.3% in 2017 from 6.3% in 2016. Consumption should outpace investment and demand for services could remain strong (52% of economic output). China's exports rose 6.9% from the previous year to $188.98 billion in October 2017. (Source: WEO, NBS)

Emerging Asia: Emerging Asia GDP is estimated at 6.5% in 2017. Cambodia, Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by infrastructure spending and stable economies.

GCC: GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. GDP growth remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economy. Regional growth is projected to increase steadily after 2017, to 3% in 2018 and 3.2% by 2020, following acceleration among oil exporters and importers, moderated geopolitical tension and rise in oil prices. (Source: World Bank)

Russia: The economy appeared to have exited a two-year recession that, thanks to the authorities' effective policy response and existence of robust buffers, proved shallower-than-past downturns. In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)

Brazil: In 2017, Brazil grew at 1.1% following a deceleration of 3.5% in 2016. The recovery in the GDP was boosted mainly by the agricultural sector which grew by 13%. According to the Brazilian Institute of Geography and Statistics (IBGE), a decline in inflation (inflation was 3.5% in 2017 as compared to 8.7% in 2016) also contributed to economic growth.

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18, achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to USD 414 billion as on January 2018. (Source: CSO, economic survey 2017-18)

India estimate for the FY2017-18 Vs FY 2016-17

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and Gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

**Estimated*

(Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287)

Key government initiatives

World Economic Forum's Global Competitiveness Report 2017 ranked India at an impressive 23 in the Global Competitiveness Index from 39 in 2016.

Demonetisation dampened short-term growth, but could prove beneficial over the long-term. Some government initiatives comprised:

- **Bank recapitalisation scheme:** The Central Government announced capital infusion of H2.1 lac crore in public sector banks.
- **Expanding road network:** The Government of India announced a H6.9 lac crore investment to construct 83,677 kilometres of roads across five years.
- **Improving ecosystem:** The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's pro-reform agenda, comprising measures like the passing of Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN. In addition, Aadhaar-based identification approach could streamline the regulatory regime. (Source: KPMG)
- **Goods and Services Tax:** The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services are taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).
- **Foreign Direct Investment:** Foreign direct investment increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.
- **Coal mining opened for private sector:** Ending state monopoly, the government opened coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalisation in 1973. (Source: The Hindu, Business Today)
- **Doubling farm incomes:** The government initiated a seven-point action plan to double farm incomes by 2022.

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to GST. The recapitalisation package for public sector banks announced by the Government of India is expected to strengthen banking sector Balance Sheets, enhance credit availability and spur investment. (Source: IMF, World Bank)

Indian agricultural sector overview

Agriculture is the primary source of livelihood for about 58% of India's population and the sector accounts for 16% of the overall economy. At 157.35 million hectares, India holds the second-largest agricultural land in the world. Ministry of Agriculture is targeting to achieve 274.55 million tonnes production of food grains, during 2017-18 as compared to 275.68 million tonnes in FY17. India's agriculture sector is pegged to grow at 2.1% in 2017-18. India is among the top-15 exporters of agricultural products in the world.

The Central Government has made doubling farm incomes as one of its priorities. To this end, it has taken a number of important policy actions to boost agriculture: instituting soil health cards, ensuring efficient irrigation, strengthening government procurement of pulses, introducing neem-coating of urea, building more assets under MGNREGS, expanding crop insurance for farmers and building a common agricultural e-market via e-NAM. (Source: CSO)

Outlook

The productivity of most crops in India is below the global productivity average. Farm productivity can be improved through better irrigation, technology improvement, crop diversification, increased value-addition (fruits, vegetables, spices, condiments), and increasing crop intensity.

Annual real GVA and GDP growth (%)

GVA at basic prices	2014-15	2015-16	2016-17	2017-18 (1st AE)
Agriculture, forestry & fishing	-0.2	0.7	4.9	2.1

(Source: CSO)

Growth drivers

Demand

- Population and income growth
- Increasing exports
- Favourable demographics

Supply

- Hybrid and genetically modified seeds
- Favourable climate for agriculture
- Wide variety of crops
- Growing mechanisation
- Improving irrigational facilities
- Green revolution in Eastern India

Policy support

- Growing institutional credit
- Increasing MSP
- Introduction of new schemes like Paramparagat Krishi Vikas Yojana, Pradhan Mantri Gram Sinchai Yojana, Sansad Adarsh Gram Yojana
- Opening up of exports of wheat and rice
- Approval of National Mission on Food Processing

Budgetary measures

- To double farmer incomes, the Central Government proposed an increase in the MSP to one-and-a-half times the production cost for a majority of rabi and kharif crops.
- The Central Government will create an institutional mechanism, with participation of all concerned Ministries, to develop appropriate policies and practices for price and demand forecasts, use of futures and options market, expansion of warehouse depository system and take decisions about specific exports and import-related measures.
- An Agro-Market Infrastructure Fund (corpus of ₹2,000 crore) will be set up for developing and upgrading agricultural marketing infrastructure in the 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs.
- Prime Minister Gram Sadak Yojana Phase III will include major link routes, which connect habitations to agricultural and rural markets (GrAMs). This will ease the supply of raw material to manufacturing locations.
- The government increased the volume of institutional credit for the agriculture sector to enhance agricultural produce.

Stages of agriculture inputs

Source: CARE

Global crop protection chemicals market

Modern agriculture is a USD3 trillion industry and as the world population moves to a projected 9 billion people by 2050, investment in safe, effective agricultural chemicals will only continue to expand. The ever-increasing need to grow more food on less land, with minimal impact on human health and the environment, creates a vast market for effective synthetic crop protection chemicals and fertilisers. Crop protection chemicals, in terms of revenue, are expected to grow at a CAGR of 5.5% from 2017 to 2025 due to rising occurrences of pest and rodent attacks damaging crops.

On the production side, 90% of the growth in crop production globally (80% in developing countries) is expected to come from higher yields and increased cropping intensity, with the remainder coming from land expansion. Arable land would expand by ~70 million hectares (or <5%), with the expansion in developing countries by about 120 million hectares (or 12%) being offset by a decline of some 50 million hectares (or 8%) in the developed countries. Almost all of the land expansion in developing countries would take place in sub-Saharan Africa and Latin America. (Source: Allied Market Research, FAO)

Outlook

Crop yields would continue to grow but at a slower rate. On average, annual crop yield growth rate over the projected period would be about half (0.8%) its historical growth rate (1.7%; 0.9 and 2.1% for the developing countries). To feed the rising population, production needs to be increased, creating a case for more agro-inputs.

Global crop protection chemicals market by value (USD million)

Year	Crop protection chemical usage	Non-crop chemical usage	Total crop protection chemicals usage
2010	45,462	5,715	51,177
2011	50,871	6,076	56,947
2012	53,869	6,264	60,133
2013	58,026	6,404	64,430
2014	60,940	6,491	67,431
2015	56,151	6,237	62,388
2016	55,089	6,458	61,547
2017P	55,330	6,568	61,898

Note: P= Preliminary value (Source: agropages.com)

Indian crop protection chemicals market overview

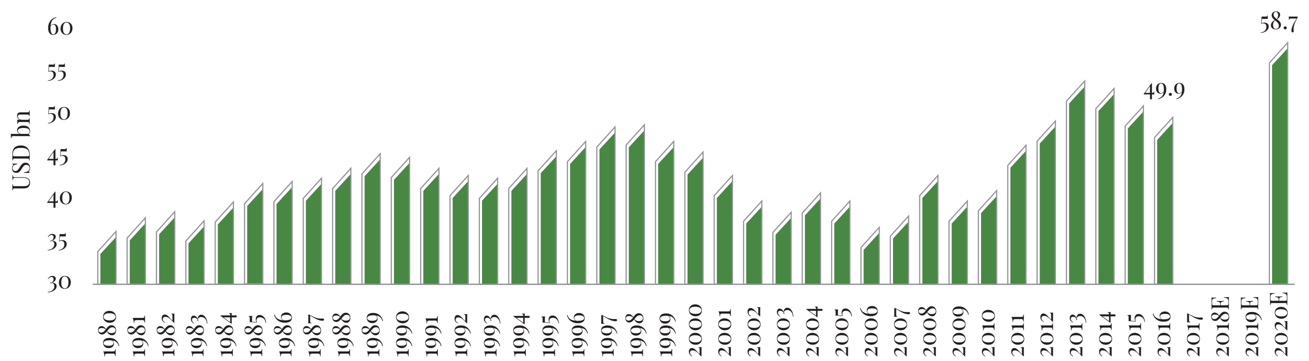
India is the fourth-largest global producer of crop protection chemicals after the US, Japan and China. The industry is set to grow at a significant pace led by an increasing population, decreasing per capita availability of arable land and focus on increasing agricultural yields.

The industry is dominated by insecticides, accounting for 60% of the overall demand, followed by fungicides and herbicides contributing 18% and 16%, respectively. With 355 million metric tonnes per annum of food grain requirement by 2030, efficient usage of crop protection products and solutions for Indian agriculture are the need of the hour. In India farmers are highly dependent on the monsoons and irrigation facilities.

The situation becomes especially critical when one considers that ~15-25% of the potential crop production is lost to pests, weeds and diseases. In order to meet the growing demand borne out of increasing population, the productivity of crops and efficient utilisation of arable land become essential factors.

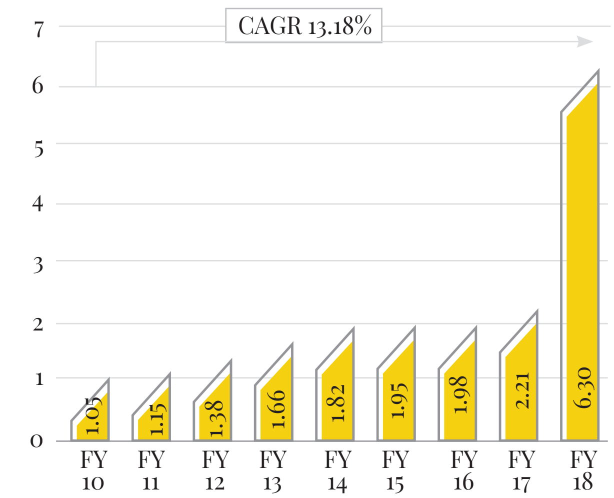
In order to enhance productivity, the usage of crop protection chemicals plays a vital role. Crop protection chemicals companies in India witnessed revenues grow at a CAGR of 10% till FY17. ~50% of this growth was based on exports. India's crop protection chemicals consumption is one of the lowest in the world with per hectare consumption of just 0.6

Exhibit 56: Global crop protection market expected to grow at a CAGR of 4% over 2016-2020



Source: Philip McDougall

Exports of Crop protection chemicals* (USD billion)



(Source: IBEF)

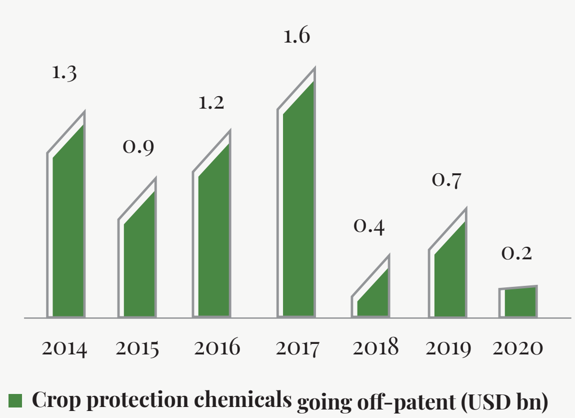
kilograms compared to US (5-7 kilograms per hectare) and Japan (11-12 kilograms per hectare). In India, paddy accounts for the maximum share of crop protection chemicals consumption around (26%-28%) followed by cotton (18% -20%). The eight states including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for usage of >70% of the crop protection chemicals used in India. Andhra Pradesh is a leading consumer of crop protection chemicals with a market share of 24%.

Generic crop protection chemicals: A promising opportunity

Generic crop protection chemicals account for ~60% of the global crop protection market, while proprietary off-patent and patented crop protection chemicals account for the remaining share.

Of late, falling agricultural commodity prices, and in turn, falling profitability have been driving US and Latin American farmers towards less expensive generic products. The US and Latin American markets account for ~18% and ~27% of the global crop protection chemicals market, respectively, and the shift to generic crop protection chemicals coupled with multitude of products going off-patent is expected to open up attractive avenues of growth (estimated to be worth ~USD 3 billion between CY17 and CY20) for the generics industry. Products worth USD 3.7 billion have already gone off-patent between CY15 and CY17. While this would result in a contraction in the American and Latin American markets in value terms, it would widen opportunities for Indian crop protection chemicals companies.

Exhibit 8: ~USD3b opportunity size as products go off-patent over 2017-2020



Source: FICCI & Tata Strategic & Management report


Crop Protection Chemicals
Insecticides (used against insects and arthropods)
Fungicides (used against fungi, bacteria, virus)
Herbicides (used against weeds or unwanted plants)
Biopesticides (used against nematodes and microorganisms)

Demand drivers

• **Growth in demand for food grains:** India has ~16% of the world's population and <2% of the total landmass. Increasing population and high emphasis on achieving food grain self-sufficiency, is expected to drive growth.

• **Limited farmland availability and growing exports:** India has 157 million hectares of gross cultivated area and the scope for bringing new areas under cultivation is severely limited. Available arable land per capita has been reducing globally and is expected to reduce further. The pressure is therefore to increase yield per hectare which can be achieved through increased usage of crop protection chemicals.

• **Increasing awareness:** ~15-25% of potential crop production is lost due to non-usage of crop protection chemicals. Companies are increasingly training farmers regarding the right use of crop protection chemicals in terms of quantity to be used, the right application methodology and appropriate chemicals to be used for identified pest problems. With increasing awareness, the use of crop protection chemicals is expected to increase.

Challenges

• **High research costs:** Research activities to develop a new crop protection chemicals molecule takes an average of nine years and Indian companies typically have not focused on developing newer molecules and will face challenges in building these capabilities, while continuing to remain cost competitive.

• **Threat from genetically-modified seeds:** Genetically-modified seeds possess immunity against natural adversaries and thus adversely impact the business of crop protection chemicals.

• **Need for efficient distribution systems:** Since the number of end users is large and widespread, effective distribution via retailers is essential to ensure product availability. Lately, companies have been directly dealing with retailers by cutting the distributor from the value chain thereby reducing distribution costs, educating retailers on product usage and offering competitive prices to farmers.

• **Support for integrated pest management and rising demand for organic farming:** Promotion of integrated pest management, zero-budget farming and usage of bio-pesticides by the Indian Government and NGOs has hampered crop protection chemicals demand growth. As such, crop protection chemicals companies will have to address concerns pertaining to the negative impact of crop protection chemicals usage.

Opportunities

• **Scope for increase in usage:** With lower proportion of the total farmland under the coverage of crop protection chemicals, there is a significant unserved market that can be tapped into. By educating farmers and conducting special training programmes regarding the need to use crop protection chemicals, Indian companies can hope to increase crop protection chemicals consumption.

• **Huge export potential:** The excess production capacity is a perfect opportunity to increase exports by utilising India's low-cost manufacturing capabilities.

• **Product portfolio expansion:** Threats like genetically-modified seeds, integrated pest management and organic farming, among others, can be turned into opportunities if the industry reorients itself to better address the needs of its consumers and broadens its product offering to include a range of inputs instead of only crop protection chemicals.

• **Off-patent products:** A multitude of products going off-patent would unleash a generics opportunity worth ~USD 3 billion between CY17 and CY20. By leveraging the strength of top-notch R&D and integrated manufacturing facilities, sectoral players can grab this imminent opportunity in the generics market.

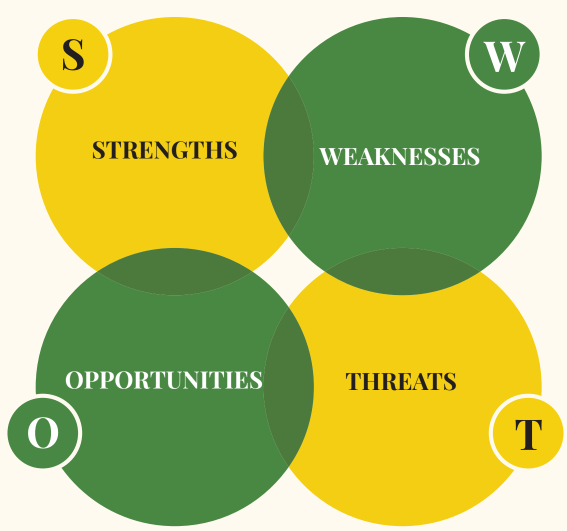
SWOT analysis

Strengths

• Global manufacturing facilities
• Robust supply chain
• In-depth R&D capabilities
• Wide product portfolio
• Seamless quality control
• Strong backward integration
• Deep marketing reach

Weaknesses

• Competitive market
• High working capital requirement
• Cumbersome product registration process



Opportunities

• USD 3 billion worth of crop protection chemicals to go off-patent by 2020
• Labour shortages

Threats

• Unfavourable governmental policies
• Falling commodity prices
• Currency volatilities
• Climate change

Operational review

UPL has 35 manufacturing locations across the globe (16 in India and 19 in various countries). The Company embraced the tenets laid down under the 5S philosophy across its plants to bolster efficiency levels and practically nullify leakages. UPL is one of the low cost producers in the world. The Company's Indian plants are capable of manufacturing the entire range of products from AIs to formulations while the global plants are responsible for manufacturing local geography-specific formulations. Indian plants are ~30-40% cheaper than its global counterparts and enjoy lower labour costs.

Technology competence

The Company invested in state-of-the-art technology to produce trailblazing products. Procedural excellence and a strong technology background allow the Company to produce products better than inventing.

Quality focus

UPL has focused on standardising operating procedures across the plants which has helped reduce quality variations and thereby significantly bring down customer complaints.

Highlights, 2017-18

- Initiated a variability reduction programme by laying down uniform SOP
- Built 9 plants in India and one in Brazil in half the time taken by sectoral peers
- Installed robotised packing machines to ensure standardised packaging
- Initiated various programmes to reduce fossil fuel consumption
- Saved around ₹65 crore through various farsighted initiatives
- Kick started a TQM initiative partially at its plants

Outlook

The Company will continue to undertake initiatives that would help it to reduce operating costs. The Company will also ensure the complete implementation of TQM across the organisation.

Operating cost as a proportion of total revenues (%)

FY2016	FY2017	FY2018
48.1%	47.6%	47.0%

Declining customer complaints

FY2016	FY2017	FY2018
680	453	398

Segmental review

- Agro activities: This is the main area of the Company's operations and includes the manufacture and marketing of conventional crop protection chemicals products, seeds and related products. Revenues from the segment increased at a rate of 5% y-o-y to reach ₹16,734 crore.
- Non-agro activities: Non-agro activities include the manufacture and marketing of industrial chemicals and related products. Revenues from the segment increased at a rate of 17% y-o-y to reach ₹772 crore.

Health

UPL regularly checks the health of its employees, across plants. Employees exposed to hazardous gases are taken for compulsory health checkups. All the units of the Company have health centres manned round-the-clock by competent doctors and nurses.

Safety

The Company embraced the tenets laid down under the 5S philosophy across its plants to bolster efficiency levels and practically nullify leakages. All units start operations with a session on safety. Every single employee is provided with minimum five man-days of safety training.

Each department appoints one plant safety representative responsible for managing unit safety. The Company witnessed a 30% drop in untoward incidents at the workplace during the year under review. UPL has dedicated emergency response team to attend to such incidents. The team also helps in attending emergency situations in the surrounding areas of the plants. The Company followed a strict incident reporting system with even minor incidents being logged into the MIS of the safety department. Each incident is analysed for their root-causes and required precautions are taken to prevent recurrences. Each project undertaken by the Company is made to undergo HAZOP studies before commencement. All plant-setting changes were first cleared by the HAZOP team before being implemented. The safety team regularly conducts safety awareness programmes across plants to achieve continuous improvement in terms of workplace safety and behavioural transformation.

Environment

UPL has been consistently undertaking initiatives to eliminate emissions, reduce effluent discharge and ensure safe waste disposal. The Company has deployed dedicated green cells, across units. The Company invested in RO plants across to recycle water and reuse it for operations. The Company invested in process intensification to reduce chemical oxygen demand at the source. The Company developed bacteria for chemical culture and waste reduction. UPL also installed best-in-class scrubbers to minimise emission of chemicals, fumes and dust.

Financial analysis

Revenue from operations

Revenues earned during the year stood at ₹17,506 crore, growing by 5% compared to ₹16,680 crore in FY2016-17.

Finance costs

Finance costs increased by 6% during the year primarily on account of mark-to-market losses.

Profit before tax

The Company registered a profit before tax of ₹2,305 crore compared to ₹1,922 crore in the previous year.

Profit after tax

The Company registered a profit after tax of ₹2,030 crore compared to ₹1,733 crore in the previous year.

Key ratios

Particulars	2017-18	2016-17
EBIDTA/Turnover	22.7%	20.9%
EBIDTA/Net interest (number of times)	8.23	6.81
Net Debt-equity ratio	0.42	0.47
Return on equity (%)	22.1%	23.4%
Book value per share (₹)	180	146
Earnings per share (₹)	39.79	34.07

Mitigating risks at UPL

Industry slowdown might result in low stock turnover and reduced revenue growth

Mitigation strategy: According to UN, the current world population of 7.5 billion is expected to reach 8.5 billion by 2030 and 9.8 billion in 2050 strengthening food demand without a commensurate increase in land area availability. This will increase the need for high-yielding crops (supported by a growing use of crop protection chemicals). The diversified UPL portfolio and presence across the globe will help the Company in reducing its dependence on a single crop or segment or a particular region.

Increased competition might impact prices and thus affect profitability

Mitigation strategy: To achieve success in a competitive marketplace, companies require the ability to manufacture competitively, get the right registrations, engage with distributors in all markets, provide a large product range and keep evolving that product range in response to evolving consumer requirements. UPL possesses all these competencies (as opposed to some competitors who possess only a few), graduating it to one of the world's fastest-growing crop protection chemicals companies.

Not introducing innovative products might result in losing out in the competitive business scenario that might translate in lower revenue growth

Mitigation strategy: UPL's 305-member research and development team keeps continuously working on introducing innovative and differentiated products and processes. The Company also collaborated with universities and technical institutions to formulate new products.

The Company's product might be out priced in the competitive marketplace resulting in losing out to competitors

Mitigation strategy: UPL has strategically capitalised on the cost-effective availability of labour and its sizeable production capacity that provides UPL with economies- of-scale.

Currency value fluctuations might impact the earnings of the Company

Mitigation strategy: The Company has businesses across the globe. Its crop protection chemicals are marketed in 130 countries. It also imports intermediates from different countries. Thus it is exposed to fluctuations in exchange rates of multiple currencies. The Company mitigates this risk by remaining hedged. Wherever possible, exports act as natural hedge against imports. In all other cases, the Company uses forward covers to hedge against volatility.

Droughts and reduced pest attacks can lower demand for crop protection chemicals

Mitigation strategy: The demand for UPL's products depends on weather patterns and pest attacks. Demand for crop protection chemicals is adversely impacted by drought and fewer pest attacks, resulting in inventory buildup. To mitigate this risk, UPL has strengthened its supply chain and product portfolio, and has diversified across geographies. Its product portfolio has expanded year after year, ensuring regular supply of products for diverse applications.

Resistance development reduces life of product and might result in product obsolescence

Mitigation strategy: The effective life of crop protection chemicals gets reduced over time, as the targeted pests develop resistance against them. Constant innovation and regular introduction of differentiated formulations is essential for effectively addressing pest attacks. To mitigate this risk, UPL has set up a capable R&D team, comprising chemists, chemical engineers and other experts to work constantly on developing new products and processes. The Company protects its innovative products by getting them patented promptly.

Inability to procure adequate raw material at the right cost could impact viability.

Mitigation strategy: ~39% of UPL's production is backed by captive raw material access to phosphorus, chloralkali and power. A dedicated procurement team evaluates raw material costs from existing and alternative vendors.

Internal control systems and their adequacy

The Company has adequate internal controls in place across various business units and functions. Internal controls improve the efficiency, management effectiveness and safeguards assets of the organisation. At UPL, internal control is implemented through the 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
- Implementation of business intelligence to measure consumer preference
- Constant monitoring of processes and routine audits

Best HR practices

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

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*

Mr. Pradeep Goyal

Dr. Reena Ramachandran

Mr. Pradip Madhavji (*Resigned w.e.f. 27th April, 2018)*

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 **34th ANNUAL GENERAL MEETING** of the Members of **UPL LIMITED** will be held on Thursday, 23rd August, 2018 at 11.00 a. m. at Hotel Green View Hall, National Highway No. 8, Vapi - 396 195, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

   a) The audited standalone financial statements of the Company for the financial year ended on 31st March, 2018 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, 2018 and the Report of the Auditors thereon.

2. (a) To declare dividend on equity shares.

   (b) To ratify payment of dividend on Preference Shares.

3. To appoint a Director in place of Mr. Vikram Rajnikant Shroff (DIN: 00191472), Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Arun Chandrasen Ashar (DIN: 00192088), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019**

   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, 2019, be paid remuneration amounting to ₹ 7,00,000/- (Rupees Seven Lakhs Only) plus tax, as applicable, and out of pocket expenses if any."

6. **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 thereunder, 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."

7. To consider and re-appoint Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, i.e., with effect from 1st October, 2018, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter and vary the terms and conditions of the re-appointment and/or remuneration of Mr. Rajnikant Devidas Shroff in the best interest of the Company and subject to the same not exceeding the limits specified in Schedule V to the Act, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Rajnikant Devidas Shroff.

RESOLVED FURTHER THAT Mr. Rajnikant Devidas Shroff shall not be subject to retirement by rotation during his tenure as the Managing Director of the Company. So long as Mr. Rajnikant Devidas Shroff functions as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and re-appoint Mr. Arun Chandrasen Ashar (DIN: 00192088) as Whole-time Director designated as Director-Finance and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Arun Chandrasen Ashar (DIN: 00192088) as Whole-time Director designated as Director-Finance of the Company, for a further period of 5 (five) years from the expiry of his present term of office, i.e., with effect from 1st October, 2018, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter and vary the terms and conditions of the re-appointment and/or remuneration of Mr. Arun Chandrasen Ashar in the best interest of the Company and subject to the same not exceeding the limits specified in Schedule V to the Act, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Arun Chandrasen Ashar.

RESOLVED FURTHER THAT Mr. Arun Chandrasen Ashar shall not be subject to retirement by rotation during his tenure as the Whole-time Director of the Company. So long as Mr. Arun Chandrasen Ashar functions as the Whole-time Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 34th Annual General Meeting.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.

5. The Register of Members and The Share Transfer Books of the Company will remain closed from Saturday, 11th August, 2018 to Thursday, 23rd August, 2018 (both days inclusive).

6. The Members are requested to kindly send all their correspondence relating to the change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – Link Intime India Ltd., Unit: UPL Limited, C 101, 247 Park, L B S. Marg, Vikhroli (West), Mumbai 400 083, quoting their Folio Number and in case their shares are held in dematerialised form, the intimation of change of address should be passed on to their respective Depository Participants.

7. Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 28th August, 2018 to the Members whose names stand in the Company's Register of Members on 23rd August, 2018 and to the Beneficiary Holders as per the Beneficiary List provided for the purpose by the National Securities Depository Limited and Central Depository Services (India) Limited.

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

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

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

    (a) Dividend for the year 1996-97 and from 2003-04 to 2009-10 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 / Interim Dividend for the years 2010-11 to 2016-17 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 8th July, 2017, on the website of the Company i.e. www.uplonline.com and also on the website of the Ministry of Corporate Affairs.

10A. 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 2017-18, 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 November, 2017. 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.uplonline.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. **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 34th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link **https://www.evoting.nsdl.com or link https://www.uplonline.com**

The remote e-voting period commences on August 20, 2018 (9:00 am) and ends on August 22, 2018 (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 16th August, 2018, 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 16, 2018.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 23rd August, 2018.

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 34th 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 34th 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 16, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the General Meeting through ballot paper.

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

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

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

Other information:

- Login to remote e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for remote e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. August 16, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Company's Registrar & Transfer Agent.

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

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

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

Name of the Director	Mr. Rajnikant Devidas Shroff
Director Identification Number	00180810
Date of joining the Board	1st October, 1992
Profile of the Director	Mr. R. D. Shroff is Chairman and Managing Director of the Company. He has been associated with the group since inception. He has extensive experience in the chemical industry and has been closely involved with the Research and Development of all the Group's products. His technical expertise was instrumental in erstwhile United Phosphorus Limited winning the Government's Gold Shield Award. He has held various important positions in commercial, educational and social fields. He is Hon. Consul of Mexico.
No. of shares held in the Company	10000
Directorships and Committee memberships in other companies*	1. Uniphos Enterprises Limited 2. Shroffs United Chemicals Limited 3. Nivi Trading Limited, Member, Audit Committee. 4. Uniphos International Limited 5. Enviro Technology Limited 6. Agri Net Solutions Limited 7. SWAL Corporation Limited 8. Bharuch Enviro Infrastructure Limited

Name of the Director	Mr. Vikram Rajnikant Shroff
Director Identification Number	00191472
Date of joining the Board	22nd April, 2006
Profile of the Director	Mr. Vikram Rajnikant Shroff is a science graduate from University of Mumbai. Earlier he was having independent charge of HR Functions, Purchase, Commercial, marketing (local), production and implementation of SAP system. Now, he is looking after all these functions on global level.
No. of shares held in the Company	4502883
Directorships and Committee memberships in other companies*	1. Agrinet Solutions Limited 2. Shroffs United Chemicals Limited 3. Mrugal Properties Limited 4. Agraja Properties Limited

Name of the Director	Mr. Arun Chandrasen Ashar
Director Identification Number	00192088
Date of joining the Board	1st March, 1993
Profile of the Director	Mr. A. C. Ashar is a Chartered Accountant. He was associated with the group in the capacity of consultant prior to his joining of the Board. He looks after the financial functions of the Company and has been instrumental in raising finance for various projects of the Company.
No. of shares held in the Company	263152
Directorships and Committee memberships in other companies*	1. Uniphos Enterprises Limited, Member – Audit Committee and Stakeholders Relationship Committee 2. Agri Net Solutions Limited 3. Bharuch Enviro Infrastructure Limited, Member, Audit Committee. 4. Enviro Technology Limited, Member, Audit Committee. 5. Tatva Global Environment (Deonar) Limited 6. Shivalik Solid Waste Management Limited, Chairman, Audit Committee. 7. Kerala Enviro Infrastructure Limited

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

Mumbai: 27th April, 2018

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. 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.

The broad particulars of remuneration payable to and the terms of the respective re-appointments of Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar during the tenure of their respective re-appointments are as under:

a) Salary, Perquisites and Allowances per month:

Name	Designation	Salary per month ₹
Mr. Rajnikant Devidas Shroff	Chairman and Managing Director	45,00,000/-
Mr. Arun Chandrasen Ashar	Director-Finance	11,00,000/-

b) Remuneration based on net profits:

In addition to the salary, perquisites and allowances, Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar shall be entitled to receive remuneration based on net profits. Such remuneration based on net profits payable to above Directors of the Company will be determined by the Board and / or any Committee constituted / to be constituted by the Board for each financial year as may be permissible at law.

c) Long-term Incentive Compensation / Employee Stock Option as per the plan applicable to Executive Directors and/or Senior Executives of the Company / UPL Group, including that of any parent / subsidiary company as may be decided by the Board.

It is clarified that employees stock options granted / to be granted to aforesaid Directors, from time to time, shall not be considered as a part of perquisites and that the perquisite value of stock options exercised shall be in addition to the remuneration under (a) above.

d) Perquisites:

Perquisites as follows shall be allowed in addition to the salary and remuneration based on net profits to each of the re-appointees. The said perquisites and allowances will be evaluated, wherever applicable, as per the provisions of Income-tax Act 1961 or rules framed thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost:

i) Housing: Free accommodation (furnished or otherwise) or house rent allowance in lieu thereof;

ii) Reimbursement of expenses on actuals pertaining to utilisation of electricity, gas, water and other reasonable expenses for the upkeep and maintenance in respect of such accommodation;

iii) Medical Expenses Reimbursement: Reimbursement of all medical expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company's policy ;

iv) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company;

v) Club Fees: Fees of clubs subject to a maximum of two clubs. However, life membership and admission fees, shall not be paid by the Company;

vi) Personal accident Insurance Premium: Personal accident Insurance of an amount, the annual premium of which shall not exceed ₹ 4,000/-;

vii) Contribution towards Provident Fund and Superannuation Fund or Annuity Fund: as per the policy of the Company;*

viii) Gratuity and / or contribution to the Gratuity Fund of Company: as per the policy of the Company and the same will not be included in the perquisite; *

* For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of aforesaid Directors will be considered as continuous service with the Company from the date of their joining the UPL Group.

ix) Car: Cars with driver shall be provided for use on company's business and the same will not be considered as perquisites; use of car for private purposes shall however, be billed by the Company;

x) Telephones at residence and mobile telephones will be provided and the same will not be considered as perquisite but personal long distance calls shall be billed by the Company;

xi) Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

xii) Any other one time / periodic retirement allowances / benefits as may be decided by the Board at the time of retirement.

xiii) Reimbursement of entertainment and all other expenses incurred for the business of the Company as per the policy of the Company.

E. Subject as aforesaid, the aforesaid Directors shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

F. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

G. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to aforesaid Directors in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

H. General:

i) The aforesaid Managing Director and the Whole-time Director will perform their duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.

ii) The Managing Director and the Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

iii) The Managing Director and the Whole-time Director shall adhere to the Company's Code of Conduct.

iv) The office of the Managing Director and the Whole-time Director may be terminated by the Company or by them by giving the other 3 (three) months' prior notice in writing.

The aforesaid Directors satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar under Section 190 of the Act.

Details of Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar are in the "Annexure" to the Notice pursuant to provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Council of the Institute of Company Secretaries of India.

Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar are interested in the resolutions which pertain to their respective re-appointments and remuneration payable to each of them. Further, Mrs. Sandra Rajnikant Shroff, Mr. Jaidev Rajnikant Shroff and Mr. Vikram Rajnikant Shroff may also be deemed to be interested in the resolution pertaining to the re-appointment and remuneration payable to Mr. Rajnikant Devidas Shroff as they are related to each other. The other relatives of the aforesaid Directors may also be deemed to be interested in the resolutions set out at Item Nos. 7 and 8 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 the resolutions set out at Item Nos. 7 and 8 of the Notice.

As per the first proviso of Section 196(3)(a) of the Companies, Act, 2013, the re-appointment of aforesaid Directors and the remuneration payable to them are required to be approved by the members in General Meeting by passing special resolutions as they have attained the age of 70 years.

Your Directors commends the Special Resolutions at Item Nos. 7 and 8 of the accompanying Notice for approval by the Members of the Company.

Mumbai: 27th April, 2018

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)

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, 2018.

FINANCIAL RESULTS

(₹ In crores)

	Consolidated		Standalone	
	Current Year	Previous Year	Current Year	Previous Year
Total Revenue	**17920**	**17124**	**7809**	**7602**
Earnings before interest, tax, depreciation, amortisation, exceptionals, prior period adjustments and minority interest	3919	3429	1384	1268
Depreciation/amortisation	675	672	666	655
Finance Cost	783	735	135	149
Exceptional items	63	81	7	46
Loss from Associates	93	19	-	-
Profit before tax	2305	1922	576	418
Provision for taxation				
Current tax	311	293	180	89
Adjustments of tax relating to earlier years	(79)	5	(83)	-
Deferred tax	43	(109)	(69)	84
Profit after tax	2030	1733	548	245
Minority interest	8	6	-	-
Net profit for the year	2022	1727	548	245

OPERATIONAL PERFORMANCE

The Company had another year recording satisfactory results. While most of the peers in the industry had a negative growth, the Company recorded a decent growth of about 7%.

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

A. Revenue from operations increased by 5% to ₹ 17,506 crores.

B. EBIDTA improved by 14% to ₹ 3,919 crores.

C. Profit before taxes have gone up by 20% to ₹ 2,305 crores.

D. Profit after taxes have gone up by 17% to ₹ 2,029 crores.

Region wise performance highlights are as under:

In India, the market for agrochemicals was fairly flat and grew by just 7%. During the year, the country recorded below normal rainfall of about 95% of long period average. In the months of June and July, there were exceptionally good spells of rain in most parts of country. But subsequently, prolonged dry spells across the country were seen. This resulted in decline in sale of fungicides. The southern states suffered from deficit rains and received good rains only at the end of the season. Worst floods were witnessed in Gujarat, Rajasthan and Mumbai. There were heavy floods in Assam, Bihar, Uttar Pradesh and Odisha. The rabi season was not very encouraging for agrochemicals, due to low temperatures and higher humidity, making the crops resistant to pest attacks. At the beginning of the year, the introduction of GST and confusion in the market prevailing due to this had significantly adverse effect on Company's sales. The channel stopped fresh purchases and old inventory was returned. Subsequently, the market has adjusted to this new tax regime and it is expected that in coming years, higher sales can be expected.

During the year, some of the key brands of the Company did good business. Significant growth was noticed in business of new fungicides launched in the earlier year. The Company launched new speciality/ biological products successfully. Some of the initiatives like Adarsh Kisan centres taken by the Company in earlier years were well appreciated by farming community and this helped the Company to improve its sales.

In North America, some of the herbicides of the Company recorded very good growth. The western states came out of spells of dry weather and had bountiful rains. The sale of fungicides for potato and vegetable market grew. Sale of insecticides also went up as the cotton planted area increased. However, the commodity prices remained subdued. The situation is likely to improve in future.

In Latin America, including Brazil, the new insecticide launched got a very encouraging response. The fungicide business continued to grow and more areas were treated with Company's fungicides. At the beginning of the year, there were delayed rains in north Brazil and dry season in south Cone and Argentina.

The European market has started improving. Summer heatwaves prevailed across Southern Europe. Though overall market scenario was not so favorable, the Company's performance showed lot of improvement. It is expected that in coming years, the Company's business will continue to grow in Europe. During the year, herbicides sales grew in sugar beet farming. The Company introduced new herbicides and fungicides in the market. Business in Germany rebounded with higher growth. However, due to low disease pressure in dry weather of Italy and Spain, usage of fungicides reduced there.

As regards rest of the world, double digit growth was recorded in Africa and some of the South East Asian countries. In turkey, new herbicides were successfully launched. The Company continues to introduce new products in different countries. Business has improved in China. In Australia, severe summer heat and drought conditions continue to prevail resulting in low usage of agrochemicals.

FUTURE OUTLOOK

This year, normal monsoons are predicted in India. Onset of timely monsoon will result in on time sowing thereby ensuring increase in overall planting acreages in Kharif crops like Rice, Cotton, Soybean and Corn. This will fuel economic growth by enhancing the farm productivity. The growth in farm sector income will affirmatively trigger the usage of Agrochemicals.

The special focus of Union Budget on Indian Agriculture is further expected to accelerate the growth in the farming sector. The announcements of various favorable policies like linking MSP to production costs, e-NAM (Online Market Place), 100% Tax deduction on profits to Farmers Producers Organizations (FPO) with a turnover below INR 100 crores and increase in the Agricultural Credit target by 10 % to INR 11 Lakh Crores will spur the economic growth of farmers. Focused impetus for Crop Insurance, Micro-irrigation, Food Processing and Agricultural exports will further lead to progress in the sector with a vision towards achieving the Government mandate of doubling farm Income by 2022. These policies will result in increasing the purchasing power of growers to go for higher investments anticipating better yields.

The global acceptability and demand of Company's products is increasing at a fair pace due to the growing need and innovation driven products providing solutions in crop protection. Overall Agrochemical markets in Europe seems to be stable for this year without any drastic fluctuation. Markets in US and North America are showing signs of growth in terms of better value realization. With reduction in surfeit of inventory and rising commodity prices, Latin America could potentially see growth in 2018. Inroads of the Company portfolio into smaller markets of Africa and South East Asia with the help of stronger distribution will support further growth in these untapped markets. Company is building portfolio and investing in manufacturing to insulate itself from the growing crisis of crunch in supply and production in China because of policy changes. With the Company growing faster than the market, it augurs possibility of an overall promising year ahead.

DIVIDEND

Your Directors have recommended dividend of 400% i.e. ₹ 8 per Equity Share of ₹ 2 each for the financial year ended 31st March, 2018, 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 23rd August, 2018 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 Distribution Policy and the same has been uploaded on the website of the Company which can be accessed at https://www.uplonline.com/policies-compliances-announcements.

FINANCE

(a) Fixed Deposits

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31st March, 2018.

(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) 22,24,287 equity shares of ₹ 2 each on conversion of Convertible Preference Shares and

(ii) 91,676 equity shares of ₹ 2 each to Employees under Employee Stock Option Plan of the Company.

CREDIT RATING

The Company enjoys a good reputation for its sound financial management and ability to meet its financial commitments. Company's bank facilities have been rated by CARE as CARE AA+ (Stable) for long term facilities and CARE A1+ for short term facilities and by CRISIL as CRISIL AA+ (Stable) for long term facilities and CRISIL A1+ for short term facilities. Company's Commercial papers 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+ (Stable) and by Brickwork Ratings as BWR AA+ (Stable).

UPL Corporation Ltd., a wholly owned subsidiary of the Company, has been rated by S&P as BBB- (Positive), Moody's Baa3 (Positive) & Fitch BBB- (Stable). It has issued 5 year USD 500 mn USD Denominated Senior Notes under 144A / Reg S in October 2016 and issued a 10 year USD 300 mn USD Denominated Senior Notes under Reg S in February / March 18.

ESOP

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

SAFETY AND ENVIRONMENT

Health and Safety

Health and safety remains to be a core area of importance for the Company with a motto of each person working for and on behalf of the Company "Alive and Well at the end of the Day".

Your Company has improved its safety performance in terms of the TRFR reduction by 42%, Lost Time Injuries by 42%, Process Safety Incidents by 60%, and Severity Index by 40%. However, this is not the end and The Company continues to work in pursuit of Achieving UPL Safety Vision – "To become one of the Best and Safest Chemical Manufacturing Companies in the world and achieve best in class in Safety by making Safety a way of Life". It will be heartening to note eleven units of the Company were incident free for the year 2017-18.

Your Company has heavily invested in the infrastructure investment in its old plants to ensure the structural safety of the plants. Company has achieved marked improvements in its green field and brown field projects through various new initiatives under Construction and Contractor Safety Management System.

While New initiatives like Zero Leak Programme, Mistake proofing through Poka-yoke, Safety Abnormality reporting, 5S relaunch have helped safety performance improvement immensely, the Process Safety Management, Capacity Building through level 0, 1 & 2 training and several employee engagement initiatives are continuously being strengthened. Level 0, 1 & 2 trainings are training for safety and functional capacity 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 on 2nd and 3rd party audit have been a significant 94+%.

The testimony of performance reflects through several awards in EHS performance from reputed institutions like OSHAI, Frost & Sullivan, CII Green Business Centre, IGMC, FICCI, Golden Peacock to name a few. All the Indian units have been accredited with ISO 14001-2015 standard.

Transport Safety Management System: Since the Company receives and dispatches large number of Chemical Consignments either in Tankers or Trucks, the Company is pursuing to undertake risk assessment in this area. Company is working at a very advance stages with a third party expert to design the entire scheme for handling hazardous chemicals transport management system for the Company.

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

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

This year Company has released Sustainability Report as per GRI guidelines. UPL Sustainable Development Plan is fully aligned with UN Sustainable Development Goals.

Reducing Environmental Impact

The 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.	30% reduction in specific CO2 emissions in our manufacturing plants by 2020.	30% reduction in specific waste disposal in our manufacturing plants by 2020.	30% reduction in specific wastewater discharge in our manufacturing plants by 2020.
Performance	**Performance**	**Performance**	**Performance**
In 2017-18, water consumption per tonne of production in the Company's manufacturing plants reduced by 20% compared to 2015-16.	In 2017-18, CO2 emissions per tonne of production in the Company's manufacturing plants reduced by 30% compared to 2015-16.	In 2017-18, waste disposal per tonne of production in the Company's manufacturing plants reduced by 25% compared to 2015-16.	In 2017-18, wastewater discharge per tonne of production in the Company's manufacturing plants reduced by 38% compared to 2015-16.

The Company has 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 abstracted water demand in our operating plants, following initiatives has been taken this year:

- Reduced the water consumption in ALP Red Phosphorus production in Vapi Unit 0.
- Reduced the water consumption in Clomazone, Devrinol production in Ankleshwar Unit 2.
- Utilized the hot water bath water in drum detoxification in Ankleshwar Unit 3.
- Enhanced the RO water utilization by 57% in last two years at Jhagadia Unit 5.
- Implemented water efficient equipment in manufacturing processes.
- Implemented metering, monitoring & targeting (MMT) to ensure the efficient performance of system.
- Dedicated technology group worked to reduce 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 business. Aiming to decrease carbon emissions in the Company's operating plants, following initiatives has been taken this year:

- Reduced 30 % CO2 emissions by changing energy mix and by reducing specific energy consumption as compared to baseline 2015-16.
- Implemented energy efficient equipment in manufacturing processes.
- Implemented metering, monitoring & targeting (MMT) to ensure the efficient performance of system.
- Dedicated technology group worked to reduce energy consumption as well as CO2 emissions.

Specific Waste Reduction Initiatives

The Company has taken special care to reduce, recycle and eliminate hazardous as well as non-hazardous solid waste. Aiming to decrease waste disposal from the Company's operating plants, following initiatives has been taken this year:

- Reduced 25 % specific waste disposal as compared to baseline 2015-16 from the Company's operating plants by operational excellency.
- Converted the process waste of Pendimethalin and Glufocinate plant into sellable by-products in Jhagadia Unit 5.
- Reduced specific waste disposal by increasing the yield of PMP and UPH production in Vapi Unit 0.
- Implemented waste segregation practices for efficient waste management
- Implemented the practices of 4R (reduce, recycle, reuse, reprocess) concept in Hazardous waste management
- Recovered value added products from waste.

Specific Wastewater Reduction Initiatives

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

- Reduced 38% specific wastewater discharge from 2015-16 baseline by operational excellency.
- Reduction of effluent discharge in Unit 05 at Jhagadia by way of segregation and better recycling of different effluent streams. This is expected to result in better effluent management specially during the monsoon seasons.

- Adopted new technologies which use continuous manufacturing processes as against the current batch mode of manufacturing reactions. This not just reduces the footprint and consequent capex spends of the plant but also results in significant reduction in the quantity of effluent generated.
- Commercialised the volute technology for efficient dewatering of sludge. This will help us in efficient management of sludge generated from our wastewater treatment plants.
- Implemented metering, monitoring & targeting (MMT) to ensure the efficient performance of system.
- Dedicated technology group worked to enhance the environmental compliances and management standards thereby resulting in reduction of the utility and environmental footprint.

RESEARCH AND DEVELOPMENT

In order to fulfil the vision and the mission, Company has created multiple Research and Development Centres which are located in different countries spread across the Globe to provide services to the farmers at a pace which is required to overcome the problems faced by them. These Research and Development Centres are very effective in providing solutions to the regional as well as Global pest management issues.

The Research and Development Centres are equipped with state-of art facilities and highly qualified scientists. Company is engaged in developing technical products in a highly cost effective way and in providing pre-mix formulations which are more effective and economical to the farmer, safe to handle and environment friendly.

Every year Company introduces many new products in the market which are the result of the tireless work by the skilled scientists who develop these products. The products are designed following Green Chemistry Principles and desired safety considerations.

Company is very innovative in introducing pre-mix combinations of two or more active ingredients as effective pest-management and resistance management solutions. Scientists working on the projects develop these products at a fast pace to make the projects successful and quick market introduction of the products.

The formulations are tested extensively for bio-efficacy at the development stage before going to the market launch. Care is taken to develop safe, easy to handle and environmentally friendly formulations keeping in the mind "The Farmer First" motto of Company.

The Research and Development Centres also work on the existing products and processes been commercialized to make them more cost-effective or to improve the quality.

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.

Technical and formulation registration requires data generation like chemical composition, physico-chemical properties, toxicity and impurity profile, bio-efficacy, residue and packaging and so on. The required data is generated at Research and Development Centres and then gets the products tested at GLP laboratory to generate the data for submission to the regulatory authority in various countries.

Company is also giving importance to for Speciality and Industrial Chemicals for which the industrial processes are developed in the Research and Development Centres. R&D scientists are able to provide safe and economical processes which are successfully implemented for commercial production.

CORPORATE SOCIAL RESPONSIBILITY

'Doing Things Better' is core to the Company's DNA. Three simple words, which lie at the heart of the Company's philosophy have been the guiding force in all community interventions. All of the Company's CSR programs are driven by the belief that humankind is one community, where each member is responsible for the wellbeing of the other. Hence the Company's interventions are not restricted to the development of the neighboring communities alone, but the Company works on programs that cater to the wider national interest too! Though the Company's CSR efforts are focused in Gujarat, they have also touched lives in many other states including but not restricted to Maharashtra, West Bengal, Kashmir, Tamil Nadu and Himachal Pradesh.

In neighborhoods the Company's focus is to work on the needs, strengths and growth priorities of the community. Hence in Dang district which is primarily an agricultural economy, the main focus is on providing sustainable livelihood from improved agricultural practices. Multiple interventions have been designed and implemented with the support of farmers groups at the village level. UPL Centre for Agricultural Excellence provides the much needed training support to the farmers. AKRSP SRI, Dang Paddy Development Program, BoriBagicha, use of mini drip irrigation, animal husbandry, providing water harvesting structure like dams and wells etc. have improved the productivity of the land thereby making agriculture more sustainable and profitable for more than 15,000 farmers.

The need assessment survey of the Company had brought out the fact that the per capita availability of land was small which led to disguised unemployment. Many youth and women in the region were not productively employed. The Company's employment and entrepreneurship initiatives are focused on providing this segment with knowledge, skills and the motivation to take up entrepreneurship as an income generating opportunity. Skill based entrepreneurship development program provides training to start both farm and non-farm based enterprises. Four UPL Niyojaniy Kendra's are providing training to youth in the region on industrial skills like welding, fitting, electrical etc. Once trained these youth get gainfully employed in the neighboring industries. UPL Udyamita with more than 1300 women members is another intervention that focuses on making women financially independent through self-help groups.

Another focus area for the Company is the conservation and preservation of flora and fauna. UPL Social Forestry aims at afforestation and rehabilitating the degraded forest and common lands with active support from the community. Under UPL Social Forestry a total 71,351 plants were planted and is being properly maintained at different community sites which covers 163.73 acres of community land. The Company has also planted 1,20,000 Mangrove plants spread across 60 acres of land in the coastal belt in Vagra block, DAHEJ. *Innovatively*, the Company adopted different participatory approach to execute the UPL Social Forestry that has led to *sustain the plantation and project*. Sarus Conservation project has made some impressive progress since inception 3 years back. Sarus protection groups are actively working towards protection of nests, eggs and juvenile Sarus. Around 80 Eco Clubs have made thousands of children aware about the importance of nature preservation.

The Company has built 36 toilet blocks in community school/public places under UPL School Sanitation Project and are driving hygenic behavior through toilet blocks. Girls safety, Home safety, Industrial safety and Road safety programs make the target population (more than 10,000 till date) aware of the safety measures to avoid untoward incidents.

UPL Unnati program has been taken up to help community based organizations of Mumbai to improve their capabilities and thereby work with the community in a better way. The Company is supporting Global Parli project (Maharashtra) which is working to make Parli tehsil a model for others to follow. Vandri cluster development program is another initiative that is working towards improving the quality of life of villagers in Vandri which is a very remote village in Gujarat not equipped with basic facilities.

The Company also support the relief efforts of the government in times of natural disasters. Last year the Company provided food packets to the flood affected people in Banaskantha district of Gujarat. Similarly the Company donated INR 25 lacs for rehabilitation of flood victims in Assam.

The Company's international subsidiaries and sister concerns share development ethos. UPL Brazil works on a complimentary education program empowering the local youth to lead meaningful lives. UPL 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 establishing Social Security office at plant for every neighbour 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. UPL Tanzania has been supporting small farmers who are totally dependent on Sunflower farming for their existence.

The Annual Report on CSR activities is annexed to this report as "Annexure 1".

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

During the year, the workshops were arranged, conducted by an esteemed agency, to educate the employees, who have joined during the year, across the Company to uphold dignity of their colleagues at the workplace and prevent sexual harassment.

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has robust systems for internal audit, risk assessment and mitigation and has an independent Internal Audit Department with well-established internal control and risk management processes both at the business and corporate levels.

Internal Audit function plays a key role in providing to both the operating 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 scope and authority of the Internal Audit Department is derived from the Annual Audit Plan approved by the Audit Committee at the beginning of the year. Internal Audits are performed by an in-house team of qualified professionals on the basis of 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 controls issues/audit observations highlighted in the previous Audit Committee presentations.

Internal Controls over Financial Reporting:

Exercise for evaluating the adequacy of Internal Financial Controls and their Operating Effectiveness is carried out every year. This activity includes understanding and testing of Internal Financial Controls and evaluating their operating effectiveness based on the assessed risk factors. During the year, the effectiveness of the controls was validated. No reportable material weaknesses in design and effectiveness was observed.

From time to time, the Company's systems of internal controls covering financial, operational, compliance, IT applications, etc. are reviewed by external experts too. Presentations are made to the Audit Committee on the findings of such reviews.

RISK MANAGEMENT FRAMEWORK

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

Some of the key business risks viz., Industry Risks, R&D Risk, Currency Fluctuation Risk and their mitigation plans were included in the Directors' Report of 2016-17. Some of the additional key business risks identified during the year and their mitigation plans are as under:

Liquidity Risks: The Company requires very sound base of working capital. During the off-season the Company cannot afford to have huge inventory and receivables as this will result into delayed payment to the creditors. It is very important that the Company enjoys a fair amount of liquidity of funds. Liquidity risks could impact the debt repayment capabilities of the Company and thereby the Company's name in the market will be affected. To mitigate this risk, the Company's business enjoys adequate liquidity. It has a very comfortable debt equity position. The Company is earning cash profit of more than ₹ 2500 crores. The working capital management is also very sound and at present the Company's net working capital stands at 90 days of turnover. Considering all this, the Company does not expect liquidity to be a major concern.

HR Risks: The Company has a huge workforce. Globally it employs around 5000 people who are from diverse nationalities, geographies and varied culture. The function of HR therefore becomes very important. A poor HR policy could impact productivity and profitability of the Company. To mitigate this risk, the present HR strategy has fostered cross functional coordination across all countries. Even though large number of workforce is employed in different countries they all follow the same corporate culture of the Company. The senior management team is visiting various plants and offices of the Company regularly and relations at all these places is very cordial and tension free. In fact, the Company is certified as a "Great Place to Work" in India as well as in Brazil. The Company will continue to put in more efforts and see that HR functions are carried out properly and professionally.

Cyber Security Risks: In the hyper connected world the Company has provided its employees mobiles, laptops and tablets to enable them to perform their functions effectively. However there are lots of security threats to the data of the Company and the confidential data may go to unauthorized persons by way of hacking of mobile, laptops and tablets. It is pointed out there is no such thing as perfect protection. The bigger the organization and more complex in nature, it becomes a target for data security risks. It is necessary to provide for preventive measures to ensure lower risks, early detection of risks and cost effective data security systems. The goal is to build a sustainable cyber security program that governs protection and ensures enablement to employees and others in right proportion. To mitigate this risk, the control measures taken by the Company include continuous monitoring of data security systems, providing access only to required staff, security incidents and event monitoring and prevention of loss of data. Continuous risk assessment and monitoring is necessary. The various layered security controls have been established.

Recently there have been cyber threats all over the world. Ransomware had affected some of the global organizations, however there was no impact on the Company. This was because of the mitigating steps taken by the Company such as blocking vulnerable ports and services, communicating throughout the organization by sending awareness mailers etc.

Reputation Risks: Due to a large organization set up and employing many people across the globe as also non-observance of the policies and pre-determined procedures and SOPs can result at times into risk of damage to the reputation of the Company. The Company deals with various stakeholders and if they are not attended properly and are not provided with quality products and services, Company's image will get spoilt. If suppliers are not paid in time or the employees who are leaving the organization do not get their dues in time the Company suffers the risk of reputation. To mitigate this risk, the finance department and the HR department take care to see that the suppliers are paid in time and all government dues are cleared on time. The collection are made in time and there is no overtrading. All the employees of the Company are required to sign integrity policy when they join. This ensures that there are no chances of corruption or favoritism against any employee. The Company follows this policy diligently. The Company's share department along with Registrar and Transfer Agents ensure that quality services are provided to the shareholders and all their genuine complaints are attended properly.

The Company carries out lots of social activities, contributes to various NGO's and educates the farmers continuously. The Company is conscious of the fact about the negative image of the Agro Chemical industry in the society and to safeguard the interest of the Company the Company takes various awareness measures and makes timely representations to various authorities. The Company ensures that all its products are of the right quality. The Company ensures that at all plants there is no pollution and environment protection assurance is the top most priority. If required, the Company legally fights against some motivated NGO's to see that there are no false allegations against the Company and its reputation does not get damaged.

SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

Shroffs United Chemicals Limited:

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

SWAL Corporation Limited:

SWAL Corporation limited is engaged in distribution and marketing of agro chemical formulations and organic fertilizers in India. The Sales Turnover for the year is ₹ 666 Cr and the Profit before tax is ₹ 44 Cr.

Optima Farm Solutions Ltd:

Optima farm solutions ltd is engaged in the manufacture of agrochemicals in Jammu. The Company has made sales of ₹ 174 Cr in the current year.

UPL Europe Ltd.:

UPL Europe is engaged in the production and distribution of Agrochemicals in UK & Europe. The company has a formulation production site at Sandbach, UK and a sales office at Warrington, UK. The Turnover for the year ended 31st March 2018 is ₹ 866 Cr and the Profit before tax is ₹ 67 Cr.

UPL Deutschland GmbH:

UPL Deutschland GmbH is engaged in the distribution of formulated products in Germany & Austria. The Turnover for the year is ₹ 331 Cr and the Profit before tax is ₹ 10 Cr.

UPL Polska Sp z o o:

UPL Polska is engaged in the sales and marketing of formulated products in Poland. The business in this Company has been on a very low scale.

UPL Benelux B.V.:

UPL Benelux BV is engaged in the distribution of formulated products in Benelux and Switzerland. The Turnover for the year is ₹ 336 Cr and the Profit before tax is ₹ 23 Cr.

Cerexagri B.V. – Netherlands:

Cerexagri BV is a manufacturing entity specializing in EBDC based fungicides. It has a technical and formulation facility based in Rotterdam. The Sales Turnover for the year ended 31st March 2018 is ₹ 975 Cr and the Profit before tax is ₹ 27 Cr.

Blue star BV:

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

United Phosphorus Holdings Cooperatief U.A.:

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

United Phosphorus Holdings B.V, Netherlands:

United Phosphorus Holdings BV is the holding company for entities in Europe & Rest of the world.

United Phosphorus Switzerland Limited:

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

Decco Worldwide Post-Harvest Holdings Cooperatief U.A.:

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

United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.):

United Phosphorus Holdings Cooperatief U.A. is the holding company in Brazil.

UPL Italia S.R.L.:

UPL Italia S.R.L is engaged in the distribution of formulated products in Italy. The Turnover is ₹ 329 Cr and the Profit before tax for the year ended 31st March 2018 is ₹ 14 Cr.

UPL IBERIA, SOCIEDAD ANONIMA:

UPL Iberia is engaged in the distribution of formulated products in Spain & Portugal. The Turnover is ₹ 145 Cr and the Profit before tax is ₹ 7 Cr.

Decco Worldwide Post-Harvest Holdings B.V.:

This is the holding company for other Decco entities, and holds registrations for these entities.

Transterra Invest, S. L. U. Spain:

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

Cerexagri S.A.S. :

Cerexagri SAS is a supply chain company for the group with 3 key production facilities in France involved in the production of Copper & Sulphur based fungicides. It has a formulation facility at Bassens to formulate herbicides and insecticides. The Sales Turnover for the year ended 31st March 2018 is ₹ 451 Cr and the Profit before tax is ₹ 27 Cr.

Neo-Fog S.A.:

Neo-Fog S.A is engaged in the distribution of Anti-sprouting herbicides in the French domestic market. The Turnover for the year ended 31st March 2018 is ₹ 38 Cr and the Profit before tax is ₹ 6 Cr.

UPL France:

UPL France SAS is engaged in the distribution of formulated products in France. Products are sourced from UPL's manufacturing facilities in Europe and India, as well as locally formulated in toll manufacturing facilities. The Turnover is ₹ 403 Cr and the Profit before tax is ₹ 32 Cr.

UPL Corporation Limited, Mauritius:

UPL Corporation does trading business and also holds investments for the group. The Turnover is ₹ 2386 Cr and the Profit before tax is ₹ 197 Cr.

Decco Iberica Postcosecha, S.A.U., Spain:

Decco Iberica is involved in fabrication & commercialization of chemical products, waxes & fungicides, as well as the machinery used for their application. The Turnover is ₹ 117 Cr and the Profit before tax is ₹ 15 Cr.

Limited Liability Company UPL:

Limited Liability Company UPL is engaged in the distribution of technical and formulated products in Russia and other CIS countries. The Turnover for the year ended 31st March 2018 is ₹ 28 Cr and the Profit before tax is ₹ 2 Cr.

United Phosphorus Inc., U.S.A.:

United Phosphorus Inc is engaged in the distribution of AI's as well as formulated products in the United States and Canada. UPI also provides technologies for pest management, aquatics, Turf & Ornamental as well as fumigants for grain storage. The Turnover is ₹ 2,883 Cr and the Profit before tax is ₹ 55 Cr.

Canegrass:

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

RiceCo LLC:

RiceCo LLC is dedicated to meet specific technology needs of rice farmers in the USA. Its turnover during the year is ₹ 242 Cr and Profit before tax is ₹ 11 Cr.

Decco US Post Harvest Inc, USA:

Decco US Post Harvest Inc is engaged in the production and selling of post harvest products and fumigants for use in the treatment of fresh agricultural produce. It has manufacturing facilities in Monrovia, CA and Yakima WA. Turnover for the year is ₹ 247 Cr and Profit Before Tax is ₹ 8 Cr.

RiceCo International, Inc. Bahamas:

RiceCo International is a rice focused company operating mainly in Asia and Latin America. The Turnover for the year is ₹ 249 Cr and the Profit before tax is ₹ 29 Cr.

UPL Limited, MAURITIUS:

UPL Mauritius does Trading business. The Turnover for the year is ₹ 960 Cr and the Profit before tax is ₹ 306 Cr.

UPL LIMITED, Gibraltar:

UPL Limited Gibraltar does Trading operations. The Turnover for the year is ₹ 2969 Cr and the Profit before tax is ₹ 299 Cr.

United Phosphorus Cayman Limited:

United Phosphorus Cayman Ltd, is a holding Company. The Turnover for the year is ₹ 300 Cr and the Profit before tax is ₹ 8 Cr.

UPL Agro SA DE CV:

UPL Agro SA DE CV is engaged in sales and marketing of branded formulations in Mexico. This entity received the ESR award on parameters of business ethics, environment and community engagement. The Turnover for the year is ₹ 436 Cr and the Profit before tax for the year is ₹ – 3 Cr.

Decco Jifkins Mexico Sapi:

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

Uniphos Industria e Comercio de Produtos Quimicos Ltda:
This is a holding company of UPL Do Brasil-Industria e Comercio de Insumos Agropecuarios S.A..

UPL Do Brasil - Industria e Comércio de Insumos Agropecuários S.A.:
United Phosphorus do Brazil Ltda has a strong distribution network in Brazil for its AI's as well as formulated sales. It is located in Campinas and also has a manufacturing facility in Ituverava. The Sales Turnover for the year is ₹ 3,594 Cr and the Profit before tax for the year is ₹ 52 Cr.

UPL Costa Rica S.A.:
UPL Costa Rica SA is engaged in marketing and distribution of Agro chemicals in Costa Rica. It also provides value added services such as contract spraying. The Turnover for the year is ₹ 330 Cr and the Profit before tax for the year is ₹ -10 Cr.

UPL Bolivia S.R.L:
UPL Bolivia is engaged in the sales and marketing of agro chemicals in Bolivia. The Turnover for the year is ₹ 37 Cr and the Profit before tax for the year is ₹ 5 Cr.

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

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

UPL Argentina S A:
The company is a manufacturing and marketing company for selling formulated products in Argentina. It has a manufacturing facility in Abott, Argentina. The Turnover for the year is ₹ 393 Cr and the Profit before tax for the year is ₹ -90 Cr.

Decco Chile SpA:
Decco Chile SpA provides post harvest solutions to maintain the quality of fresh fruits and vegetables. The Turnover for the year is ₹ 44 Cr and the Profit before tax for the year is ₹ 8 Cr.

UPL Colombia SAS:
UPL Colombia is engaged in sales and marketing of agro chemicals for the Andean markets - Venezuela, Ecuador, Peru and Colombia. The Turnover for the year is ₹ 143 Cr and the Profit before tax for the year is ₹ -10 Cr.

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

UPL Management DMCC:
UPL Management DMCC provides management services. The Turnover for the year is ₹ 96 Cr and the Profit before tax for the year is ₹ 26 Cr.

UPL Australia Limited:
UPL Australia is engaged in sales and marketing of branded agro chemicals in Australia. It holds the registrations as well as inventory for prompt supply of material to service local demand. The Turnover for the year is ₹ 143 Cr and the Profit before tax for the year is ₹ 10 Cr.

UPL New Zealand Limited:
UPL New Zealand is engaged in distribution of Agro Chemicals in New Zealand. It holds the registrations as well as inventory for prompt supply of material to service local demand. The Turnover for the year is ₹ 7 Cr and the Profit before tax for the year is ₹ 1 Cr.

UPL Shanghai Ltd:
UPL Shanghai is engaged in distribution of Company's products in China. It has purchased office in Shanghai and is engaged in purchase of actives and intermediates required by manufacturing facilities globally.

UPL Limited Korea:
UPL Korea was formed to grow UPL's agro chemical and fumigation business in Korea. The Turnover for the year is ₹ 3 Cr and the Profit before tax for the year is ₹ 1 Cr.

PT.UPL Indonesia:
UPL Indonesia is doing business in Indonesia. It mainly caters to the requirements of strategic partners like Nufarm, FMC ad other top local companies as well as semi-government organization. The Turnover for the year is ₹ 87 Cr and the Profit before tax for the year is ₹ 6 Cr.

PT Catur Agrodaya Mandiri, Indonesia:
The major business is branding and distribution of formulated products through a network of distributors in Indonesia. The company holds 50 plus registrations and has successfully commercialized most of these. The Turnover for the year is ₹ 49 Cr and the Profit before tax for the year is ₹ -2 Cr.

UPL Limited, Hong Kong:
UPL Hong Kong is engaged in the sales and marketing of agro chemicals in Hong Kong. It also acts as a supply source of raw material purchases of the manufacturing facilities. The Turnover 31st March 2018 is ₹ 555 Cr and the Profit before tax is ₹ 21 Cr.

UPL Philippines Inc.:
UPL Philippines is engaged in the distribution of agro chemicals in Philippines. It holds registrations and inventory for servicing domestic demand. It also provides value added services to plantation business in Philippines. The Turnover is ₹ 93 Cr and the Profit before tax is ₹ 1 Cr.

UPL Vietnam Co. Ltd.:

UPL Vietnam is engaged in the manufacturing and marketing of branded agro chemical formulations in Vietnam. It also exports its production to Australia, South East Asia and few African countries as well, other than catering to local demand.The Turnover is ₹ 185 Cr and the Profit before tax is ₹ 27 Cr.

UPL Limited, Japan:

This entity is for registering and selling UPL products in Japan. The local presence in Japan has boosted access to Japanese technology and expertise, and built relations with other Japanese companies. UPL Japan sells both AI's as well as branded products which are formulated and repacked locally. It has a JV with Hodogaya Chemical Co Ltd with headquarters in Tokyo and research laboratory center at Tsukuba. The Turnover is ₹ 196 Cr and the Profit before tax is ₹ 3 Cr.

Anning Decco Fine Chemical Co. Limited, China:

Anning Decco is a joint venture in China. The company is engaged in the production and distribution of Shellac. The Turnover for the year is ₹ 23 Cr and the Profit before tax is ₹ Nil.

UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi:

The Company has a strong distribution network as well as brand presence in Turkey (mainly western region). The Turnover is ₹ 157 Cr and the Profit before tax is ₹ -20 Cr.

UPL Agromed Tohumculuk Sa,Turkey:

UPL Agromed has a strong marketing presence in the eastern part of Turkey. It also has a manufacturing and repacking facility in Turkey. The Turnover is ₹ 110 Cr and the Profit before tax is ₹ -4 Cr.

Safepack Products Limited, Israel:

Safepack is engaged in the production and distribution of Post-Harvest Products in Israel and export to neighboring countries. The Turnover is ₹ 36 Cr and the Profit before tax is ₹ -4 Cr.

Citrashine (Pty) Ltd, South Africa:

Citrashine is engaged in the manufacturing and distribution of chemicals and waxes for the post harvest treatment of fruits and vegetables and operates primarily in South Africa. The Turnover is ₹ 32 Cr and the Profit before tax is ₹ -1 Cr.

Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA):

Decco Portugal Unipessoal LDA is a new entity which will start operations shortly.

Decco Italia SRL, Italy:

Decco Italia SRL is engaged in the production and selling of post-harvest products and fumigants for use in the treatment of fresh agricultural produce. The Turnover is ₹ 43 Cr and the Profit before tax is ₹ 5 Cr.

UPL Paraguay S.A.:

UPL Paraguay is engaged in the sales and marketing of agro chemicals in Paraguay. The Turnover is ₹ 29 Cr and the Profit before tax is ₹ -5 Cr.

UPL Africa SARL:

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

Advanta Seeds International, Mauritius:

Advanta Seeds International is engaged in distribution and marketing of seeds in the various countries. The Sales Turnover for the year is ₹ 697 Cr and the Profit before tax is ₹ 75 Cr.

Advanta Seeds DMCC (formerly known as Advanta Seeds JLT):

Advanta Seeds DMCC is engaged in distribution and marketing of seeds in the UAE. The Sales Turnover for the year is ₹ 34 Cr and the Profit before tax is ₹ -9 Cr.

PT Advanta Seeds, Indonesia:

PT Advanta Seeds is engaged in distribution and marketing of field Corn and Sweet Corn seeds in Indonesia. The Sales Turnover for the year is ₹ 70 Cr and the Profit before tax is ₹ 16 Cr.

Advanta Holdings B.V., Netherlands:

Advanta Holdings B.V. is engaged in distribution and marketing of seeds in Europe. The Sales Turnover for the year is ₹ Nil and the Profit before tax is ₹ -17 Cr.

Advanta Semillas SAIC:

Advanta Semillas is engaged in distribution and marketing of Sorghum corn sunflower seeds in Argentina. The Sales Turnover for the year is ₹ 193 Cr and the Profit before tax is ₹ -37 Cr

Advanta Netherlands Holding B.V.:

Advanta Netherlands Holding B.V. is engaged in distribution and marketing of and research and technical solutions to farmers & breeders into seeds in the Netherlands and Europe. The Sales Turnover for the year is ₹ 32 Cr and the Profit before tax is ₹ -6 Cr,

Pacific Seeds Holdings (Thailand) Limited:

Pacific Seeds Holdings is holding Company. The Profit before tax is ₹ Nil, largely contributed by other income.

Pacific Seeds (Thai) Limited:

Pacific Seeds (Thai) is engaged in distribution and marketing of seeds in Thailand. The Sales Turnover for the year is ₹ 360 Cr and the Profit before tax is ₹ 110 Cr

Advanta Comercio De Sementas Ltda.:

Advanta Comercio is engaged in distribution and marketing of Sorghum Soyabean Canola Corn seeds in Brazil. The Sales Turnover for the year is ₹ 89 Cr and the Profit before tax is ₹-92 Cr.

Advanta Seeds Pty Ltd (Formerly, Pacific Seeds Pty Ltd):
Advanta Seeds Pty Ltd is engaged in distribution and marketing of Sorghum, Corn and Canola seeds in Australia. The Sales Turnover for the year is ₹ 253 Cr and the Profit before tax is ₹ 23 Cr.

Advanta US LLC (formerly known as Advanta US Inc):
Advanta US LLC is engaged in distribution and marketing of Hybrids of Corn, forage sorghum,Grain sorghum seeds in the US and Mexico. The Sales Turnover for the year is ₹ 137 Cr and the Profit before tax is ₹ -57 Cr.

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

a) New subsidiaries:
   1. UPL Jiangsu Limited
   2. UPL Agro Limited Mauritius
   3. Riceco International Bangladesh Ltd
   4. Uniphos Malaysia Sdn Bhd

b) New associate:
   1. Serra Bonita Sementes S.A.

c) Cessation of subsidiaries:
   1. UPL Africa SARL
   2. UPL Limited Mauritius

MATERIAL SUBSIDIARY

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

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during the year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The same can be accessed on https://www.uplonline.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 (subject to ratification of their appointment at every Annual General Meeting, if required under the Act).

However, pursuant to the Companies Amendment Act, 2017 which was notified on May 7, 2018, the provision related to ratification of appointment of auditors by Members at every Annual General Meeting has been done away with.

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 2018-19 on a remuneration of ₹ 7.00 lakhs. The Cost Auditors have submitted a certificate of their eligibility for such appointment. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs RA & Co., Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

For the year 2017-18, the due date for filing the Cost Audit Report is 27th September, 2018 and the same will be filed in due course. The Cost Audit Report for the year 2016-17 was filed on 28th August, 2017.

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 Secretarial Audit Report is annexed herewith as "Annexure 2".

REPORTING OF FRAUD

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

DEPOSITORY SYSTEM

98.91% of the total paid-up equity shares of the Company are dematerialised as on 31st March, 2018.

DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013, and Articles of Association of the Company, Mr. Vikram Rajnikant Shroff (DIN: 00191472) and Mr. Arun Chandrasen Ashar (DIN: 00192088), Directors of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The earlier appointments of Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Chairman and Managing Director of the Company and Mr. Arun Chandrasen Ashar (DIN: 00192088) as Whole-time Director designated as Director-Finance expire on 30th September, 2018. The Board of Directors has re-appointed Mr. Rajnikant Devidas Shroff (DIN: 00180810) as Managing Director and Mr. Arun Chandrasen Ashar (DIN: 00192088) as Whole-time Director designated as Director-Finance for further period of 5 (five) years, with effect from 1st October, 2018 and subject to the approval of the Members and upon the terms and conditions as set out in the notice convening the 34th Annual General Meeting of the Company.

The special resolutions seeking approval of the Members of the Company for the re-appointment of Mr. Rajnikant Devidas Shroff and Mr. Arun Chandrasen Ashar have been incorporated in the notice of the 34th 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 Annual General Meeting of the Company.

During the year, Mr. Pradip Madhavji (DIN: 00549826), Independent Director has resigned from the Board of Directors of the Company with effect from 27th April, 2018 for personal reasons. During his tenure, he was Lead Independent Director and was Chairman of Audit Committee and Stakeholders Relationship Committee. The Board wishes to place on record its appreciation for his valuable advice and efficient discharge of his duties during the period of almost last fifteen years. The Company acknowledges his pragmatic approach and immense contribution in handling various issues diligently.

All the independent directors have given declaration that they meet the criteria of independence laid down under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVALUATION OF THE BOARD'S PERFORMANCE

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

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

The Independent Directors held a meeting on 25th January, 2018 to review the performance of evaluation of the Non-independent/Non-promoter Directors and the entire Board including the Chairman. The Independent Directors expressed complete satisfaction of the professionally managed overall functioning of the Board, various committees as well as all the directors of the Company. They appreciated the knowledge and expertise of the Chairman and his exemplary leadership qualities which demonstrate positive attributes in following the highest standards of corporate values and culture of the Company.

REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed and adopted the Policy for selection and appointment of directors, senior management and their remuneration. The Board recognizes that the various Committees of the Board have very important role to play to ensure highest standards of corporate governance. The Chairman of the Board and other Executive Directors form broad policies and ensure their implementation in the best interests of the Company.

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

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

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

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

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

Pursuant to the SEBI regulations the Company has worked out a Familiarization programme for the Independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc.

Through the Familiarization programme, the Company apprises the independent directors about the business model, corporate strategy, business plans and operations of the Company. These directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices.

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

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

Details of Familiarization programme of Independent Directors with the Company are available on the website of the Company https://www.uplonline.com/ policies-compliances-announcements.

PERSONNEL

As on 31st March, 2018, the Company has 3865 employees in India, and 4784 employees globally.

The Company has always believed that its people are its biggest asset. The year 2017-18 saw several key initiatives to nurture on our core values.

The initiatives taken during the year

1. **SUPPLY CHAIN ACADEMY**
   The Supply Chain Academy launched in the year 2016 saw a tremendous response. Total 1263 employees were covered under this training initiative where the employees were given training in Safety, Skill Upgradation and other behaviour aspects.

2. **SAKSHAM PRPJECT**
   Saksham Project launched for conducting Development Centres for the Sales Workforce. 497 employees. The aim was to impart Functional and Technical Competencies to the Sales Workforce and building capability

3. **GLOBAL LEADERSHIP PROGRAM**
   Global Leadership Program – Winning in the Market Place launched for the Global Leaders who have potential to grow along with the organization. The aim is to enable identified individuals to unlock their full potential and be effective leaders and contribute in building the strategy.

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 3 and 4 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 5 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, 2018, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.

b) That such accounting policies as mentioned in Note 2.1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 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.

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 2017-18 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.uplonline.com/upl-financial-reports.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 6".

LISTING OF THE COMPANY'S EQUITY SHARES

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

ACKNOWLEDGEMENT

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

CAUTIONARY STATEMENT

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

Mumbai
27th April, 2018

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)

Annexure 1 to Directors Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**
   CSR Policy is stated herein below.

   Weblink: http://www.uplonline.com/csrpolicy.pdf
2. **The Composition of the CSR Committee.**
   Mrs. Sandra R. Shroff (Chairman)
   Mr. Pradeep Goyal (Independent Director)
   Mr. Vikram R. Shroff (Director)
3. **Average net profit of the company for last three financial years**
   Average Net Profit: ₹ 296.93 Crores
4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)**
   The Company is required to spend ₹5.94 crores towards CSR
5. **Details of CSR spent during the financial year.**
   (a) **Total amount spent for the financial year;**₹20.36 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 established 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	0	45,00,000	--	45,00,000	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	0	0	--	0	Gnyan Dham Vapi Charitable Trust
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. http://www.srict.in/	Category (ii)	Promotion of Education	At & P – Vataria 393135 Tal – Valia	District – Bharuch, Gujarat	4,00,00,000	5,87,82,091	--	5,87,82,091	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	4,50,00,000	--	4,50,00,000	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		
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. Also focus on conservation of natural resources for sustainable livelihood. The Strategy envisaged for operationalizing under UPL Pragati for the sustainable livelihood has four pillars. 1. Skill development thru UPL Niyojaniy. 2. Entrepreneurship thru UPL Udyamita. 3. Agriculture development thru UPL KhedutPragati 4. Nature conservation thru UPL Vasudha **http://srsat.org/**	**Category (i), (ii), (iii), (vi), (vii), (x)**	i) eradicating extreme hunger and poverty; ii) promotion of education; iii) promoting gender equality and empowering women; vi) ensuring environmental sustainability; vii) employment enhancing vocational skills; x) Rural Development / Slum Development	AT & P - Vapi AT & P - Ankelshwar & Jhagadia Villages in Dang	District - Valsad District - Bharuch, Gujarat District – Dangs, Gujarat	4,00,00,000	3,15,00,000	--	3,15,00,000	S. R. Shroff Aajivika Trust (SRSAT)
6	**Global Parli**, is a Nation Building project through Revival and Empowerment of the Villages of India. 15 villages have been selected in drought-prone Parli tehsil in Marathawada for 360 degree development. This would be a "model" development to create progressive, economically viable and prosperous rural India. This will serve as an transformative process that can be replicated across the country for a prosperous India. **https://www.globalparli.org/**	**Category (i), (ii), (iii), (vi), (vii), (x)**	i) eradicating extreme hunger and poverty; ii) promotion of education; iii) promoting gender equality and empowering women; vi) ensuring environmental sustainability; vii) employment enhancing vocational skills; x) Rural Development / Slum Development	15 villages in Parli, Beed district in Maharashtra	District Beed - Maharashtra	60,00,000	1,17,00,000	--	1,17,00,000	UPL Limited in partnership with Manav Seva Mandal

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		
7	**UPL School Sanitation Project** to facilitate healthy and hygienic behavior in students by construction of good quality and environment friendly toilets in school. The project objective is to provide access to toilet facility and empower students to use the services hygienically & sustainably, Increased access to & hygienic use of sanitation facility and Educate community by making school toilet block as hub for good sanitation practice in community.	**Category (i)**	SANITATION, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation.	AT & P - Vapi AT & P - Ankelshwar & Jhagadia	District - Valsad District - Bharuch, Gujarat	2,00,00,000	68,60,445	--	68,60,445	Direct by Company
8	**LOCAL AREA NEED -** Development Support to community around factory location. Support like School bag and book provisioning, Infrastructure support, Medical Support etc. Also providing development Support for local area to organisation like Deep Darshan School Him Jyoti School Khar Res. Ass Library Seva Yagna Samit For Mortallity Rate Jhagadia Industrial Association Ankleshwar Industrial Development Society (Mobile Education) Carmelite Sisters Of Charity	**Category (i), (ii), (iii), (vi), (vii), (x)**	i) eradicating extreme hunger and poverty; ii) promotion of education; iii) promoting gender equality and empowering women; vi) ensuring environmental sustainability; vii) employment enhancing vocational skills; x) Rural Development / Slum Development	AT & P - Vapi AT & P - Ankelshwar & Jhagadia	District - Valsad District - Bharuch, Gujarat	50,00,000	85,03,275	--	85,03,275	Direct by Company Also with local NGO's working in area as mentioned in column B

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		
9	**NATIONAL NEED** - Development Support for National cause to organisation like Friends Of Tribal Society Pravara Rural Education Society Janseva Foundation Vivekanand Research & Trng Institute Deep Darshan School Himalayan School Society Women & Child Care Him Jyoti School Manav Utthan Seva Samiti Sneha (Soc Nutrituion, Edu, Health) Samast Patidar Aarigya Trust Vspm Academy Higher Education Apada Rahat Kosh - Bihar Flood Relief Chief Minister Relief Fund Sr.Citizen Santacurz Sanstha(Cemetry) The Charitabal Trust Of Rotary Club St.Thomas Academy Education Fund 80G Kamaraj Children Edu.Trust Care Child & Old Age Foundation The Rotary Foundation (India) Women & Child Care Mk Educational Society Care Parvarish Foundation Bhabha Hospital - Bio Gas Project Khar Res. Ass Library Khar Library-Aquaguard	**Category (i), (ii), (iii), (vi), (vii), (x)**	i) eradicating extreme hunger and poverty; ii) promotion of education; iii) promoting gender equality and empowering women; vi) ensuring environmental sustainability; vii) employment enhancing vocational skills; x) Rural Development / Slum Development			2,25,00,000	3,67,77,342	--	3,67,77,342	Through NGO's mentioned in column B
	Total					17,35,00,000	20,36,23,153	0	20,36,23,153	

CSR POLICY

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

A. CSR Vision

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

B. CSR Mission

We will achieve our vision by

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

C. CSR Values

The values that will govern to achiev our vision are

- Care,
- Excellence and
- Sustainability

D. CSR focus areas

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

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

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

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

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

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

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

6. **National / Local area need**
   We will work on specific local area needs around our Factory locations.

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

E. CSR Implementation

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

F. CSR Resource contribution

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

Annexure 2 to Directors Report

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

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

For the Financial Year ended March 31, 2018

[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, 2018 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, 2018 according to the provisions of:

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

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

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

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

(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Not Applicable.

   d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

6) Other Laws applicab le to the Company;

   a) Narcotic Drugs and Psychotropic Substances Act, 1985

   b) The Insecticides Act,1968

   c) Factories Act, 1948 and Rules made thereunder

   d) Explosives Act, 1889 - Gas Cylinder Rules, 1981

   e) Petroleum Act, 1934, Rules, 1976

   f) Industrial Employment (Standing Orders)Act, 1946 & Rules 1957

   g) Payment of Bonus Act 1965, & Rules, 1965

   h) Maternity Benefit Act 1961 & Rules

   i) Employees Compensation Act, 1923 & Rules.

   j) Minimum Wages Act, 1948, M.W(C) Rules, 1950

   k) Child Labour (P&R) Act 1986 & Rules.

   l) Air (Prevention and Control of Pollution) Act 1981

   m) Water(Prevention and Control of Pollution) Act 1974

   n) The Noise (Regulation and Control) Rules 2000

   o) Ozone Depleting Substances (Regulation & Control)Rules 2000

p) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules 1996

q) Payment of Wages Act 1936

r) Employees State Insurance Act 1948 and Rules and Regulations

s) Employees PF & Miscellaneous Provisions Act 1952 &Employees Pension Scheme 1952

t) Employees PF & Miscellaneous Provisions Act 1952 &Employees Provident Fund Scheme 1952

u) Contract Labour (Regulation & Abolition) Act 1970

v) Legal Metrology Act, 2009

w) Industrial Disputes Act, 1947 and Rules made thereunder

x) Indian Contract Act, 1872

y) Environment Protection Act, 1986 and other environmental laws

z) Payment of Gratuity Act, 1972

aa) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

bb) The States Shops and Establishments Act.

cc) Apprentice Act 1961 and Rules made thereunder

dd) The Employees Deposit Linked Insurance Scheme 1976.

ee) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 and Rules made thereunder

ff) The Equal Remuneration Act 1976 and Rules made thereunder

gg) The Food Safety and Standard Act, 2006 & The Food Safety and Standard Rules, 2011

hh) The prevention of Food Adulteration Act, 1954 and the Rules made thereunder

ii) The Bio-Medical Waste Management & The Handling rules, 1998

jj) The Bureau of Indian Standards Act, 1986 and the Rules and Regulations made thereunder

kk) The Chemical weapon convention Act 2000, and the Rules made thereunder

ll) The Explosive Act 1884 and the Static and Mobile Pressure Vessels (Unfired) Rules 1981

mm) The Indian Standard code of Practice for selection, Installation and Maintenance of Portable First Aid Fire Extinguishers

nn) The Electricity Act 2003 and the Indian Electricity Rules 1956

oo) The Indian Boilers Act, 1923 & The Indian Boilers Regulations 1950

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

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

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

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

Place: Mumbai
Date: April 19, 2018

N.L. BHATIA & ASSOCIATES

Company Secretaries

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

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

To,
The Members,
UPL Limited

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

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

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices , we followed provide a reasonable basis for our opinion

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

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

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

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

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

Date: April 19, 2018
Place: Mumbai

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

Annexure 3 to Directors 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, 2018.

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. Shroff	181x
		1020957	Arun Ashar	46x
		1020955	K M Banerjee	12x
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretory or Manager, if any, in the financial year	1020953	R D Shroff	-36%
		1020957	Arun Ashar	-11%
		1020955	K M Banerjee	-6%
		1000007	M B Trivedi	11%
		1203524	Anand Kantilal Vora	73%
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			3865
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration		Average percentile increased in salaries other than Key Managerial personnel in the last f.year	1.50%
			Percentil increse in the Managerial remuneration	3.48%
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			

Annexure 4 to Directors Report

Statement pursuant to section 197(12) of the Companies Act, 2013 read with the Companies

(appoinment and remuneration of manegerial personnel) rules, 2014 and forming part of the directors' report for the year ended 31st march, 2018.

Sr. No.	Name	Designation	Remuneration	Qualification	Date of Joining	Age	Last Employement
1	Farokh N Hilloo	Global Sales Director	37563980	B.A, Diploma in Import Export Management	08/07/1991	56	Indian Commercial Company Ltd.
2	R D Shroff	Chairman & Managing Director	98732783	B.Sc.,	29/05/1969	85	Nil
3	Arun Ashar	Director - Finance	26902938	B.Com., ACA	01/07/1994	70	Excel Industries Ltd.
4	K R Srivastava	CEO - Specialty Chemicals	32361616	B.Chem., PGDBMA (IIM), DSM	20/07/1999	61	Pharmaceutical Products of India Ltd.
5	Ashutosh Kumar Awasthi	Chief Executive Officer	28223324	B.Tech., MBA	11/06/2008	49	Piramal Glass Ltd.
6	Rohit Kumar	Vice President - Legal	19153289	LLB	01/07/2010	40	Freehills
7	Vidya Sagar Kaushik	President - Corporate Affairs and Industry Relations	35102514	B.Sc., PGDM	01/04/2011	66	Bayer Ag.
8	Raj Kumar Tiwari	Global Director - Supply Chain & Manufacturing	14151269	B.Tech., PGPX	06/09/2011	48	CEAT Tyres
9	Nitin Achyut Kolhatkar	Vice President - Finance	14179984	M.Com, ICWA	11/10/2011	54	Arshiya Ind. Ltd.
10	Swapnil Onkar Ganvir	Executive Pilot	12672768	B. Com	15/06/2012	40	Air India Express
11	Mahesh Vijay Wataney	Director - Industrial Chemical Business	10164990	BE, MMS	04/03/2013	50	Kansai Newtac
12	Anand Kantilal Vora	Chief Financial Officer	29177881	B. Com, CA	05/08/2013	54	Bunge India
13	Kishore Gurbux Chandiramani	Director - Global Institutional Business	18088788	B.Sc., MMM	01/04/2014	55	Gharda Chemicals Limited
14	Janakiraman Rajaraman	Director - Global Procurement	16220764	BE, MBA	01/07/2014	51	Heinz India
15	Jayaram Philkana	Chief Human Resource Officer	29372991	B.Com, PGD - Personnel Management & IR	01/09/2014	48	CARGILL - Singapore
16	A Balaji	Chief Information Officer	14100068	B.Com, A.C.A	25/03/2015	50	Piramal Enterprise Ltd
17	Ajit Premnath	COO & Global Business Head - Crop Protection	40461093	M.Sc., MBA (Marketing)	01/08/2015	60	UPL Europ Ltd.
18	Prashant B Belgamwar	Business Director - South Asia, Advanta	11392975	B.Sc. M.Sc.	09/09/2016	54	Syngenta India Limited
19	Sameer Tandon	Regional Director - India	15519237	BE.	01/12/2016	49	Orient Electric limited
20	Ramesh Cheruku	Supply Chain Lead - Asia	16733551	B. SC..Agri	04/06/2015	52	Syngenta India Limited
21	Parmeswaran P N *	Vice President - Environment	10272104	M.Tech.(Chemical Engg.), MBA, PhD	31/01/1995	64	Gharda Chemicals Limited
22	Naveen Chahal *	Director - New Businessses & CEO of UPDT	28792356	BE/PGDM	03/08/2015	55	Mosaic India Pvt.Ltd
23	Debabrata Gupta *	Chief Operating Officer - Supply Chain & Manufacturing	42064736	B Tech (Hons)	02/05/2016	55	USV 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 Directors 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 2017-18

i. The following Energy conservation measures were taken during the year 2017-18

The Company has dedicated 'Energy Cell', who is continuously working for Energy Cell, by identifying new and innovative measures, implementing across Company's plants, The Team also closely monitors specific energy consumption pattern across all manufacturing sites. We conducted Periodic Internal & external energy audits to improve energy performance. This resulted in reduction in energy footprint of products. Last year Key Focus area has been on heat integration in processes and waste heat recovery. Some Major Energy saving initiatives are mentioned below;

1. Fully automated waste heat recovery from Fume incinerator installed for hot water generation which eliminated fresh steam requirement in adjacent plant.
2. Installation of Back pressure turbine which generate Electrical Energy by utilizing Kinetic energy of pressure reducing station. Here substantial energy cost saving is achieved.
3. Developed in-house online condenser ball cleaning system which help to sustain Heat transfer coefficient of condenser & coefficient of performance of refrigeration system.
4. Steam and power reduction through reflux optimization in cooking stage of reaction by close loop control.
5. Substitution of conventional furnace oil (FO) with low Sulphur FO in process steam boiler which is having good impact on reducing GHG emission.
6. Reduced specific power consumption upto 12% by reducing condensing temperature by 4 Deg C in refrigeration plants.
7. Added CO-GEN plant at Unit 05, which has increased overall efficiency of Power Plant.
8. Adopted new concept of smokeless & flameless induction cooking appliances in canteen.
9. Installation of Super Energy Efficient fans.

The Company has been awarded by ISO 50001 certification for Unit-2, Ankleshwar which as per Bureau Veritas is the First Agrochemical plant.

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

1. We have 760 KWH Roof top Solar photo voltaic power generation proposal for one of largest site at Jhagadia with investment of 6 Crores. This will utilize building and warehouse roofs for solar power generation.
2. We are already entered in to agreement for sourcing Wind power @ 45 lac units per annum for our plant 01. We have also planned for purchasing Wind energy @ 40 lac units per annum for plant 05.
3. For our upcoming mega site at Dahej Gujarat, we have considered to integrate with Solar Photo voltaic power generation.
4. We have planned to capture most of Steam Pressure reducing systems to recover Kinetic energy to generate power through Back pressure Turbine. This will reduce conventional energy consumption. This year we have installed 3 such Turbines, and 5 more are under progress. With this measure UPL will reduce Total conventional power of 14 MW, last year we achieved @ 6 MW.
5. We have installed Rain Water Harvesting system at Unit 01, Unit 10, and under progress in all other plants. This will not only harvest rain water but also save pumping power.
6. UPL had initiated several Energy consumption reduction program through innovative measures, like process pinch, Heat integration, achieving higher overall efficiency, Closed loop condensate & Flash recovery system and Heat recovery through Heat Pipe.
7. We have started harvesting natural day light through light pipe and translucent sheets in security, offices, canteens and ware-houses.
8. We have reduced @0.65 MW load through conversion of Lighting to LED lights.

iii. Capital Investment on energy conservation equipment's:

1. A total of 27 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 plant for the production of a widely used herbicide was commissioned. The product of desired quality and cost effectiveness is now produced on regular basis.
2. An auxiliary chemical used in a leading herbicide formulation product started to be manufactured indigenously to ensure supply of the chemical with desired quality and reduced cost.
3. A safener used for herbicide formulations was manufactured indigenously to meet with the market requirement.
4. Twelve new pesticide formulations were commercialized for launch both in the domestic and international markets.
5. Processes for five active ingredients were developed successfully at Research and Development Centres.
6. One hundred formulations of various active ingredients were successfully developed in the Research and Development Centres for future introduction.
7. Processes were developed for the intermediates of three technicals as an initiative to be self-dependent.
8. Some of the marketed formulation products were worked upon resulting in the cost reduction.
9. The quality of many actives and formulation products were improved and the process implemented in the plant.
10. A non-agro application of Superabsorbent Polymer (SAP) was developed.
11. Continued collaboration with outside agencies like universities, research institutes and scientists in their individual capacity has resulted into innovations and new technology implementation or upgradation of the existing technologies.

ii. Benefits derived by the company:

i. An herbicide production plant was commissioned. This will result in self-dependency and quality product.

ii. A safener required for the said herbicide is manufactured indigenously which will result in cost benefit and reduce dependency on other suppliers.

iii. An herbicide auxiliary chemical for the marketed herbicide was produced indigenously which will result in reduction in the cost of the formulated product and foreign exchange saving.

iv. New products introduced globally, resulting in business expansion.

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

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

vii. Process development for key intermediates for technical will result in cost effectiveness, and quality product.

viii. Several pre-mix formulations have been developed for future product launches.

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	₹ 644.62 Lacs
Recurring	₹ 16136.39 Lacs
Total	₹ 16781.01 Lacs
Total R & D expenditure	2.27% (as a percentage of turnover)

C. Foreign Exchange Earnings and Outgo:

1.	Total Foreign Exchange earned	₹395,575 Lacs
2.	Total Foreign Exchange outgo	₹244,604 Lacs

Annexure 6 to Directors Report

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2018

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

I. Registration and other details

CIN	L24219GJ1985PLC025132
Registration Date	2nd January, 1985
Name of the Company	UPL Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	3-11, G.I.D.C., Vapi, Dist. Valsad, Gujarat – 396195. Tel.: 0260-2400717
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg Vikhroli West, Mumbai 400 083. Tel.: +91 22-49186270 Fax no.: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website :www.linkintime.co.in

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Agro Chemicals	20121	89.56%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name of subsidiaries	address	CIN / GLN	% of shares held	Applicable Section
1	Shroffs United Chemicals Limited	11, GIDC Estate, Vapi - 396195, Dist: Valsad	U24299GJ1979PLC003583	100%	2(87)
2	SWAL Corporation Limited	Ready Money Terrace, 167, Dr A. B. road, Worli, Mumbai - 400 052	U24110MH1979PLC136661	100%	2(87)
3	United Phosphorus (India) LLP	C/o. United Phosphorus Limited, Uniphos House, 11th Road, Khar (W), Mumbai-400052	AAA-4124	100%	2(87)
4	United Phosphorus Global LLP	C/o. United Phosphorus Limited, Uniphos House, 11th Road, Khar (W), Mumbai-400052	AAA-4123	100%	2(87)
5	Optima Farm Solutions Limited	26-28 Indra Palace, H Block, Connaught Circus, New Delhi - 110 001	U1403DL2010PLC206625	100%	2(87)
6	Agrinet Solutions Limited	Ready money Terrace, 167, Dr A. B. Road, Worli, Mumbai - 400018	U999MH2000PLC1346747	49.78%	2(87)
7	UPL Europe Limited	THE CENTRE , BIRCHWOOD PARK, BIRCHWOOD , WARRINGTON , WA3 6YN		100%	2(87)
8	UPL Deutschland GmbH	Kolnstrasse 107,50321 Bruhl,Germany		100%	2(87)
9	UPL Polska Sp.z o.o - Poland	ul. Przełaj 8/27,03-092 Warszawa,Poland		100%	2(87)

Sr. No.	Name of subsidiaries	address	CIN / GLN	% of shares held	Applicable Section
10	UPL Benelux B.V.	Koopvaardijweg 9,4906 CV Oosterhout,Postbus 295,4900 AG Oosterhout,Netherlands		100%	2(87)
11	Cerexagri B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
12	Blue Star B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
13	United Phosphorus Holdings Cooperatief U.A.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
14	United Phosphorus Holdings B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
15	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
16	Decco Worldwide Post-Harvest Holdings B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
17	United Phosphorus Holding, Brazil B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
18	UPL Italia S.R.L.	Via Terni, 275 - 47522 Cesena (FC) - Italy		100%	2(87)
19	UPL Iberia, S.A.	Avda. Josep Tarradellas, 20-30,floor 3, door 7-8,		100%	2(87)
20	Decco Iberica Postcosecha, S.A.U.	Poligono Fuente del Jarro,C/ Villa de Madrid num. 54,46988 Paterna (Valencia),Spain		100%	2(87)
21	Transterra Invest, S. L. U.	Avda. Josep Tarradellas, 20-30,floor 3, door 7-8,		100%	2(87)
22	Cerexagri S.A.S.	10,avenue de l'enterpise Parc,St Cristophe 95863 Cergy Pontoise, France		100%	2(87)
23	Neo-Fog S.A.	3 rue Ampère ,ZA,59236 FRELINGHIEN France		100%	2(87)
24	UPL France	132/190 Boulevard de Verdun,92400 COURBEVOIE,France		100%	2(87)
25	United Phosphorus Switzerland Limited	C/o Testatoris AG,Topferstrasse 5,6004 Luzern,Switzerland		100%	2(87)
26	Agrodan, ApS	GAMMEL POSTVEJ 11,NORDBY,6720 FANO,DENMARK		100%	2(87)
27	Decco Italia SRL	Bivio Aspro Zona Industriale Piano Tavola		100%	2(87)
28	Limited Liability Company "UPL"	16/18, building 1, office 25,Balshaya Sukharevskaya Square,Moscow , 107045,Russian Federation		100%	2(87)
29	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	Beloura Office Park, Ed. 7 – 1º Escritorio 1.4,2710 693 Sintra – Lisboa,Portugal		100%	2(87)
30	United Phosphorus Inc.	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
31	UPI Finance LLC	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
32	Cerexagri, Inc. (PA)	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)
33	UPL Delaware, Inc.	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		100%	2(87)

Sr. No.	Name of subsidiaries	address	CIN / GLN	% of shares held	Applicable Section
34	Canegrass LLC	630 Freedom Business Center, Suite 402,King of Prussia, PA 19406		70%	2(87)
35	Decco US Post-Harvest Inc	1713 South California Avenue,Monrovia, CA 91016		100%	2(87)
36	RiceCo LLC	5100,Poplar Avenue,Suite 2428, Memphis, TN 38137		100%	2(87)
37	Riceco International, Inc.	5100,Poplar Avenue,Suite 2428, Memphis, TN 38137		100%	2(87)
38	UPL Corporation Limited	5TH Floor Newport Building,Louis Pasteur Street,Port Louis,Mauritius		100%	2(87)
39	UPL Management DMCC	Mazaya Business Avenue -Tower AA1, 11th Floor,First Al Khail St, Dubai, U.A.E. P.O. Box: 33421		100%	2(87)
40	UPL Limited, Gibraltar	Suite 10, Watergardens 5,Waterport Road, Gibraltar		100%	2(87)
41	UPL Agro S.A. de C.V.	Gabriel Mancera 1815, int 402 Col Del Valle Delg. Benito Juarez C.P. 03100 Ciudad de Mexico		100%	2(87)
42	Decco Jifkins Mexico Sapi	Franz Schubert #5126,Colonia Residencial La Estancia,Zapopan, Jalisco, Mexico		100%	2(87)
43	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	Rua Fernando de Albuquerque nº31 cj 72 - São Paulo - SP - CEP 01309-030		100%	2(87)
44	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	Av Maeda sem nº Distrito Industrial - Ituverava - SP - CEP 14.500-000		100%	2(87)
45	UPL Costa Rica S.A	San Rafael de Alajuela, Potrerillos Street, Industrial Zone Flexipark		100%	2(87)
46	UPL Bolivia S.R.L	Av. Cristo Redentor Nro 3731 Mzno: 03 Zona Norte. Santa Cruz de la Sierra, Bolivia.		100%	2(87)
47	UPL Paraguay S.A.	Avenida Los Mingueros C/Juana de Lara; Ciudad de Minga Guazú; Departamento de Alto Paraná; República del Paraguay.		100%	2(87)
48	Icona Sanluis S A	Maipú 1199 – (5700) - Ciudad de San Luis – Provincia de San Luis, Argentina		100%	2(87)
49	DVA Technology Argentina S.A.	Cervino Av 4634 B S T M Piso 2 (1425) - Capital Federal		100%	2(87)
50	UPL Argentina S A	Viamonte 1342, 5to Piso E. CABA, Buenos Aires, Argentina		100%	2(87)
51	Decco Chile SpA	Parque del Este 2451, Villa del Este, Rancagua, Chile		100%	2(87)
52	UPL Colombia SAS	CR 1 NO. 4 - 02 IN 1 AL 21		100%	2(87)
53	United Phosphorus Cayman Limited	C/o Genesis Trust & Corporate Services Ltd,2nd Floor, Elgin Court, Elgin Avenue,PO Box 448, Grand Cayman,Cayman Islands		100%	2(87)
54	UP Aviation Limited	C/o Genesis Trust & Corporate Services Ltd,2nd Floor, Elgin Court, Elgin Avenue,PO Box 448, Grand Cayman,Cayman Islands		100%	2(87)
55	UPL Australia Limited	Suite 416, Level 4, 14 Lexington Drive,Bella Vista NSW 2153.		100%	2(87)

Sr. No.	Name of subsidiaries	address	CIN / GLN	% of shares held	Applicable Section
56	UPL New Zealand Limited	C/o Crowe Horwath (NZ) Limited,Level 29, 188 Quay Street , Auckland Central,Auckland 1010,New Zealand		100%	2(87)
57	UPL Shanghai Limited	Rm 1712, Longemont YES tower, No 399, Kaixuan Rd,Shanghai 200051 China,P:021-62131830		100%	2(87)
58	UPL Limited (Korea)	301, Seolleung B/D, 555, Seolleung-ro, Gangnam-gu, Seoul, 135-916, Korea		100%	2(87)
59	PT.UPL Indonesia	PALMA ONE BUILDING, 6TH FLOOR, SUITE 609, JL. HR RASUNA SAID, KAV.X-2 NO.4,JAKARTA 12950, INDONESIA		100%	2(87)
60	PT Catur Agrodaya Mandiri	PALMA ONE BUILDING, 6TH FLOOR, SUITE 609, JL. HR RASUNA SAID, KAV.X-2 NO.4,JAKARTA 12950, INDONESIA		100%	2(87)
61	UPL Limited,Hong Kong	18A, 18/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong		100%	2(87)
62	UPL Philippines Inc	Unit 1506, 15th Floor Jollibee Plaza Condominium,F. Ortigas Jr. Road, Ortigas Center,1605 Pasig City, Metro Manila		100%	2(87)
63	UPL Vietnam Co. Limited	Amata Road, Long Binh IP (Amata), Long Binh ward, Bien Hoa city, Dong Nai province, Vietnam		100%	2(87)
64	UPL Limited, Japan	30F, Ark Mori Building, 1-12-32, Akasaka, Minato-ku, Tokyo 107-6030, Japan		100%	2(87)
65	Anning Decco Fine Chemical Co. Limited	Changpo, Anning, Kunming City, Yunnn Province		55%	2(87)
66	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi	Adalet Mahallesi Manas Bulvarı Folkart Towers No:47/B,A KULE K:31 D:3107-3110,		100%	2(87)
67	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Cumhuriyet(incirlik) Mh. Incirlik Blv No.316/Z-01,Yuregir/Adana Turkey,35530 BAYRAKLI/ IZMIR-TURKEY		100%	2(87)
68	Safepack Products Limited	7 Asteria Meir St.,IZ Hadera,Isarel		100%	2(87)
69	Citrashine (Pty) Ltd	75 2nd street, Booysens Reserve,Johannesburg 2091 – South Africa		100%	2(87)
70	Prolong Limited	MEIR ASTORIA 7 HADERA		100%	2(87)
71	Perrey Participações S.A	Rua Líbero Badaró nº 293 - 21ºandar, cj 21D, sala 46 = São Paulo - SP - CEP 01009-000		100%	2(87)
72	Advanta Netherlands Holding B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
73	Advanta Semillas SAIC	25 de Mayo 749. Piso 1, Dpto 3. CABA, Buenos Aires, Argentin		100%	2(87)
74	Advanta Holdings B.V.	Tankhoofd 10,3196 KE Vondelingenplaat,The Netherlands		100%	2(87)
75	Advanta Seeds International	5TH Floor Newport Building,Louis Pasteur Street,Port Louis,Mauritius		100%	2(87)
76	Pacific Seeds Holdings (Thailand) Limited	1 Moo 13, Phaholyothin Road, Tumbol Praphuttabat, Amphur Praphuttabat, Saraburi.		100%	2(87)
77	Pacific Seeds (Thai) Limited	1 Moo 13, Phaholyothin Road, Tumbol Praphuttabat, Amphur Praphuttabat, Saraburi.		100%	2(87)

Sr. No.	Name of subsidiaries	address	CIN / GLN	% of shares held	Applicable Section
78	Advanta Seeds Pty Ltd	268 Anzac Avenue,Toowoomba QLD 4350,Australia		100%	2(87)
79	Advanta US LLC(formerly known as Advanta US.Inc)	201 E. John Carpenter Fwy. Suite 660,Irving, Tx 75062		100%	2(87)
80	Advanta Comercio De Sementes LTDA.	Av Maeda sem nº Distrito Industrial - Ituverava - SP - CEP 14.500-000		100%	2(87)
81	PT Advanta Seeds Indonesia	Gedung Palma One Lt. 6 Suite 609 Jalan HR. Rasuna Said Kav X-2 No. 4, Kelurahan Kuningan Timur, Kecamatan Setiabudi, Jakarta Selatan.		100%	2(87)
82	Advanta Seeds DMCC	Mazaya Business Avenue – Tower AA1,First Al Khail St, Dubai – U.A.E. P.O Box 33421.		100%	2(87)
83	Essentiv LCC	160, Green Tree Dr.,Ste.101,Dover,DE 19904		50%	2(87)
84	Advanta Seeds Ukraine LLC	1/27 MARRI PRYIMACHENKO BOULEVARD OFFICE 304/2 KYIV 01042 UKRAINE		100%	2(87)
85	UPL Jigansu Limited	No.1 Shilian Avenue Salinization New Material Industrial Park, Huaian City, Jiangsu Province, P. R. China		70%	2(87)
86	UPL Agro Limited	UPL Agro Limited:4100, 5th Floor New port Building, Louis Pasteur Street, Port Louis, Mauritius		100%	2(87)
87	Riceco Inetnational Bangladesh Ltd.	HM plaza, 12th Floor, Uttara, Dhaka-1230 Bangladesh		100%	2(87)
88	Uniphos Malaysia Sdn Bhd	Level 21, Suite 2101, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur		100%	2(87)

Sr. No.	Name of subsidiaries	address	CIN / GLN	% of shares held	Applicable Section
ASSOCIATES COMPANY					
1	Weather Risk Management Private Ltd	97, NEHRU PARK, JODHPUR,RAJASTHAN-342001	U67200RJ2004PTC019775	27.36%	2(6)
2	Kerala Enviro Infrastructure Limited	Common TSDF Projects, Inside FACT CD Campus, Ambalamedu, Kochi - 682303	U24129KL2005PLC017973	27.52%	2(6)
3	Polycoat Technologies 2010 Limited	7 Astoria Meir St, IZ Hadera, Izrael		20%	2(6)
4	3SB Produtos Agricolas S.A.	Rua Lajes, 961, Bairro Primavera IV, Primavera do Leste – MT, CEP 78850-000		49%	2(6)
5	Sinagro Produtos Agropecuarios S.A.	Rua Rio de Janeiro, 2583, Primavera do Leste – MT, CEP 78850-000		49%	2(6)
6	Chemisynth (Vapi) Limited	Plot No 27, GIDC, Vapi - 396195, Dist. Valsad	U24110GJ1986PLC008634	30%	2(6)
7	Hodagaya UPL Co. Limited	2-4-1, Yaesu, Chuo-ku, Tokyo 104-0028, Japan		40%	2(6)
8	Longreach Plant Breeders Management Pty Limited	268 Anzac Ave, P O Box 337, Toowoomba QLD 4350		70%	2(6)
9	United Phosphorus (Bangladesh) Limited	Paragon House, 5 Mohkhali C/A, Dhaka		50%	2(6)
10	Sera Bonita Sementes S. A.	Rod MG 400KM 03 S/N- Fazenda Sao Miguel, Zonal Rural, In the municipality of Buritis, MG		33%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Shareholding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/H.U.F	3394956	0	3394956	0.73	2923490	0	2923490	0.0.57	-0.16
(b)	Central/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	127932775	0	127932775	27.54	128279292	0	128279292	25.20	-2.34
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	131327731	0	131327731	28.27	131202782	0	131202782	25.77	-2.50
(2)	Foreign									
(a)	Non Resident Individuals/ Foreign Nationals	9310000	0	9310000	2.00	9902992	0	9902992	1.95	-0.05
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub_Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	140637731	0	140637731	30.27	141105774	0	141105774	27.72	-2.55
(B)	Public Shareholding3									
(1)	Institutions									
(a)	Mutual Fund/UTI	50463256	0	50463256	10.86	48138841	0	48138841	9.46	-1.40
(b)	Financial Institutions/Banks	3107344	0	3107344	0.67	3937072	0	3937072	0.77	0.10
(c)	Central/State Government(s)	987951	0	987951	0.21	987951	0	987951	0.19	-0.02
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	Alternate Investment fund	0	0	0	0.00	60000	0	60000	0.01	0.01
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Portfolio Investors	213202105	18500	213220605	45.89	205656337	0	205656337	40.40	-5.49
(g)	Foreign Venture Cap. Inv	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Bank	18000	23000	41000	0.01	18000	15000	33000	0.01	0.00
	Sub-Total (B)(1)	267778656	41500	267820156	57.64	258798201	15000	258813201	50.84	-6.80
(2)	Non Institutions									
(a)	Bodies Corporate	15995310	0	15995310	3.44	22235207	0	22235207	4.51	1.07
(b)	Individuals									
	i) Holding nominal share capital upto ₹ 2 lakh	22299140	4414230	26713370	5.75	25554210	3680637	29234847	5.74	-0.01
	ii) Holding nominal share capital in excess of ₹ 2 lakh.	4287933	0	4287933	0.92	4372881	0	4372881	0.86	-0.06

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other(specify)									
	Overseas Corporate Bodies	0	6740	6740	0.00	0	1660	1660	0.00	0.00
	Non Resident Individuals	3002892	2114570	5117462	1.11	3411535	1884145	5295680	1.05	-0.06
	Foreign Banks	0	0	0	0.00	0	0	0	0.00	
	Trust	2055095	0	2055095	0.44	3129762	0	3129762	0.61	0.17
	Foreign Nationals	280335	0	280335	0.06	182395	0	182395	0.04	-0.02
	Hindu Undivided Family	496446	0	496446	0.11	653548	0	653548	0.13	0.02
	Foreign Companies	68193	0	68193	0.01	68193	0	68193	0.01	0.00
	Clearing Member	1177285	0	1177285	0.25	1160407	0	1160407	0.23	-0.02
	IEPF	0	0	0	0.00	726464	0	726464	0.14	0.14
	Overseas Depositories (holding DRs)	0	0	0	0.00	42103942	0	42103942	8.27	8.27
	Sub-Total (B)(2)	49662629	6535540	56198169	12.09	103598544	5566442	109164986	21.44	9.35
	Total Public shareholding (B)=(B)(1)+(B)(2)	317441285	6577040	324018325	69.73	362396745	5581442	367978187	72.28	2.55
	TOTAL (A)+(B)	458079016	6577040	464656056	100.00	503502519	5581442	509083961	99.95	-0.05
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
3	Non Promoter –Non Public	42353062	8000	42361062	0.00	249120	0	249120	0.05	0.0
	GRAND TOTAL (A)+(B)+(C)	500432078	6585040	507017118	100.00	503751639	5581442	509333081	100.00	

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	NERKA CHEMICALS PVT LTD	101256245	21.8	0	101523324	19.94	0.45	-1.86
2	UNIPHOS ENTERPRISES LIMITED	25537060	5.5	0	25549798	5.02	0.00	-0.48
3	R SHROFF CONSULTANTS PVT LTD	92260	0.02	0	92260	0.02	0.00	0.00
4	ARCHANA OVERSEAS PVT LTD	843500	0.13	0	897226	0.18	0.00	0.05
5	DEMURIC HOLDINGS PVT LTD	97925	0.02	0	104162	0.02	0.00	0.00

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
6	ESTHETIC FINVEST PVT LTD	105785	0.02	0	112522	0.02	0.00	0.00
7	JAIDEV RAJNIKANT SHROFF	5076750	1.09	0	5400109	1.06	0.00	-0.03
8	VIKRAM RAJNIKANT SHROFF	4233250	0.91	0	4502883	0.88	0.00	-0.03
9	RAJJU D SHROFF	10000	0	0	10000	0	0.00	0.00
10	SHILPA P SAGAR	2887841	0.62	0	2419462	0.48	0.00	-0.14
11	JYOTSNA J BHATT	448750	0.10	0	448750	0.09	0.00	-0.01
12	VARUN JAIDEV SHROFF	26500	0.01	0	27296	0.01	0.00	0.00
13	TANIA JAIDEV SHROFF	15385	0	0	15982	0	0.00	0.00
14	PRADIP N SAGAR	4480	0	0	0	0	0.00	0.00
15	MEKHALA VIKRAM SHROFF	2000	0	0	2000	0	0.00	0.00
	Total	**140637731**	**30.27**	**0**	**141105774**	**27.72**	**0.45**	**-2.55**

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

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
1	NERKA CHEMICALS PVT LTD	101256245	19.88	01.04.2017				
				05.05.2017	167079	Allotment Due to conversion of preference share of the Company.		
				16.03.2018	100000	Purchase		
		101523324	19.93	31.03.2018			101523324	19.93
2	UNIPHOS ENTERPRISES LIMITED	25537060	5.01	01.04.2017				
				05.05.2017	12738	Allotment Due to conversion of preference share of the Company.		
		25549798	5.02	31.03.2018			25549798	5.02
3	R SHROFF CONSULTANTS PVT LTD	92260	0.02	01.04.2017	0	NIL movement during the year		
		92260	0.02	31.03.2018			92260	0.02

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
4	ARCHANA OVESEAS PVT LTD	843500	0.17	01.04.2017				
				05.05.2017	53726	Allotment Due to conversion of preference share of the Company.		
		897226	0.18	31.03.2018			897226	0.18
5	ESTHETIC FINVEST PVT LTD	105785	0.02	01.04.2017				
				05.05.2017	6737	Allotment Due to conversion of preference share of the Company.		
		112522	0.02	31.03.2018			112522	0.02
6	DEMURIC HOLDINGS PVT LTD	97925	0.02	01.04.2017				
				05.05.2017	6237	Allotment Due to conversion of preference share of the Company.		
		104162	0.02	31.03.2018			104162	0.02
7	TANIA JAIDEV SHROFF	15385	0.00	01.04.2017				
				31.03.2018	597	Allotment Due to conversion of preference share of the Company.		
		15982	0.00	31.03.2018			15982	0.00
8	SHILPA P SAGAR	2887841	0.57	01.04.2017				
				05.05.2017	318	Allotment Due to conversion of preference share of the Company.	2888159	0.57
				29.12.2017	-1000	sale	2887159	0.57
				02.02.2018	-5000	sale	2882159	0.57
				09.02.2018	-5000	sale	2877159	0.56
				23.02.2018	-68800	sale	2808359	0.55
				02.03.2018	-139000	sale	2669359	0.52
				09.03.2018	-113897	sale	2555462	0.50
				16.03.2018	-133000	sale	2422462	0.48
				23.03.2018	-3000	sale	2419462	0.47
		2419462	0.47	31.03.2018				

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
9	PRADIP N SAGAR	4480	0	01.04.2017				
				07.04.2017	-1500	Sale	2980	0
				21.04.2017	-1750	Sale	1230	0
				05.05.2017	1752	Allotment Due to conversion of preference share of the Company.	2982	0
				12.05.2017	-750	Sale	2232	0
				19.05.2017	-482	Sale	1750	0
				26.05.2017	-500	Sale	1250	0
				02.06.2017	-1250	Sale	0	0
		0	0	31.03.2018				
10	JYOTSNA J BHATT	448750	0.10	01.04.2017	0	NIL movement during the year		
		448750	0.09	31.03.2018			448750	0.09
11	JAIDEV RAJNIKANT SHROFF	5076750	0.99	01.04.2017				
				05.05.2017	323359	Allotment Due to conversion of preference share of the Company.		
		5400109	1.06	31.03.2018			5400109	1.06
12	VARUN JAIDEV SHROFF	26500	0.01	01.04.2017				
				31.03.2018	796	Allotment Due to conversion of preference share of the Company.		
		27296	0.01	31.03.2018			27296	0.01
13	RAJJU D SHROFF	10000	0	01.04.2017	0	NIL movement during the year		
		10000	0	31.03.2018			10000	0
14	VIKRAM RAJNIKANT SHROFF	4233250	0.83	01.04.2017				
				05.05.2017	269633	Allotment Due to conversion of preference share of the Company		
		4502883	0.88	31.03.2018	0		4502883	0.88
15	MEKHALA VIKRAM SHROFF	2000	0	01.04.2017	0	NIL movement during the year		
		2000	0	31.03.2018	0		2000	0

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

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
1	GOVERNMENT PENSION FUND GLOBAL	11448976	2.25	01-Apr-17			11448976	2.25
				05-Jan-18	-4561	Transfer	11444415	2.25
				12-Jan-18	-159500	Transfer	11284915	2.22
				26-Jan-18	785000	Transfer	12069915	2.37
				02-Feb-18	318520	Transfer	12388435	2.44
				09-Feb-18	870496	Transfer	13258931	2.61
				23-Feb-18	266900	Transfer	13525831	2.66
				02-Mar-18	622596	Transfer	14148427	2.78
				09-Mar-18	63715	Transfer	14212142	2.79
		14212142	2.79	31-Mar-18			14212142	2.79
2	GOVERNMENT OF SINGAPORE	7065831	1.39	01-Apr-17			7065831	1.39
				07-Apr-17	-483059	Transfer	6582772	1.30
				14-Apr-17	-15307	Transfer	6567465	1.30
				21-Apr-17	-3732	Transfer	6563733	1.29
				28-Apr-17	-1644	Transfer	6562089	1.29
				05-May-17	-99824	Transfer	6462265	1.27
				26-May-17	-4377	Transfer	6457888	1.27
				02-Jun-17	254487	Transfer	6712375	1.32
				09-Jun-17	16835	Transfer	6729210	1.32
				16-Jun-17	11417	Transfer	6740627	1.32
				23-Jun-17	-3968	Transfer	6736659	1.32
				07-Jul-17	43228	Transfer	6779887	1.33
				14-Jul-17	78	Transfer	6779965	1.33
				18-Aug-17	-4624	Transfer	6775341	1.33
				01-Sep-17	-104315	Transfer	6671026	1.31
				08-Sep-17	-191126	Transfer	6479900	1.28
				15-Sep-17	11876	Transfer	6491776	1.28
				06-Oct-17	26039	Transfer	6517815	1.28
				03-Nov-17	43096	Transfer	6560911	1.29
				17-Nov-17	-2350	Transfer	6558561	1.29
				01-Dec-17	-156321	Transfer	6402240	1.26
				08-Dec-17	-88327	Transfer	6313913	1.24

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
				22-Dec-17	8218	Transfer	6322131	1.24
				29-Dec-17	203577	Transfer	6525708	1.28
				05-Jan-18	349128	Transfer	6874836	1.35
				12-Jan-18	-11606	Transfer	6863230	1.35
				19-Jan-18	101609	Transfer	6964839	1.37
				26-Jan-18	65523	Transfer	7030362	1.38
				02-Feb-18	29150	Transfer	7059512	1.39
				09-Feb-18	-11771	Transfer	7047741	1.39
				23-Feb-18	-21290	Transfer	7026451	1.38
				02-Mar-18	-128374	Transfer	6898077	1.36
				09-Mar-18	-104052	Transfer	6794025	1.33
		6893708	1.35	31-Mar-18	99683	Transfer	6893708	1.35
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	6219838	1.22	01-Apr-17			6219838	1.18
				07-Apr-17	43	Transfer	6219881	1.23
				14-Apr-17	-3157	Transfer	6216724	1.22
				21-Apr-17	-1633	Transfer	6215091	1.22
				28-Apr-17	-90931	Transfer	6124160	1.21
				05-May-17	1936	Transfer	6126096	1.21
				12-May-17	-9215	Transfer	6116881	1.20
				19-May-17	-11057	Transfer	6105824	1.20
				26-May-17	39	Transfer	6105863	1.20
				02-Jun-17	-1893	Transfer	6103970	1.20
				09-Jun-17	-2982	Transfer	6100988	1.20
				16-Jun-17	-29599	Transfer	6071389	1.20
				23-Jun-17	722	Transfer	6072111	1.20
				30-Jun-17	4798	Transfer	6076909	1.20
				07-Jul-17	105800	Transfer	6182709	1.22
				14-Jul-17	1551	Transfer	6184260	1.22
				21-Jul-17	-45133	Transfer	6139127	1.21
				28-Jul-17	-11466	Transfer	6127661	1.21
				04-Aug-17	-37376	Transfer	6090285	1.20
				11-Aug-17	-4526	Transfer	6085759	1.20
				18-Aug-17	162142	Transfer	6247901	1.23
				25-Aug-17	1546	Transfer	6249447	1.23

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
				01-Sep-17	-57029	Transfer	6192418	1.22
				08-Sep-17	6838	Transfer	6199256	1.22
				15-Sep-17	7184	Transfer	6206440	1.22
				22-Sep-17	3697	Transfer	6210137	1.22
				29-Sep-17	5291	Transfer	6215428	1.22
				06-Oct-17	116184	Transfer	6331612	1.25
				13-Oct-17	5885	Transfer	6337497	1.25
				20-Oct-17	18160	Transfer	6355657	1.25
				27-Oct-17	3482	Transfer	6359139	1.25
				03-Nov-17	37208	Transfer	6396347	1.26
				10-Nov-17	3097	Transfer	6399444	1.26
				17-Nov-17	-24204	Transfer	6375240	1.25
				24-Nov-17	2793	Transfer	6378033	1.25
				01-Dec-17	-74515	Transfer	6303518	1.24
				08-Dec-17	2843	Transfer	6306361	1.24
				15-Dec-17	3568	Transfer	6309929	1.24
				22-Dec-17	8204	Transfer	6318133	1.24
				29-Dec-17	35540	Transfer	6353673	1.25
				05-Jan-18	-31545	Transfer	6322128	1.24
				12-Jan-18	-30372	Transfer	6291756	1.24
				19-Jan-18	-5120	Transfer	6286636	1.24
				26-Jan-18	97923	Transfer	6384559	1.26
				02-Feb-18	4052	Transfer	6388611	1.26
				09-Feb-18	1588	Transfer	6390199	1.26
				16-Feb-18	-21797	Transfer	6368402	1.25
				23-Feb-18	13751	Transfer	6382153	1.26
				02-Mar-18	-3755	Transfer	6378398	1.25
				09-Mar-18	3453	Transfer	6381851	1.25
				16-Mar-18	559	Transfer	6382410	1.25
				23-Mar-18	103387	Transfer	6485797	1.27
		6593432	1.29	31-Mar-18	107635	Transfer	6593432	1.29

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
4	MAWER INTERNATIONAL EQUITY FUND	2409099	0.47	01-Apr-17			2409099	0.47
				23-Jun-17	1585	Transfer	2410684	0.47
				07-Jul-17	352704	Transfer	2763388	0.54
				14-Jul-17	413040	Transfer	3176428	0.63
				21-Jul-17	342072	Transfer	3518500	0.69
				28-Jul-17	64981	Transfer	3583481	0.71
				04-Aug-17	276983	Transfer	3860464	0.76
				11-Aug-17	306857	Transfer	4167321	0.82
				18-Aug-17	256244	Transfer	4423565	0.87
				25-Aug-17	179594	Transfer	4603159	0.91
				29-Sep-17	68434	Transfer	4671593	0.92
				13-Oct-17	33132	Transfer	4704725	0.93
				27-Oct-17	513295	Transfer	5218020	1.03
				03-Nov-17	273318	Transfer	5491338	1.08
				17-Nov-17	1779	Transfer	5493117	1.08
				24-Nov-17	19366	Transfer	5512483	1.09
				26-Jan-18	516804	Transfer	6029287	1.19
				02-Feb-18	361547	Transfer	6390834	1.25
		6390834	1.25	31-Mar-18				
5	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0	0	01-Apr-17			0	0
				23-Mar-18	6177883	Transfer	6177883	1.21
				31-Mar-18	-31100	Transfer	6146783	1.21
		6146783	1.21	31-Mar-18				
6	SBI BLUE CHIP FUND	5006262	0.98	01-Apr-17			5006262	0.98
				18-Aug-17	34000	Transfer	5040262	0.99
				03-Nov-17	500000	Transfer	5540262	1.09
		5540262	1.09	31-Mar-18				

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
7	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4381911	0.86	01-Apr-17			4381911	0.86
				21-Apr-17	42319	Transfer	4424230	0.87
				26-May-17	38745	Transfer	4462975	0.88
				14-Jul-17	53453	Transfer	4516428	0.89
				08-Sep-17	38737	Transfer	4555165	0.90
				10-Nov-17	97430	Transfer	4652595	0.92
				26-Jan-18	50042	Transfer	4702637	0.93
				02-Feb-18	21922	Transfer	4724559	0.93
				02-Mar-18	108728	Transfer	4833287	0.95
		4833287	0.95	31-Mar-18				
8	BLACKROCK GLOBAL FUNDS - ASIAN GROWTH LEADERS FUND	2955296	0.58	01-Apr-17				
				09-Jun-17	147216	Transfer	3102512	0.61
				23-Jun-17	536985	Transfer	3639497	0.72
				14-Jul-17	393140	Transfer	4032637	0.79
				21-Jul-17	32499	Transfer	4065136	0.80
				11-Aug-17	39986	Transfer	4105122	0.81
				25-Aug-17	407164	Transfer	4512286	0.89
				01-Sep-17	78427	Transfer	4590713	0.90
				13-Oct-17	50140	Transfer	4640853	0.91
				27-Oct-17	85973	Transfer	4726826	0.93
				01-Dec-17	78046	Transfer	4804872	0.94
		4804872	0.94	31-Mar-18				
9	BLACKROCK GLOBAL FUNDS ASIAN DRAGON FUND	3722320	0.73	01-Apr-17			3722320	0.73
				02-Jun-17	50141	Transfer	3772461	0.74
				23-Jun-17	96390	Transfer	3868851	0.76
				14-Jul-17	40173	Transfer	3909024	0.77
				21-Jul-17	71346	Transfer	3980370	0.78
				11-Aug-17	89103	Transfer	4069473	0.80
				20-Oct-17	77871	Transfer	4147344	0.82
				05-Jan-18	48070	Transfer	4195414	0.83
				12-Jan-18	40144	Transfer	4235558	0.83
				26-Jan-18	70262	Transfer	4305820	0.85
				02-Feb-18	30118	Transfer	4335938	0.85

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
				02-Mar-18	101170	Transfer	4437108	0.87
				23-Mar-18	93175	Transfer	4530283	0.89
		4530283	0.89	31-Mar-18				
10	COPTHALL MAURITIUS INVESTMENT LIMITED	5334092	1.05	01-Apr-17			5334092	1.05
				07-Apr-17	84000	Transfer	5418092	1.07
				14-Apr-17	27139	Transfer	5445231	1.07
				28-Apr-17	-102766	Transfer	5342465	1.05
				05-May-17	-130600	Transfer	5211865	1.03
				12-May-17	-114019	Transfer	5097846	1
				19-May-17	1329	Transfer	5099175	1
				26-May-17	-23800	Transfer	5075375	1
				09-Jun-17	-19200	Transfer	5056175	1
				23-Jun-17	13080	Transfer	5069255	1
				30-Jun-17	8366	Transfer	5077621	1
				14-Jul-17	-31049	Transfer	5046572	0.99
				21-Jul-17	-211290	Transfer	4835282	0.95
				28-Jul-17	114076	Transfer	4949358	0.97
				04-Aug-17	102856	Transfer	5052214	0.99
				11-Aug-17	54130	Transfer	5106344	1.01
				18-Aug-17	-75735	Transfer	5030609	0.99
				25-Aug-17	23661	Transfer	5054270	0.99
				01-Sep-17	-81039	Transfer	4973231	0.98
				08-Sep-17	84362	Transfer	5057593	1
				15-Sep-17	-38177	Transfer	5019416	0.99
				22-Sep-17	55686	Transfer	5075102	1
				29-Sep-17	-268143	Transfer	4806959	0.95
				06-Oct-17	445394	Transfer	5252353	1.03
				13-Oct-17	-182593	Transfer	5069760	1
				20-Oct-17	35803	Transfer	5105563	1
				27-Oct-17	-442938	Transfer	4662625	0.92
				03-Nov-17	-31597	Transfer	4631028	0.91
				10-Nov-17	57074	Transfer	4688102	0.92
				17-Nov-17	11569	Transfer	4699671	0.92
				24-Nov-17	17742	Transfer	4717413	0.93
				01-Dec-17	-144040	Transfer	4573373	0.9

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
				08-Dec-17	24595	Transfer	4597968	0.90
				15-Dec-17	-8092	Transfer	4589876	0.90
				22-Dec-17	6212	Transfer	4596088	0.90
				29-Dec-17	-36750	Transfer	4559338	0.90
				05-Jan-18	-412222	Transfer	4147116	0.82
				12-Jan-18	-1808	Transfer	4145308	0.82
				19-Jan-18	8430	Transfer	4153738	0.82
				26-Jan-18	87567	Transfer	4241305	0.83
				02-Feb-18	25494	Transfer	4266799	0.84
				23-Feb-18	-212400	Transfer	4054399	0.80
				09-Mar-18	-43097	Transfer	4011302	0.79
				16-Mar-18	-400	Transfer	4010902	0.79
				23-Mar-18	-128640	Transfer	3882262	0.76
		3882262	0.76	31-Mar-18				
11	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	5699108	1.12	01-Apr-17			5699108	1.12
				07-Apr-17	72267	Transfer	5771375	1.14
				28-Apr-17	6630	Transfer	5778005	1.14
				05-May-17	53040	Transfer	5831045	1.15
				12-May-17	16575	Transfer	5847620	1.15
				19-May-17	35802	Transfer	5883422	1.16
				02-Jun-17	14586	Transfer	5898008	1.16
				14-Jul-17	39780	Transfer	5937788	1.17
				04-Aug-17	14586	Transfer	5952374	1.17
				11-Aug-17	19227	Transfer	5971601	1.18
				01-Sep-17	23868	Transfer	5995469	1.18
				08-Sep-17	33813	Transfer	6029282	1.19
				15-Sep-17	30498	Transfer	6059780	1.19
				06-Oct-17	19890	Transfer	6079670	1.20
				13-Oct-17	20553	Transfer	6100223	1.20
				20-Oct-17	15249	Transfer	6115472	1.20
				27-Oct-17	13923	Transfer	6129395	1.21
				22-Dec-17	-8294	Transfer	6121101	1.20
				26-Jan-18	29986	Transfer	6151087	1.21
				02-Feb-18	26796	Transfer	6177883	1.22

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
				23-Mar-18	-6177883	Transfer	0	0
		0	0	31-Mar-18				
12	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	5001633	0.98	01-Apr-17			5001633	0.98
				21-Apr-17	-50000	Transfer	4951633	0.97
				28-Apr-17	-50000	Transfer	4901633	0.96
				23-Jun-17	-25000	Transfer	4876633	0.96
				07-Jul-17	-150000	Transfer	4726633	0.93
				28-Jul-17	-25000	Transfer	4701633	0.93
				01-Sep-17	-100000	Transfer	4601633	0.91
				08-Sep-17	100000	Transfer	4701633	0.93
				15-Sep-17	-408000	Transfer	4293633	0.85
				22-Sep-17	-200000	Transfer	4093633	0.81
				29-Sep-17	-620000	Transfer	3473633	0.68
				06-Oct-17	-200000	Transfer	3273633	0.64
				13-Oct-17	-370000	Transfer	2903633	0.57
				20-Oct-17	-420000	Transfer	2483633	0.49
				27-Oct-17	-160000	Transfer	2323633	0.46
				26-Jan-18	-460000	Transfer	1863633	0.37
				02-Feb-18	-652000	Transfer	1211633	0.24
				09-Feb-18	-515000	Transfer	696633	0.14
				16-Feb-18	-250000	Transfer	446633	0.09
				23-Feb-18	-257000	Transfer	189633	0.04
				02-Mar-18	-189633	Transfer	0	0
		0	0	31-Mar-18				
13	JOHN HANCOCK FUNDS III INTERNATIONAL GROWTH FUND	4860175	0.95	01-Apr-17			4860175	0.95
				21-Apr-17	204413	Transfer	5064588	1
				19-May-17	206324	Transfer	5270912	1.04
				02-Jun-17	176997	Transfer	5447909	1.07
				23-Jun-17	152826	Transfer	5600735	1.10
				14-Jul-17	225487	Transfer	5826222	1.15
				25-Aug-17	-598554	Transfer	5227668	1.03
				01-Sep-17	-876488	Transfer	4351180	0.86
				08-Sep-17	-673284	Transfer	3677896	0.72

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
				15-Sep-17	-1575185	Transfer	2102711	0.41
				22-Sep-17	-834221	Transfer	1268490	0.25
				29-Sep-17	-1268490	Transfer	0	0
		0	0	31-Mar-18				
14	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	4680000	0.92	01-Apr-17			4680000	0.92
				21-Apr-17	100000	Transfer	4780000	0.94
				05-May-17	100000	Transfer	4880000	0.96
				15-Sep-17	100000	Transfer	4980000	0.98
				23-Feb-18	-3300000	Transfer	1680000	0.33
				09-Mar-18	-1680000	Transfer	0	0
		0	0	31-Mar-18				

V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding/ preference	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
A	DIRECTORS:							
1	RAJNIKANT DEVIDAS SHROFF PROMOTER AND EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR	10000	0	01.04.2017	0	NIL movement during the year		
		10000	0	31.03.2018			10000	0

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding/ preference	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
2	SANDRA RAJNIKANT SHROFF PROMOTER AND NON-EXECUTIVE VICE CHAIRMAN	0	0	01.04.2017	0	NIL Holding and NIL movement during the year		
		0	0	31.03.2018			0	0
3	JAIDEV RAJNIKANT SHROFF PROMOTER AND NON-EXECUTIVE DIRECTOR	5076750	0.99	01.04.2017				
				05.05.2017	323359	Allotment Due to conversion of preference share of the Company.		
		5400109	1.06	31.03.2018			5400109	1.06
4	VIKRAM RAJNIKANT SHROFF PROMOTER AND NON-EXECUTIVE DIRECTOR	4233250	0.83	01.04.2017				
				05.05.2017	269633	Allotment Due to conversion of preference share of the Company.		
		4502883	0.88	31.03.2018			4502883	0.88
5	KALYAN ANANDIMOHAN BANERJEE NON-PROMOTER AND EXECUTIVE DIRECTOR	301320	0.06	01.04.2017			301320	0.06
				11.08.2017	15000	SALE	286320	0.06
		286320	0.06	31.03.2018			286320	0.06
6	ARUN C. ASHAR NON-PROMOTER AND EXECUTIVE DIRECTOR	262835	0.05	01.04.2017				
				05.05.2017	317	Allotment Due to conversion of preference share of the Company.		
		263152	0.05	31.03.2018			263152	0.05
7	VASANT P. GANDHI INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0	01.04.2017	0	NIL Holding and NIL movement during the year		
		0	0	31.03.2018			0	0

Sr. No.	Name of shareholder	Shareholding		Date	Increase / Decrease in shareholding/ preference	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017) / end of the year 31.03.2018	% of total shares of the Company				Demat	% of Total Shares
8	DR. REENA RAMACHANDRAN INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0	01.04.2017	0	NIL Holding and NIL movement during the year	0	0
		0	0	31.03.2018				
9	PRADIP PRANJIVAN MADHAVJI INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0	01.04.2017	0	NIL Holding and NIL movement during the year	0	0
		0	0	31.03.2018				
10	PRADEEP VEDPRAKASH GOYAL INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0	01.04.2017	0	NIL Holding and NIL movement during the year	0	0
		0	0	31.03.2018				
11	VINOD RAJINDRANATH SETHI INDEPENDENT AND NON-EXECUTIVE DIRECTOR	0	0	01.04.2017	0	NIL Holding and NIL movement during the year	0	0
		0	0	31.03.2018				
12	HARDEEP SINGH INDEPENDENT AND NON-EXECUTIVE DIRECTOR	32000	0.01	01.04.2017			32000	0.01
				02.02.2018	2038	Allotment Due to conversion of preference share of the Company.	34038	0.01
		34038	0.01	31.03.2018				
B	**KEY MANAGER PERSONNEL:**							
1	ANAND K VORA - CHIEF FINANCIAL OFFICER	11800	0.00	01.04.2017		NIL movement during the year	11800	0.00
		11800	0.00	31.03.2018				
2	MUKUL BHUPENDRA TRIVEDI - COMPANY SECRETARY & COMPLIANCE OFFICER	280560	0.06	01.04.2017	0	NIL movement during the year	280560	0.06
		280560	0.06	31.03.2018				

V. INDEBTEDNESS

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

₹ In lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	257	79674	NIL	79931
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due		5259	NIL	5259
Total (i + ii + iii)	**257**	**84933**	**NIL**	**85190**
Change in Indebtedness during the financial year				
Addition	6261	21057	NIL	27318
Reduction			NIL	
Net Change	**6261**	**21057**	**NIL**	**27318**
Indebtedness at the end of the financial year				
i) Principal Amount	6518	100731	NIL	107249
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due		5215	NIL	5215
Total (i+ ii + iii)	**6518**	**105946**	**NIL**	**112464**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ In lacs

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. R. D. Shroff CMD	Mr. A. C. Ashar Dir.-Finance	Mr. K. Banerjee WT-Director	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	480	120	24	624
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	153	68	19	240
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961				
2	Stock Options				
3	Sweat Equity				
4	Commission	225	32	15	272
	- as % of profit	0.39	0.06	0.03	0.48
	- others, specify				
5	Others, please specify	153	38	8	199
	Total (A)	1011	258	66	1335
	Ceiling as per the Act				5760

B. Remuneration to other Directors

1. Independent Directors

₹ In lacs

Particulars of Remuneration	Name of Director						Total Amount
	Mr. Pradeep Vedprakash Goyal (DIN-00008370)	Dr. (Mrs.) Reena Ramachandran (DIN-00212371)	Mr. Pradip Pranjivan Madhavji (DIN-00549826)	Mr. Vinod Rajindranath Sethi (DIN-00106598)	Mr. Hardeep Singh (DIN-00088096)	Mr. Vasant Prakash Gandhi (DIN-00863653)	
- Fee for attending Board/ Committee Meetings	4.60	2.50	5.00	1.60	2.50	3.75	19.95
- Commission	8.00	8.00	8.00	8.00	8.00	8.00	48.00
- Others, please specify							
Total (B) (1)							67.95

2. Other Non Executive Directors

₹ In lacs

Particulars of Remuneration	Name of Director			Total Amount
	Mrs. Sandra Rajnikant Shroff (DIN-00189012)	Mr. Jaidev Rajnikant Shroff (DIN-00191050)	Mr. Vikram Rajnikant Shroff (DIN-00191472)	
- Fee for attending Board/ Committee Meetings	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL
Total (B) (2)	NIL	NIL	NIL	NIL
Total (B) = (B)(1) + (B)(2)	NIL	NIL	NIL	67.95
Total Managerial Remuneration				1402.95
Overall Ceiling as per the Act				6336

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTDS

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Mukul B. Trivedi – Company Secretary	Mr. Anand Vora - CFO	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7709624	28110820	35820444
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	39600	197061	236661
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify – Retirals	427920	870000	1297920
	Total (C)	8177144	29177881	37355025

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	N.A.	N.A.	NIL	N.A.	N.A.
Punishment	N.A.	N.A.	NIL	N.A.	N.A.
Compounding	N.A.	N.A.	NIL	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	NIL	N.A.	N.A.
Punishment	N.A.	N.A.	NIL	N.A.	N.A.
Compounding	N.A.	N.A.	NIL	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	NIL	N.A.	N.A.
Punishment	N.A.	N.A.	NIL	N.A.	N.A.
Compounding	N.A.	N.A.	NIL	N.A.	N.A.

Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. It intends to enhance shareholder value by undertaking the best possible Corporate Governance practices. A high standard of Corporate Governance is maintained by being transparent, accountable and being in continuous interaction with shareholders, employees, lending institutions, banks, governmental agencies and all the dealers.

The Company's products are marketed not only in India but also across the globe. The Company is, therefore, conscious of the fact that the management and the employees need to work ethically to achieve success.

2. Board of Directors

The Board of Directors consists of 12 Directors as on 31st March, 2018.

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: 28th April, 2017, 24th May, 2017, 31st July, 2017, 30th October, 2017 and 25th January, 2018.

Composition and category of Directors, Other Directorships and Committee Memberships as on March 31, 2018:

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 @	Promoter and Executive Chairman and Managing Director	4	Present	8	1	-	N. A
Mrs. Sandra Rajnikant Shroff @	Promoter and Non-Executive Vice Chairman	5	Absent	7	-	-	Nil
Mr. Jaidev Rajnikant Shroff @	Promoter and Non-Executive Director	4	Present	4	-	-	54,00,109 Equity Shares
Mr. Vikram Rajnikant Shroff @	Promoter and Non-Executive Director	4	Absent	4	-	-	45,02,883 Equity Shares.
Mr. Arun Chandrasen Ashar	Non-Promoter and Executive Director	5	Present	7	4	1	N.A
Mr. Kalyan Mohan Benerjee	Non-Promoter and Executive Director	4	Present	1	-	-	N.A
Mr.Pradeep Vedprakash Goyal	Independent and Non-Executive Director	4	Absent	3	2	2	Nil
Dr. Reena Ramachandran	Independent and Non-Executive Director	5	Present	1	1	-	Nil
Mr. Pradip Pranjivan Madhavji	Independent and Non-Executive Director	5	Present	2	2	1	Nil
Mr. Vinod Rajindranath Sethi	Independent and Non-Executive Director	4	Present	2	1	-	Nil
Mr. Hardeep Singh	Independent and Non-Executive Director	5	Present	2	2	1	34,038 Equity Shares.
Mr. Vasant Prakash Gandhi	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.

The details of familiarization programmes imparted to Independent Directors have been disclosed on the Company's website www.uplonline.com

3. Audit Committee

Terms of reference:

The terms of reference of Audit Committee are as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The broad terms of reference of Audit Committee as adopted by the Board are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by the management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall also mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   (b) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in

terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of the Company has constituted an Audit Committee, comprising three Independent and Non-Executive Directors. Four meetings of the Audit Committee were held on 28th April, 2017, 31st July, 2017, 30th October, 2017 and 25th January, 2018.

Composition of members of Audit Committee is as follows:

Composition	Mr. Pradip Pranjivan Madhavji Chairman	Mr. Pradeep Vedprakash Goyal	Mr. Arun Chandrasen Ashar@	Mr. Vasant Prakash Gandhi*
Meetings attended during the year	4	4	2	3

@ Resigned with effect from 31st July, 2017.

* Appointed with effect from 28th April, 2017.

The constitution of Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013. All the members of Audit Committee are financially literate and Mr. Pradip Pranjivan Madhavji who has accounting and financial management expertise has been nominated as the Chairman of the Audit Committee.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 besides other terms as may be referred by the Board of Directors.

Mr. M. B. Trivedi, Company Secretary acts as the Secretary to the Audit Committee.

4. Nomination and Remuneration Committee

Terms of reference:

The broad terms of reference of Nomination and Remuneration Committee of the Company are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the terms of appointment of Independent directors, on the basis of report of performance evaluation of Independent Directors.

The Board of the Company has constituted a Nomination and Remuneration Committee, comprising four Independent and Non-Executive Directors viz. Dr. Reena Ramachandran, Chairman, Mr. Pradeep Vedprakash Goyal, Mr. Pradip Pranjivan Madhavji and Mr. Hardeep Singh

One meeting of the Nomination and Remuneration Committee was held on 25th January, 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

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, 2018 to three Whole-time Directors is as follows:

₹ in Lacs

Name of Director	Salary	Perquisites	Retirement Benefits	Commission	Total
Mr. Rajnikant Devidas Shroff *Chairman and Managing Director*	480	153	153	225	1011
Mr. Kalyan Mohan Banerjee *Whole-time Director*	24	19	8	15	66
Mr. Arun Chandrasen Ashar *Whole- time Director*	120	68	38	32	258

The Company has paid the sitting fees for the year ended 31st March, 2018 to Independent and Non-Executive Directors for attending Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings, CSR Committee Meeting and Stakeholders Relationship Committee Meeting as follows:

Mr. Pradeep Vedprakash Goyal ₹4,60,000/-, Dr. Reena Ramachandran ₹2,50,000/-, Mr. Pradip Pranjivan Madhavji ₹5,00,000/-, Mr. Vinod R. Sethi ₹1,60,000/-, Mr. Hardeep Singh ₹2,50,000/- and Mr. Vasant P. Gandhi ₹3,75,000/-.

In addition, the Company has paid commission to Independent and Non-Executive Directors of ₹8.00 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 two Independent and Non-Executive Directors to look into the redressal of grievances of security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. One meeting of the Stakeholders Relationship Committee was held on 25th January, 2018.

Composition of members of Stakeholders Relationship Committee is as follows:

Composition	Mr. Pradip Pranjivan Madhavji Chairman	Mr. Pradeep Vedprakash Goyal
Meeting attended during the year	1	1

Compliance Officer:

Mr. M. B. Trivedi, Company Secretary

The Company also has its separate shares transfer committee consisting of Mrs. 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.

One complaint was pending at the beginning of the year and the total number of complaints received during the year under review were 77 of which 78 complaints were addressed to the satisfaction of shareholders on or before 31st March, 2018 and no complaint was pending as on or before 31st March, 2018.

Six requests for transfers were pending for approval as on 31st March, 2018, out of which five were processed under objections on or before 7th April, 2018 and one was approved and dealt with on 2nd April, 2018.

7. General Body Meetings

(A) Annual General Meetings:

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2014-15	31st AGM	Hotel Green View Hall, N. H. No. 8 Vapi, Gujarat - 396 195.	30/07/2015	10.00 a.m.
2015-16	32nd AGM	Hotel Green View Hall, N. H. No. 8 Vapi, Gujarat - 396 195.	29/06/2016	10.00 a.m.
2016-17	33rd AGM	Hotel Green View Hall, N. H. No. 8, Vapi, Gujarat - 396 195.	08/07/2017	11.00 a.m.

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

2014-15

a) To adopt new Alteration of Articles of Association of the Company

b) Private placement of Non-Convertible Debentures

2015-16

a) Private placement of Non-Convertible Debentures

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.

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

2017-18

- 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.uplonline.com. The Company's website also contains a separate dedicated section called 'Investors' wherein shareholder-related information like the Annual Report of the Company, shareholding pattern among others, are available. Official news releases are sent to the Stock Exchanges at BSE Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed.

Further, the Company also holds an Analysts' meet after the audited Annual Financial Statements have been adopted by the Board of Directors, where information is disseminated and analyzed. The presentation made at this meet has been posted on the corporate website, www.uplonline.com.

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

9. General Shareholder Information

9.1.	**Annual General Meeting**	
	Date	23rd August, 2018 at 11.00 a.m.
	Venue	Hotel Green View Hall N. H. No. 8, Vapi - 396195, Gujarat

9.2.	**Financial calendar**	
	Annual General Meeting	23rd August, 2018
	Results for quarter ending	June 30th, 2018- On or before 14th August, 2018
		September 30th, 2018- On or before 14th November, 2018
		December 31st, 2018- On or before 14th February, 2019
	Results for quarter/ year ending	March 31st, 2019- Last week of April, 2019/May, 2019

9.3.	**Dividend payment date**	On or after 28th August, 2018

9.4.	a) Listing of Equity Shares on Stock Exchanges at	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Ltd. Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (East), MUMBAI 400 051
	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.

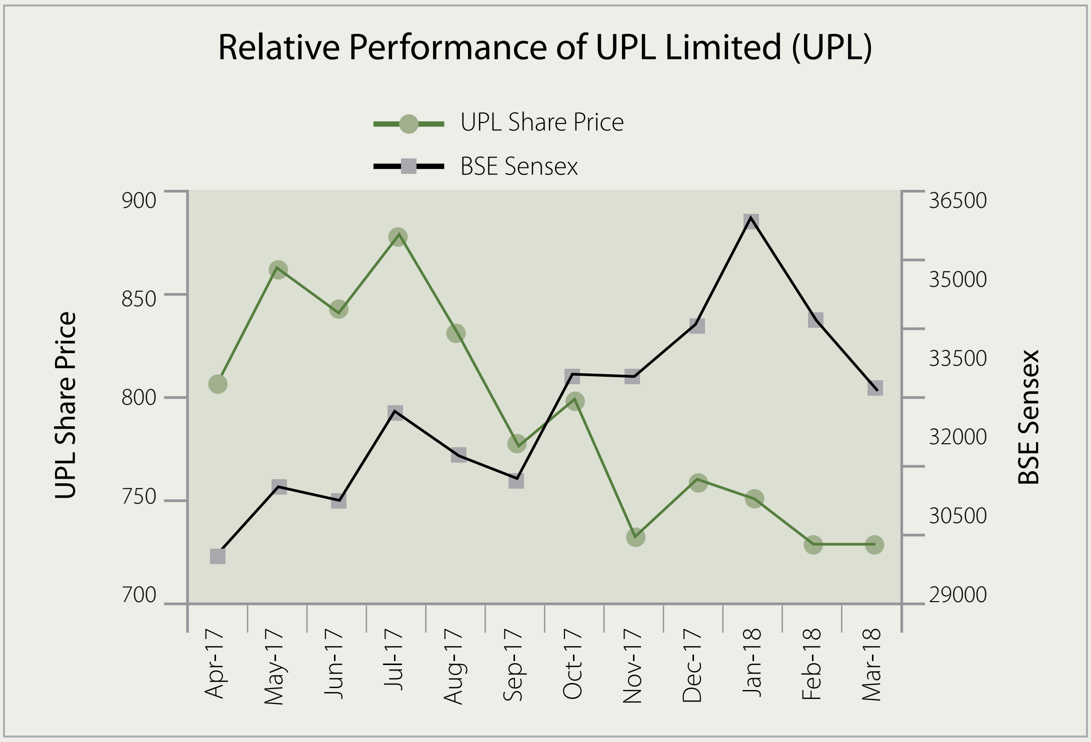
9.5.	a) Security Code / Symbol	BSE Ltd.: 512070 National Stock Exchange of India Ltd.: UPL Singapore Stock Exchange Ltd.: BYS
	b) ISIN Number in NSDL & CDSL for Equity Shares of ₹2/- each	INE628A01036

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, 2017	859.65	721.00	864.95	720.60
May, 2017	874.90	751.00	864.90	749.50
June, 2017	892.00	822.20	891.85	821.10
July, 2017	899.95	840.40	888.60	840.75
August, 2017	902.00	790.00	902.50	789.00
September, 2017	844.00	756.20	843.90	755.00
October, 2017	848.70	770.30	849.70	769.40
November, 2017	805.05	716.00	804.30	716.70
December, 2017	771.70	683.70	768.70	684.65
January, 2018	830.00	747.85	827.85	746.50
February, 2018	772.00	675.10	752.00	680.00
March, 2018	747.50	690.00	746.80	692.65

9.7. Share price performance in comparison to broad-based indices – BSE Sensex.

UPL closing share price performance relative to BSE Sensex based on share price during the year.



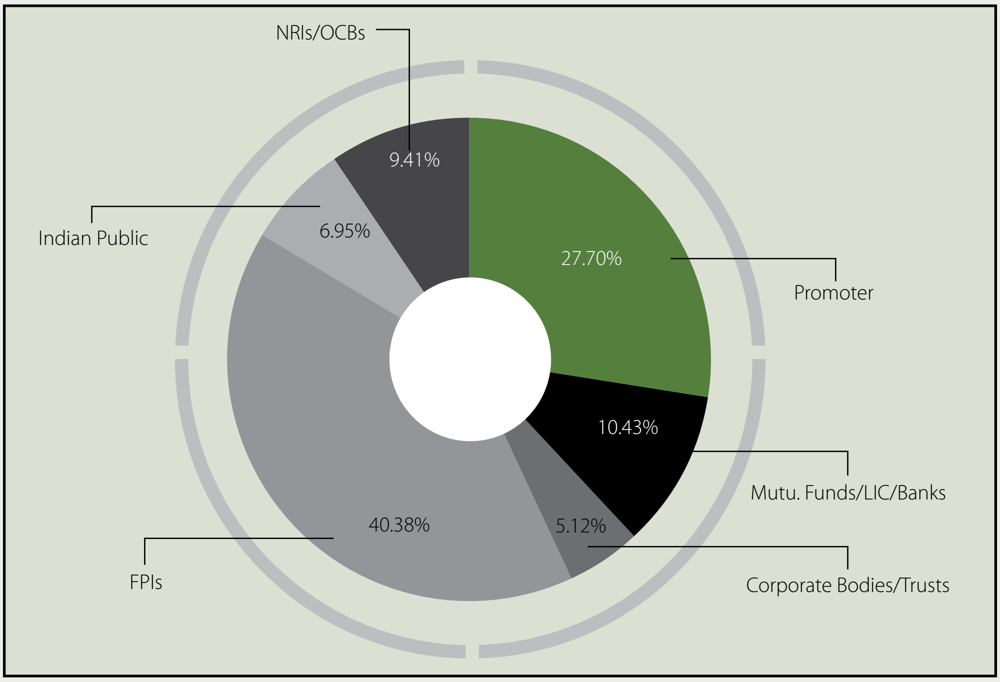
9.8.	**Registrar and Share Transfer Agent** (Share transfer and communication regarding share certificate, dividends and change of address).	Link Intime India Pvt. Ltd. Unit: UPL Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083.
	Also, for the benefit of the Shareholders, the documents will be accepted at the following office of the Company:	UPL Limited Secretarial Department Uniphos House, C. D. Marg, 11th Road, Madhu Park, Khar (West), Mumbai 400 052.

9.9.	**Share Transfer System**	Presently, the share transfers which are received in the physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

9.10. Distribution of shareholdings as on 31st March, 2018:

Shareholding of Nominal Value of (₹)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (₹)	% of Total Amt.
1 – 1,000	87247	87.72	14473102	1.42
1,001 – 2,000	4466	4.49	7261256	0.71
2,001 – 4,000	3488	3.51	11250892	1.11
4,001 – 6,000	1059	1.06	5296300	0.52
6,001 – 8,000	721	0.72	5317394	0.52
8,001 – 10,000	385	0.39	3525946	0.35
10,001 – 20,000	901	0.91	12537756	1.23
20,001 and above	1192	1.20	959003516	94.14
Total	**99459**	**100**	**1018666162**	**100**

9.11 Shareholding pattern as on 31st March, 2018:



9.12.	Dematerialisation of shares	98.91% of the outstanding shares have been dematerialised up to 31st March, 2018. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity:

The shares of the Company are among the most liquid and actively traded shares. Relevant data for the average daily turnover for the financial year 2017–2018 is given below:

	BSE Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	BSE+NSE
In no. of shares (in thousand)	108.79	2994.60	**3103.39**

(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, 2018 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**	
	(i) Investor correspondence	**For Shares held in Physical Form** Link Intime India Pvt. Ltd. Unit: UPL Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083. Telephone No(s): 91-22-49186270, Fax No.: 91-22-49186060 Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company: **UPL Limited** Secretarial Department Uniphos House, C. D. Marg, 11th Road, Madhu Park, Khar (West), Mumbai 400 052. Telephone No.: 91-22-26468009/10 **For Shares held in Demat form** To the Depository Participant(s)
	(ii) Any query on Annual Report	Mr. M. B. Trivedi, Company Secretary UPL Limited Legal & Secretarial Department Uniphos House, C. D. Marg, Madhu Park, Khar (West), Mumbai 400 052. E-Mail : trivedimb@uniphos.com
	(iii) Exclusive e-mail ID of the grievance redressal division	upl.investors@uniphos.com
	(iv) Corporate website	www.uplonline.com

10. Other Disclosures:

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**

During the year, the Company had no materially significant related party transactions which were considered to have potential conflict with the interests of the Company at large.

b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

None.

c) **Details of establishment of vigil mechanism, whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee.**

The Company has devised an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to communicate their concerns about illegal or unethical practices freely. The Company has also established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and placed on the website of the Company www.uplonline.com and no personnel has been denied access to the audit committee.

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.**

Mandatory Requirements

The Company has complied with the mandatory requirements of para C (10) (d) of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

e) Policy for determining 'material' subsidiary has been disclosed on the Company's website www.uplonline.com.

f) Policy on dealing with related party transaction has been disclosed on the Company's website www.uplonline.com.

11. There are no non-compliance of any requirements of Corporate Governance Report of sub-paras (2) to (10) above.

12. Discretionary Requirements as specified in Part E of Schedule II

A. Chairman of the Board

The Chairman of the Board is Executive.

B. Shareholder Rights – Half yearly results

As the Company's half yearly results are published in English newspapers circulated all over India and in a Gujarati newspaper (circulated in Gujarat) and also posted on the website of the company www.uplonline.com, the same are not sent to the households of the shareholders of the Company.

C. Modified opinion in audit report

There are no modified opinion contained in the Audit Report.

D. Separate Posts of Chairman and Chief Executive Officer

The Posts of Chairman and Managing Director are not separate.

E. Reporting of Internal Auditors

The Internal Auditors of the Company report directly to the Audit Committee.

13. The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

On behalf of the Board of Directors

Place: Mumbai,
Date: April 27, 2018

Rajnikant Devidas Shroff
(Chairman and Managing Director)

Declaration

As provided under Clause D of Schedule V pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the year ended 31st March, 2018.

On behalf of the Board of Directors of
UPL Limited

Place: Mumbai
Date: April 27, 2018

Rajnikant Devidas Shroff
(Chairman & Managing Director)

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 2017-2018.

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

Auditors' Certificate

To
The Members of UPL Limited

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

1 This Certificate is issued in accordance with the terms of our agreement dated 06 April 2018.

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

Auditors' 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 2018.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants 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

7. 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.

8. 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

9. 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.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place: Mumbai
Date: 27 April 2018

Business Responsibility Report

FOR THE YEAR 2017-18

(PURSUANT TO REGULATION 34(2) (f)) OF SECURITIES AND EXCHANGE BOARD OF INDIA
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24219GJ1985PLC025132
2.	Name of the company	UPL Limited
3.	Registered Address	3-11, GIDC, VAPI, DIST VALSAD, GUJARAT
4.	Website	www.uplonline.com
5.	E-mail ID	trivedimb@uniphos.com
6.	Financial year reported	April 2017 to March 2018
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)	- Industrial chemicals - Agrochemicals - Hybrid seeds
9	Total number of locations where business activity is undertaken by the Company:	
	i) Number of International locations	75
	ii) Number of National locations	26 Depots & 10 companies
10.	Markets served by the company Local/State/National/ International	Global Market, 120 countries in the world

Section B: Financial Details of the company

1.	Paid Up Capital (INR)	₹ 102 crores
2.	Total Turnover (INR)	₹ 7,374 crores
3.	Total Profit after Taxes (INR)	₹ 548 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	₹ 20.36 crores (3.7 % of profit after tax)
5.	List of activities in which the expenditure in 4 above has been incurred.	• Agriculture Development • Employability & Entrepreneurship • Education & Empowerment • Environment & Nature Conservation • Health & Sanitation • National & Local Area needs

Section C: Other Details

1. **Does the company have any Subsidiary Company/Companies?**
   Yes. The company has subsidiaries

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   No. The subsidiaries conduct BR initiatives independently.

3. **Do any other entity / entities (e.g Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (less than 30%, 30 – 60% and More than 60%)**
   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. Rajnikant Devidas Shroff	00180810	Chairman & Managing Director

b) Details of the Business Responsibility Head

DIN Number (if applicable)	00180810
Name	Mr. R. D. Shroff
Designation	Chairman & Managing Director.
Telephone number	2271528000
e-mail id	shroffrd@uniphos.com

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

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

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

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

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes. Ethics & transparency 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.

2. **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 complain and same was resolved.

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;

   1. Back pressure turbine installation in place of PRV station
   2. Innovative in-line condenser cleaning system to sustain and improve Heat transfer coefficient
   3. Induction cooking for canteen
   4. Low Sulphur Furnace Oil as a fuel

5. Brushless DC electric ceiling fan
6. Corrugated tube exchanger for high heat transfer coefficient
7. Automated incinerator waste heat recovery
8. In-house online utility condenser cleaning system
9. Reflux optimization by controlling temperature variability
10. Fully automated Waste Heat Recovery from Incinerator

2. **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. Reduction in power consumption for refrigeration by 12% through reduced condensation temperature from 40^0c to 36^0c.
2. Process yield improvements in some key products for reduction in consumption of raw materials and also reduction in waste generation.

(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.

3. **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. UPL also has a program "The Green Procurement Program" which is helps the Company to incorporate a robust mechanism to procure raw materials and packing materials through a sustainable source.

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 with regard to sustainability.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

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 $MnSO_4$, Salt, Caustic soda, Chlorine, Hydrated Lime, $ZnSO_4$, 3-4 DCA, Specialized Starch, China clay, Mg turning, Ethanol, Sulphur, Ammonia, Chloral, Acids and etc.

5. **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, HNO_3, etc. Product recoveries are above 95 %, however some products are recovered 100%.

Other waste are 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, 2018 is 3,865.

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, 2018 is 7,232.

3. **Please indicate the number of permanent women employees –**

Total number of permanent women employees as on 31st March, 2018 is 171.

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

Total number of permanent employees with disability as on 31st March, 2018 is 23.

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

   The Company does not has 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.

What are the average hours of training on:	Total Employees		Employees at Management level		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	1263	47	103	3	1160	44	2843	243			23	
b) Skill Upgradation	934	4	46	2	888	2						
c) Others	623	6	87	2	536	4						

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.

   1. The Company is using cleaner fuels for its operations

   2. UPL is not manufacturing any banned products under Rotterdam convection

   3. Company is using Carbon Tetra Chloride (CTC) as a raw material for one of its products under Kyoto protocol.

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.**

   'Doing Things Better' is core to our DNA. Three simple words, which lie at the heart of the UPL philosophy have been the guiding force in all our community interventions. Our CSR programs are driven by the belief 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 studies and commitment to the community have translated into 6 key focus areas, they are:

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

   For more details login to http://www.uplonline.com/CSR

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

   Yes, the Company has a dedicated in-house experienced CSR team/ UPL promoted foundation to design 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 in-house team performs a need assessment survey before execution of the programmes/ projects.

One of our need assessment survey had brought out the fact that the per capita availability of land was small which led to unemployment in that particular region. Particularly youth and women in the region were not productively employed. Our employment and entrepreneurship initiatives are focused on providing this segment with knowledge, skills and the motivation to take up entrepreneurship as an income generating opportunity. Skill based entrepreneurship development program provides training to start both farm and non-farm based enterprises.

4 UPL Niyojaniy Kendras are providing training to youth in the region on industrial skills like welding, fitting, electrical etc. Once trained these youth get gainfully employed in the neighboring industries. UPL Udyamita with more than 1300 women members is another intervention that focuses on making women financially independent through self- help groups.

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 ₹20.36 crores which is 3.7 % 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 AKRSP SRI Project
  5 years
  21 villages
  1500 farmers

- UPL KhedutPragati @ Dang
  4 years
  12 villages
  354 farmers

- UPL Centre for Agriculture Excellence
  16 years
  13,988 Farmers

- UPL BoriBagicha
  3 years
  18 villages
  1282 farmers

- Agriculture Development project with cooperatives in Kaprada Block (Dist-Valsad)
  2 years
  16 villages
  1000 farmers

- UPL KhedutPragati @ Vapi
  2 years
  10 villages
  208 farmers

- UPL KhedutPragati @ Ankleshwar
  3 years
  4 villages
  500 farmers

- Animal Husbandry

Sustainable livelihood through skill development of youth and women

- UPL Niyojaniy Kendra

  4 years

  1074 youth trained

- Skill Based Entrepreneurial Development Program

  4 years

  854 participants trained

- UPL Udyamita

  4 years

  34 villages

  1307 women members

- Micro enterprise development and Entrepreneurship development for tribal women

  1 year

Environment and Nature Conservation (UPL VASUDHA)

- Eco Club Project

  4 years

  75 eco clubs

  8425 students

- UPL Sarus Conservation, Vadodara

  3 years

  25 villages

  3021 students & 750 villagers

- UPL Social Forestry
  2 years
  65,595 saplings planted
  1,20,000 mangroves planted

- Green Ganesha
  50 schools
  10000 students

Institution Building- Education and Health

- Smt. Sandraben Shroff GnyanDham School, Vapi
  45 years
  1600 students/year

- Gnyan Dham Eklavya Model Residential School, Ahwa
  6 years
  350 students/year

- Sandra Shroff ROFEL College of Nursing, VAPI
  14 years
  55 students/year

- Shroff S Rotary Institute of Chemical Technology (SRICT), Vataria, Ankleshwar
  5 years
  330 students/year

- GIDC Rajju Shroff ROFEL Institute of Management Studies (GRIMS), Vapi

  19 years

  120 students/year

- Haria L.G. Rotary Hospital, Vapi

  41 years

  OPD patient/ year: 45,000- 50,000

  IPD patient/year:10,000-12,000

- Shree Sardar Vallabh Bhai Patel Rotary General Hospital, Ankleshwar

  Serves 2 lakh people in Ankleshwar belt

Projects of national interest

- UPL School Sanitation Project

  3 years

  7105 students and 3000 commuters/day

- Global Parli Project

  2 years

  15 villages

- UPL Unnati
  2 years
  10 CBOs

- Suraksha Abhiyaan (the Safety Trainings)
  4 years
  10,058 participants

- Vandri Cluster Development Project
  2 years
  400 farmers

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.**

   In our community locations our focus is to work on the needs, strengths and growth of the community. Hence in Dang district which is primarily an agricultural economy, our main focus is on providing sustainable livelihood from improved agricultural practices. Multiple interventions have been designed and implemented with the support of farmers groups at the village level.

   Our UPL Centre for Agricultural Excellence provides the much needed training support to the farmers. AKRSP SRI, Dang Paddy Development Program, Boribagicha, use of mini drip irrigation, animal husbandry, providing water harvesting structure like dams and wells etc. has improved the productivity of the land thereby making agriculture more sustainable and profitable for more than 14,000 farmers.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   UPL is a responsible corporate and takes every possible way to engage with its stakeholders. The Company believes packaging of the products is one of the major communication medium to engage with our customers and provide them all the required data pertaining to the product. We follow CIB regulations for product packaging very stringently. Our product packaging includes detail product information, dosage recommendations and pest targeted by the product.

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.**

   There are no complaints pending as on end of financial year.

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

   The Company gives prime importance to its customers as they are the stakeholders who uses our products and they can contribute maximum in products development. UPL performs post – marketing audits for its specific products, this category of audit not only acts as a parameter to enhance customer satisfaction level but also helps company to serve better by understanding the need to consumer to serve.

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.

The Company uses AKC as a feedback tool to perform feedback surveys for registered customers. The survey is based on various parameters such as availability product in market, usage of the product, market access of harvest and others. These surveys helps the Company to identify the gaps in our systems and resolve them on priority.

Statement containing salient features of the financial statement of subsidiaries

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

Amount in crores (₹)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding investments made in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
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	95	438	342	0	666	44	(15)	29	-	100%
3	United Phosphorus (India) LLP		INR	1.00	2	14	364	348	-	669	10	(3)	6	-	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	26	158	130	-	174	30	(9)	21	-	100%
6	UPL Europe Limited		EUR	80.81	561	253	850	37	-	866	67	(9)	58	-	100%
7	UPL Deutschland GmbH		EUR	80.81	0	21	238	217	-	331	10	(1)	9	-	100%
8	UPL Polska Sp z.o.o.		PLN	19.21	0	(0)	0	0	-	-	(0)	-	(0)	-	100%
9	UPL Benelux B.V.		EUR	80.81	0	97	208	111	-	336	23	(6)	17	-	100%
10	Cerexagri B.V.		EUR	80.81	183	88	778	507	-	975	27	(6)	21	-	100%
11	Blue Star B.V.		EUR	80.81	0	20	20	0	-	3	(0)	-	(0)	-	100%
12	United Phosphorus Holdings Cooperatief U.A.		EUR	80.81	2,942	7	3,007	57	-	5	(2)	1	(1)	-	100%
13	United Phosphorus Holdings B.V.		EUR	80.81	0	3,022	6,158	3,156	21	5	(1)	1	(1)	-	100%
14	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.		EUR	80.81	30	(0)	30	1	-	3	(0)	-	(0)	-	100%
15	Decco Worldwide Post-Harvest Holdings B.V.		EUR	80.81	0	43	159	116	-	3	2	-	2	-	100%
16	United Phosphorus Holding, Brazil B.V.		EUR	80.81	0	2,399	2,618	322	102	5	(19)	1	(18)	-	100%
17	UPL Italia S.R.L.		EUR	80.81	1	51	355	304	-	329	14	(6)	8	-	100%
18	UPL Iberia, S.A.		EUR	80.81	2	65	125	58	0	145	7	(2)	5	-	100%
19	Decco Iberica Postcosecha, S.A.U.		EUR	80.81	1	89	116	25	-	117	15	(2)	14	-	100%
20	Transterra Invest, S. L. U.		EUR	80.81	70	(6)	480	416	-	-	(65)	(0)	(65)	-	100%
21	Cerexagri S.A.S.		EUR	80.81	107	227	478	144	-	451	27	25	52	-	100%
22	Neo-Fog S.A.		EUR	80.81	2	18	28	8	-	38	6	(2)	4	-	100%
23	UPL France		EUR	80.81	28	65	275	181	-	403	32	(13)	20	-	100%
24	United Phosphorus Switzerland Limited		CHF	68.52	1	0	1	0	-	-	0	(0)	0	-	100%
25	Agrodan, ApS		DKK	10.85	3	5	8	0	-	-	0	(0)	0	-	100%

Amount in crores (₹)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding investments made in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
26	Decco Italia SRL		EUR	80.81	8	41	68	19	-	43	5	(1)	4	-	100%
27	Limited Liability Company "UPL"		RUB	1.13	20	(9)	35	24	-	28	2	(0)	2	-	100%
28	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)		EUR	80.81	0	(0)	0	0	-	1	0	(0)	0	-	100%
29	United Phosphorus Inc. (Refer Note 1)		USD	65.18	0	48	2,118	2,077	7	2,883	55	(52)	3	-	100%
30	UPI Finance LLC (Refer Note 1)		USD	65.18	-	-	-	-	-	-	-	-	-	-	100%
31	Cerexagri, Inc. (PA) (Refer Note 1)		USD	65.18	-	-	-	-	-	-	-	-	-	-	100%
32	UPL Delaware, Inc. (Refer Note 1)		USD	65.18	-	-	-	-	-	-	-	-	-	-	100%
33	Canegrass LLC (Refer Note 1)		USD	65.18	-	-	-	-	-	-	-	-	-	-	70%
34	Decco US Post-Harvest Inc (Refer Note 2)		USD	65.18	0	77	169	92	-	247	8	(5)	2	-	100%
35	Essentiv LCC (Refer Note 2)		USD	65.18	-	-	-	-	-	-	-	-	-	-	50%
36	RiceCo LLC (Refer Note 1)		USD	65.18	37	61	298	201	-	242	11	-	11	-	100%
37	Riceco International, Inc.		USD	65.18	0	230	300	70	-	249	29	-	29	-	100%
38	UPL Corporation Limited (Refer Note: 9)		USD	65.18	89	2,177	10,846	8,613	33	2,386	197	(8)	189	-	100%
39	UPL Limited (Refer Note: 9)		USD	65.18	-	-	-	-	-	960	306	-	306	-	100%
40	UPL Management DMCC		USD	65.18	0	123	143	21	-	96	26	-	26	-	100%
41	UPL Limited, Gibraltor		USD	65.18	0	2,341	3,491	1,150	-	2,969	299	-	299	-	100%
42	UPL Agro S.A. de C.V.		MXN	3.55	53	(34)	368	349	-	436	(3)	(1)	(4)	-	100%
43	Decco Jifkins Mexico Sapi		MXN	3.55	0	(8)	8	16	-	9	(2)	-	(2)	-	100%
44	Perrey Participações S.A (Note 3 and 4)		BRL	19.61	-	-	-	-	-	-	-	-	-	-	100%
45	United Phosphorus do Brasil Ltda (Note 5)		BRL	19.61	-	-	-	-	-	-	-	-	-	-	100%
46	Uniphos Industria e Comercio de Produtos Quimicos Ltda. (Note 3 and 4)		BRL	19.61	2,108	(693)	3,765	2,465	116	3,594	64	(25)	39	-	100%
47	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A. (Note 3 and 4)		BRL	19.61	633	544	3,439	2,465	204	3,594	52	(24)	28	-	100%
48	UPL Costa Rica S.A.		CRC	0.11	0	(15)	212	226	0	330	(10)	-	(10)	-	100%
49	UPL Bolivia S.R.L		BOB	9.43	4	(3)	74	73	-	37	5	-	5	-	100%

Amount in crores (₹)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding investments made in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
50	UPL Paraguay S.A.		PYG	0.01	5	(9)	51	56	-	29	(5)	-	(5)	-	100%
51	Icona Sanluis S.A.		USD	65.18	2	(19)	17	33	-	-	(4)	(1)	(5)	-	100%
52	DVA Technology Argentina S.A. (Note 3 and 4)		BRL	19.61	-	-	-	-	-	-	-	-	-	-	100%
53	UPL Argentina S A		USD	65.18	197	(208)	523	533	-	393	(90)	-	(90)	-	100%
54	Decco Chile SpA		CLP	0.11	0	12	26	14	-	44	8	(2)	6	-	100%
55	UPL Colombia SAS		COP	23.40	1	(5)	110	114	-	143	(10)	2	(8)	-	100%
56	United Phosphorus Cayman Limited		USD	65.18	-	67	566	499	-	300	8	1	9	-	100%
57	UP Aviation Limited		USD	65.18	0	8	39	32	-	-	4	-	4	-	100%
58	UPL Australia Limited		AUD	50.05	1	36	100	64	-	143	10	(3)	8	-	100%
59	UPL New Zealand Limited		NZD	47.30	0	3	3	0	-	7	1	(0)	0	-	100%
60	UPL Shanghai Limited (Refer Note: 6)		RMB	10.36	-	-	-	-	-	-	-	-	-	-	100%
61	UPL Jiangsu Limited (Refer Note: 6 & 8)		RMB	10.36	-	-	-	-	-	-	-	-	-	-	70%
62	UPL Limited (Korea)		KRW	0.06	0	2	7	5	-	3	1	(0)	1	-	100%
63	PT.UPL Indonesia		IDR	4.74	0	5	75	70	-	87	6	(2)	4	-	100%
64	PT Catur Agrodaya Mandiri		IDR	4.74	1	(13)	54	66	-	49	(2)	0	(2)	-	100%
65	UPL Limited (Refer Note: 6)		USD	65.18	0	214	564	349	-	555	21	-	21	-	100%
66	UPL Philippines Inc.		PHP	1.25	1	4	124	118	-	93	1	(0)	1	-	100%
67	UPL Vietnam Co. Limited		VND	2.86	4	77	152	71	-	185	27	(4)	22	-	100%
68	UPL Limited, Japan		JPY	61.52	6	99	73	62	94	196	3	(1)	1	-	100%
69	Anning Decco Fine Chemical Co. Limited		RMB	10.36	8	18	28	2	-	23	0	(0)	0	-	55%
70	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi		TRY	16.31	16	(7)	279	271	-	157	(20)	5	(16)	-	100%
71	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.		TRY	16.31	14	6	146	126	-	110	(4)	1	(4)	-	100%
72	Safepack Products Limited		ILS	18.64	-	42	69	27	-	36	(4)	1	(3)	-	100%
73	Citrashine (Pty) Ltd		ZAR	5.58	0	(6)	27	32	-	32	(1)	(0)	(1)	-	100%
74	UPL Africa SARL		XOF	0.12	0	(0)	-	0	-	-	0	-	0	-	100%
75	Prolong Limited		ILS	18.64	-	1	2	2	-	1	(2)	-	(2)	-	100%
76	Agrinet Solutions Limited		INR	1.00	2	1	1	0	2	-	(0)	-	(0)	-	50%

Amount in crores (₹)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Closing Rate)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding investments made in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
77	Advanta Holdings B.V.		EUR	80.81	498	396	2,032	1,138	-	-	(17)	-	(17)	-	100%
78	Advanta Netherlands Holding B.V.		EUR	80.81	0	369	428	59	-	32	(6)	-	(6)	-	100%
79	Advanta US LLC (formerly known as Advanta U.S. Inc.) (Refer Note 1)		USD	65.18	233	(158)	363	289	-	137	(57)	(48)	(105)	-	100%
80	Advanta Seeds International		USD	65.18	14	578	1,314	721	-	697	75	(2)	73	-	100%
81	Advanta Seeds DMCC		AED	17.74	1	150	215	65	-	34	(9)	-	(9)	-	100%
82	Advanta Comercio De Sementes LTDA.		BRL	19.61	223	(232)	181	503	312	89	(92)	6	(85)	-	100%
83	Advanta Semillas SAIC		ARS	3.23	128	(114)	167	153	-	193	(37)	2	(35)	-	100%
84	Advanta Seeds Pty Ltd		AUD	50.05	25	208	360	168	42	253	23	(7)	16	-	100%
85	Pacific Seeds (Thai) Limited		THB	2.09	13	260	439	166	-	360	110	(21)	89	-	100%
86	Pacific Seeds Holdings (Thailand) Limited		THB	2.09	0	149	149	0	-	-	(0)	-	(0)	-	100%
87	PT Advanta Seeds Indonesia		IDR	4.74	5	(23)	44	62	-	70	16	(4)	12	-	100%
88	Advanta Seeds Ukraine LLC		UAH	2.46	0	(0)	0	0	-	-	0	-	0	-	100%
89	UPL Agro Limited Mauritius (Refer Note: 7)		USD	65.18	0	271	1,320	1,049	-	1,744	271	-	271	-	100%
90	Riceco International Bangladesh Ltd (Refer Note: 7)		BDT	0.78	0	0	4	4	-	3	1	(0)	0	-	100%
91	Uniphos Malaysia Sdn Bhd (Refer Note: 7)		MYR	16.88	0	(0)	2	2	-	-	0	-	0	-	100%

Details of Investments of subsidiary companies:

S. No.	Name of Subsidiary	INR Crs
1	200 [March 2017: 200] Equity shares fully paid up in Hodogaya UPL Co. Ltd	21
2	5,675 [March 2017: 4,000] Equity Shares fully paid-up in 3SB Produtos Agricolas SA [includes goodwill of ₹ 73 Crores [March 2017 ₹ 64 Crores]	102
3	Equity shares in Amira Nature foods Limited	33
4	201,834,849 [March 31, 2017: Nil] Non-convertible Debentures of BRL 1 each of IBI Brasil Empreendimentos E Participacoes S.A.	424
5	103,016,215 [March 2017:Nil] Equity shares of ₹ 1 each, fully paid-up in Serra Bonita Sementes S.A.[includes goodwill of ₹ (14) Crores [March 2017 ₹ Nil]	208
6	11,700,000 [March 2017: 11,700,000 Equity shares fully paid up in Ishihara Sangyo Kaisha Ltd.	94
7	415 [March 2017: 415] Optionally convertible Debentures of ₹ 50,000 each of Bloom Packaging Pvt. Ltd.	2
8	88,223 [March 2017: 88,223] Equity shares of ₹ 1 AUD each fully paid-up in Longreach Plant Breeders Management Private Limited [includes goodwill of ₹ 18 Crores, [March 2017: ₹ 18 Crores]	42
9	Investment in task force	7
	Grand Total	**933**

Notes:

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.)

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

3 Uniphos Industria e Comercio de Produtos Quimicos Ltda. results include the results of UPL do Brasil Industria e Comércio de Insumos Agropecuários S.A., DVA Technology Argentina and Perry Participiacoes

4 UPL do Brasil Industria e Comércio de Insumos Agropecuários S.A.results include the result DVA Technology Argentina.

5 During the previous year, United Phosphorus do Brasil Ltda was merged with UPL Do Brasil Industria e Comercio de Insumos Agropecuarios S.A.

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

7 UPL Agro Limited, Riceco Bangladesh and Uniphos Malaysia Sdn Bhd have been acquired during the year.

8 UPL Jiangsu Limited has been formed during the year.

9 UPL Mauritius got merged with UPL Corporation during the year.

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

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURE

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

₹ In. Crores

S. No.	Names of Associate and Joint venture	Weather Risk Management Pvt LTD	Kerala Enviro Infrastructure Limited	Sinagro Produtos Agropecuários S.A.	3SB Produtos Agrícolas S.A.	Serra Bonita Sementes S.A.	Polycot	LongReach Plant Breeders PTY Ltd	Hodogaya UPL Co. Ltd.
1	Last Audited/Reviewed Balance sheet date	31.03.2018	31.03.2018	31.12.2017	31.12.2017	31.12.2017	31.12.2017	31.03.2018	31.03.2018
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	5,765	10,30,16,215	200	88,223	200
	Amount of Investment in Associate/ Joint venture	10	3	-	102	208	-	42	21
	Extend of Holding %	27%	28%	49%	49%	33%	20%	70%	40%
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
5	Reason why to associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA
6	Networth attributable to share holding as per latest Audited/ Reviewed Balance sheet	7	3	(93)	29	221	-	24	21
7	Profit/(Loss) for the year								
i	Considered in consolidation	(0)	1	(103)	(4)	1	-	11	1
ii	Not considered in consolidation								

Note 1

Serra Bonita Sementes S.A. was acquired during the year ended 31 March 2018

Independent Auditors' Report

To the Members of
UPL Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of UPL Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including 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) prescribed 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 Ind AS 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 Ind AS financial statements, management is 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note 45 of the standalone Ind AS financial statements, relating to the accounting treatment of goodwill aggregating ₹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 2018 would have been higher by ₹370 crores. Our opinion is not modified in respect of this matter.

Other Matters

The audited Standalone Ind AS financial statements of the Company for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements, have been audited by the predecessor auditors whose audit report dated 28 April 2017 expressed an unmodified opinion on those audited Standalone Ind AS financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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.

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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

(e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2018 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"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements; - Refer Note 35(c) to the Standalone Ind AS financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;- Refer Note 15 to the Standalone Ind AS financial statements.

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

(iv) The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Standalone Ind AS financial statements for the year ended 31 March 2017 have been disclosed;- Refer Note 48 to the Standalone Ind AS financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date: 27 April 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

(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 deed of the immovable properties as disclosed in Note 3 of the standalone Ind AS 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 ₹11 Crores, ₹2 Crores and ₹1 Crore (Gross block of ₹11 Crores, ₹2 Crores and ₹1 Crore) as at 31 March 2018 respectively, wherein as explained to us, the Company is in process of reconciling 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 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 books of account.

(iii) The Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act. There are no firms/Limited Liability Partnership/other parties 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) In respect of one loan, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable. In respect of an another loan, which is repayable on demand, we are informed that the amount of interest and principal demanded by the Company has been paid during the year and thus, there has been no default on the part of the parties to whom the money has been lent.

(c) There are no amount overdue for more than ninety days at the balance sheet date

(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 grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, reporting under clause 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, Sales-tax, Value added tax, Duty of excise, Service tax, Duty of Excise, Goods and Service tax, Duty of customs, Cess 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of excise, Service tax, Goods and Service tax, Duty of customs, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) 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, Excise duty and Value added tax as at 31 March 2018, 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	-	1995-96, 1997-98 and 2004-05	Income-tax Appellate Tribunal
Sales tax Act	Sales tax demands	22	9	1985-86, 1995-96 to 2005-06	Supreme Court, Jt Commissioner of Sales tax, Sales tax Tribunal
Central Excise/Finance Act	Excise duty/Service tax demands	68	1	1989-90, 1994-2004 and 2007-2015	Commissioner (Appeals) Central Excise and Service tax Appellate Tribunal
Custom Act	Custom duty demands	34	-	1992 to 1997, 2000, 2001 and 2004	Commissioner (Appeals) Central Excise and Service tax Appellate Tribunal
Foreign Trade (Development and regulation) Act	Fiscal Penalty	33	-	1992 to 1997	Bombay High Court

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank or dues to debenture holders. The Company does 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, reporting under the clause 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 and no 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, reporting under clause 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, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under the clause 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, reporting under the clause 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: 27 April 2018

Annexure B to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of UPL Limited ("the Company") as at 31 March 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 ("ICAI"). 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 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls with reference to financial statements, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 control 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 control with reference to 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 control 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control 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 with reference to financial statements issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date: 27 April 2018

Standalone Balance Sheet as at March 31, 2018

INR Crores

	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	1,947	1,733
Capital work-in-progress	3	624	249
Goodwill	4	2,595	2,965
Other intangible assets	4	360	418
Intangible assets under development	4	39	23
Financial assets			
(i) Investments	5	594	593
(ii) Loans	6	905	941
(iii) Other financial assets	7	35	60
Income tax assets (Net)		166	148
Other non-current assets	8	224	215
		7,489	7,345
Current assets			
Inventories	9	1,452	1,355
Financial assets			
(i) Trade receivables	10	2,017	1,957
(ii) Cash and cash equivalents	11	93	59
(iii) Bank balances other than cash and cash equivalents	11A	33	12
(iv) Loans	6	105	128
(v) Other financial assets	7	174	127
Other current assets	8	687	364
		4,561	4,002
Total Assets		12,050	11,347
Equity and liabilities			
Equity			
Equity share capital	12	102	101
Compulsorily convertible preference shares	12A	-	82
Share capital suspense	12B	-	-
Other equity	13		
(i) Securities premium		4,607	4,498
(ii) Retained earnings		1,143	968
(iii) Other reserves (including items of other comprehensive income)		2,117	2,101
		7,969	7,750
Liabilities			
Non-current liabilities:			
Financial liabilities			
(i) Borrowings	14	682	756
(ii) Trade payables	17	-	9
(iii) Other financial liabilities	15	139	146
Deferred tax liabilities (net)	19	64	133
		885	1,044
Current liabilities:			
Financial liabilities			
(i) Borrowings	14	313	40
(ii) Trade payables			
- Outstanding dues of micro and small enterprises	18	17	1
- Outstanding dues of other than micro and small enterprises	18	2,336	2,187
(iii) Other financial liabilities	15	377	148
Other current liabilities	16	62	94
Provisions	20	68	66
Net employee defined benefit liabilities	33	23	17
		3,196	2,553
Total equity and liabilities		12,050	11,347
Summary of significant accounting policies	2.2		
See accompanying notes to the financial statements	3-49		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration No: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B. Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

INR Crores

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
REVENUE			
Revenue from operations	21	7,374	7,277
Other income	22	435	325
TOTAL INCOME		**7,809**	**7,602**
EXPENSES			
Cost of materials consumed	23	3,517	3,029
Purchases of stock-in-trade		404	701
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	24	2	(108)
Excise duty		111	338
Employee benefits expenses	25	486	445
Finance costs	26	135	149
Depreciation and amortisation expenses	27	666	655
Other expenses	28	1,905	1,929
TOTAL EXPENSES		**7,226**	**7,138**
Profit before exceptional items and tax		**583**	**464**
Exceptional items	43	7	46
Profit before tax		**576**	**418**
Tax expenses			
Current tax	19	180	89
Adjustments of tax relating to earlier years	19	(83)	-
Deferred tax (credit)/charge	19	(69)	84
Total tax expenses		**28**	**173**
PROFIT FOR THE YEAR		**548**	**245**
Other Comprehensive Income (OCI)	30		
(i) Items that will not be reclassified to profit or loss		3	(2)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	1
Total Other Comprehensive Income for the year, net of tax		**3**	**(1)**
Total Comprehensive Income for the year		**551**	**244**
Earnings per equity share (In INR)			
Basic (Face value of ₹2 each)	31	10.78	4.84
Diluted (Face value of ₹2 each)	31	10.78	4.81
Summary of significant accounting policies	2.2		
See accompanying notes to the financial statements	3-49		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership no.: 042070

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B. Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

Place: Mumbai
Date: April 27, 2018

Standalone Statement of Cash Flows for the year ended March 31, 2018

INR Crores

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit before exceptional items and tax	**583**	**464**
Adjustments for		
Depreciation of property, plant and equipment	226	205
Amortization of intangible assets	440	450
Gain on disposal of property, plant and equipment	-	(10)
Assets written off	9	4
Interest Income	(69)	(63)
Profit on sale of Investment	-	(5)
Fair value gain/(loss) on financial instruments at fair value through profit or loss	7	(12)
Dividend Income on Long-term investments in Subsidiary	(356)	(216)
Share in profit from investment in LLP	(6)	(8)
Allowances for doubtful debts and advances (net)	8	6
Finance costs	135	149
Unrealised exchange difference (net)	1	(15)
Manufacturing expenses capitalised	(26)	(22)
Liabilities / provisions no longer required written back (net)	(45)	(28)
Working capital adjustments		
(Increase)/decrease in trade receivables	(51)	(102)
(Increase)/decrease in inventories	(97)	(71)
(Increase)/decrease in non-current and current financial assets	2	18
(Increase)/decrease in other non-current and current assets	(299)	(78)
Increase/(decrease) in other non-current and current trade payables	151	501
Increase/(decrease) in other non-current and current financial liabilities	1	(9)
Increase/(decrease)in other current liabilities	(32)	(8)
Increase/(decrease) in provisions and Net employee defined benefit liabilities	11	17
	593	**1,167**
Income tax paid (including TDS) (net)	(115)	(100)
Cash Flow Before Exceptional items	**478**	**1,067**
Exceptional Items	(7)	(46)
Net cash flows from / (used in) operating activities	**471**	**1,021**
Cash flow from investing activities		
Purchase of property, plant and equipment (including CWIP)	(715)	(439)
Purchase of intangible assets (including CWIP)	(28)	(26)
Proceeds from sale of property, plant and equipment	-	28
Purchase / subscription of optionally convertible bonds	-	(2)
Redemption of optionally convertible bonds	-	21
Redemption of Preference shares of subsidiary	-	7
Profit on sale of Mutual funds	-	3
Proceeds from sale of investments	-	2
Purchase of current and non current investments	-	(10)
Dividend on investments	356	216
Interest received	50	64
Sundry loans - Given	(12)	-
Sundry loans - Repayment received	9	4
Fixed deposits and margin money (net)	(21)	(2)

Standalone Statement of Cash Flows for the year ended March 31, 2018

INR Crores

	Year ended March 31, 2018	Year ended March 31, 2017
Advances and loans to subsidiaries - Given	(102)	(258)
Advances and loans to subsidiaries - Repayment received	184	660
Net cash flows from / (used in) investing activities	**(279)**	**268**
Cash flow from financing activities		
Interest and finance cost paid	(95)	(264)
Proceeds from borrowings	425	2,281
Repayments of borrowings	(127)	(3,099)
Redemption of Optionally convertible preference shares	(2)	-
Proceeds from exercise of share options	1	-
Payment of dividend	(360)	(213)
Net cash flows from / (used in) financing activities	**(158)**	**(1,295)**
Net increase / (decrease) in cash and cash equivalents	**34**	**(6)**
Cash and cash equivalents at the beginning of the year (Refer note 11)	59	65
Cash and cash equivalents at the end (Refer note 11)	**93**	**59**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Non-cash changes							
	Notes	March 31, 2017	Cash flows	Accquisition	Foreign exchange movement	Fair value change	Other adjustments	March 31, 2018
Unsecured Redeemable Non convertible Debentures (NCDs)	14 and 15	808	-	-	-	1	-	809
Cash credit, packing credit and working capital demand loan accounts	14	16	297	-	-	-	-	313
Liability component of Optionally Convertible preference shares	14	24	2	-	-	-	22	-
Total liabilities from financing activities		**848**	**299**	**-**	**-**	**1**	**22**	**1,122**

Notes:

i. The amalgamation of Advanta Limited (refer note 45) with the Company is a non cash transaction and hence, has no impact on the Company's cash flow for the year.

ii. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration No: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B. Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Standalone Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

INR Crores

	Equity shares of INR 2 each		Compulsorily Convertible Preference Shares (CCPS)	
	Nos.	INR Crores	Nos.	INR Crores
Issued, subscribed and fully paid				
As at April 1, 2016	42,86,04,274	86	-	-
Changes during the year	7,84,12,844	15	8,19,40,125	82
At March 31, 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**	**-**	**-**

B. Share Capital Suspense Account (Refer Note 45 of the standalone financial statements)

INR Crores

	INR Crores
As at April 1, 2016	3,797
Changes during the year	(3,797)
At March 31, 2017	**-**
Changes during the year	-
At March 31, 2018	**-**

C. Other Equity for the year ended March 31, 2018

INR 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 April 1, 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 31 March 2018	**38**	**86**	**141**	**4,607**	**0**	**1,848**	**-**	**1,143**	**5**	**7,867**

Standalone Statement of Changes in Equity for the year ended March 31, 2018

C. Other Equity for the year ended March 31, 2017

INR 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 April 1, 2016	36	86	140	822	2	1,848	-	929	1	3,864
Profit for the year	-	-	-	-	-	-	-	245	-	245
Other comprehensive income (refer note 30)	-	-	-	-	-	-	-	(2)	1	(1)
Total comprehensive income										
Dividends paid during the year (refer note 12c)	-	-	-	-	-	-	-	(214)	-	(214)
Allotment of shares pursuant to scheme of Amalgamation with Advanta Limited (Refer note 45)	-	-	-	3,673	-	-	0	-	-	3,673
Conversion of Optionally convertible preference shares and Compulsorily convertible preference shares	-	-	-	2	-	-	-	-	-	2
Dividend distribution tax on dividends paid	-	-	-	-	-	-	-	(3)	-	(3)
Transfer to retained earnings	-	-	(15)	-	-	-	-	15	-	-
Transfer from retained earnings	-	-	2	-	-	-	-	(2)	-	-
Share options exercised	-	-	-	1	-	-	-	-	-	1
Shares based compensation	-	-	-	-	0	-	-	-	-	0
As at 31 March 2017	36	86	127	4,498	2	1,848	0	968	2	7,567

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration No: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership no.: 042070

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C. Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B. Trivedi
Company Secretary
Membership no.: ACS4250
Place: San Francisco

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Notes to standalone financial statements for the year ended March 31, 2018

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 April 27, 2018.

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 ('₹') 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 ₹'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, 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.

Notes to standalone financial statements for the year ended March 31, 2018

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 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.

Notes to standalone financial statements for the year ended March 31, 2018

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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 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.

Notes to standalone financial statements for the year ended March 31, 2018

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.

A summary of the policies applied to the Company's intangible assets is as follows

Intangible 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.

Notes to standalone financial statements for the year ended March 31, 2018

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.

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.

Notes to standalone financial statements for the year ended March 31, 2018

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 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.

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.

Notes to standalone financial statements for the year ended March 31, 2018

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.

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.

Notes to standalone financial statements for the year ended March 31, 2018

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 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.

Notes to standalone financial statements for the year ended March 31, 2018

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:

- 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'.

Notes to standalone financial statements for the year ended March 31, 2018

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.

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**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind As 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind As 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's standalone financial statements.

Amendment to Ind AS 21:

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The company has evaluated the effect of these on the stadalone financial statements and the impact is not material. These amendments will come into force from April 1, 2018.

Standalone Statement of cash flows for the year ended March 31, 2018

3. Property, plant and equipment

INR Crores

	Land - Freehold	Land - Leasehold	Building	Plant and Equipment	Laboratory Equipment's	Office Equipment's	Furniture, Fixtures and Equipment's	Vehicles	Leasehold Improvements	Capital Work in Progress	Total
Cost or valuation											
At March 31, 2016	**101**	**139**	**154**	**2,106**	**23**	**45**	**50**	**27**	**54**	**190**	**2,889**
Additions	-	12	29	307	8	7	4	6	2	185	560
Disposals	(8)	(0)	(4)	(17)	(2)	(1)	(0)	(0)	-	-	(32)
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(126)	(126)
At 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)	(0)	-	-	(73)
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(186)	(186)
At March 31, 2018	**93**	**151**	**213**	**2,722**	**34**	**57**	**60**	**33**	**56**	**624**	**4,043**
Accumulated Depreciation											
At March 31, 2016	**-**	**-**	**42**	**955**	**6**	**33**	**31**	**20**	**27**	**-**	**1,114**
Depreciation (refer note 27)	-	-	6	171	3	10	7	4	4	-	205
Disposals	-	-	(0)	(7)	(2)	(1)	(0)	(0)	-	-	(10)
At 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)	-	-	(63)
At March 31, 2018	**-**	**-**	**54**	**1,254**	**10**	**48**	**44**	**27**	**35**	**-**	**1,472**
Net book value											
At March 31, 2018	**93**	**151**	**159**	**1,468**	**24**	**9**	**16**	**6**	**21**	**624**	**2,571**
At March 31, 2017	**93**	**151**	**131**	**1,277**	**22**	**9**	**16**	**9**	**25**	**249**	**1,982**

INR Crores

Net book value	Year ended March 31, 2018	Year ended March 31, 2017
Plant, property and equipment	1,947	1,733
Capital work in progress	624	249
	2,571	1,982

Capital Work in Progress

Capital work in progress as at March 31, 2018 and March 31, 2017 comprises expenditure for the plant and building in the course of construction.

Standalone Statement of cash flows for the year ended March 31, 2018

4. Intangible assets

INR Crores

	Goodwill*	Other Intangible Assets: Data Access Fees	Product Registrations	Product Acquisitions	Task Force Expenses	Software/ License Fees	Brands/ Trade Marks	Technical Knowhow	Germplasm	Intangible asset under development	Total
Cost or valuation											
At March 31, 2016	3,704	97	167	603	23	21	63	11	13	19	4,721
Additions	-	-	17	-	-	4	-	-	-	10	31
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(6)	(6)
At March 31, 2017	3,704	97	184	603	23	25	63	11	13	23	4,746
Additions	-	0	8	-	-	4	-	-	-	17	29
Disposals	-	-	-	-	-	0	-	-	-	-	0
Transfer/capitalised	-	-	-	-	-	-	-	-	-	(1)	(1)
At March 31, 2018	3,704	97	192	603	23	29	63	11	13	39	4,774
Amortisation											
At March 31, 2016	370	94	92	238	11	12	56	10	7	-	890
Amortisation (refer note 27)	369	0	26	41	3	4	6	0	1	-	450
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	-	0	-	440
At March 31, 2018	1,109	95	140	319	17	20	62	10	8	-	1,780
Net book value											
At March 31, 2018	2,595	2	52	284	6	9	1	1	5	39	2,994
At March 31, 2017	2,965	3	66	324	9	9	1	1	5	23	3,406

INR Crores

Net book value	Year ended March 31, 2018	Year ended March 31, 2017
Goodwill	2,595	2,965
Other intangible assets	360	418
Intangible assets under development	39	23
	2,994	3,406

***Goodwill arising on Amalgamation**

Goodwill includes goodwill arising on amalgamation of Advanta Limited fully described in note 45 of the financial statements.

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

The Company generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent managements' best estimate about future developments.

Notes to standalone financial statements for the year ended March 31, 2018

5. Investments

INR Crores

		March 31, 2018	March 31, 2017
Investment stated at Cost			
(A)	**Investments in Equity Instruments**		
a.	**Investment in Subsidiaries (Unquoted)**		
(i)	136,000 (March 31, 2017: 136,000) Ordinary Shares of US $ 100 each fully paid-up in UPL Corporation Limited (formerly known as Bio-Win Corporation Ltd)	77	77
(ii)	3,053 (March 31, 2017: 3,053) equity shares of Euro 100 each, fully paid-up in Advanta Holdings B.V., Netherlands	171	171
(iii)	50,007 (March 31, 2017: 50,007) Equity Shares of ₹10 each fully paid-up in Shroff's United Chemicals Limited	0	0
(iv)	99,000 (March 31, 2017 : 99,000) equity shares of $ 1 each, fully paid-up in PT Advanta Indonesia	1	1
(v)	1,000,007 (March 31,2017: 1,000,007) Equity Shares of ₹10 each fully paid-up in SWAL Corporation Limited	17	17
(vi)	1,000,000 (March 31, 2017: 1,000,000) ordinary shares of $ 1 each, fully paid-up in Advanta Seed International, Mauritius	0	0
(vii)	1,000,000 (March 31, 2017: 1,000,000) Equity Shares of ₹10 each fully paid-up in Agrinet Solutions Limited	2	2
(viii)	United Phosphorus (India) LLP - Capital Contribution in LLP	15	9
	Name of Partners: UPL Limited		
	SWAL Corporation Limited		
	Total Capital of the firm: ₹15,300,000		
	Share of each partner: UPL Limited - 95%		
	SWAL Corporation Limited - 5%		
(ix)	United Phosphorus (Global) LLP - Capital Contribution in LLP	0	0
	Name of Partners: UPL Limited		
	SWAL Corporation Limited		
	Total Capital of the firm: ₹1,000,000		
	Share of each partner: UPL Limited - 95%		
	SWAL Corporation Limited - 5%		
b.	**Investment in Associates (Unquoted)**		
(i)	921,000 (March 31, 2017: 921,000) Equity Shares of ₹10 each fully paid-up in Chemiesynth (Vapi) Limited	0	0
(ii)	3,350,000 (March 31, 2017: 3,350,000) Equity Shares of ₹10 each fully paid-up in Kerala Enviro Infrastructure Limited	3	3
(iii)	37,681 (March 31, 2017: 37,681) equity shares of ₹10 each, fully paid-up in Weather Risk Management Services Pvt Ltd	10	10
(B)	**Investments in Preference Instruments in subsidiaries (Unquoted)**		
	6,393 (March 31, 2017: 6,393) Preference shares of Euro 5,000 each, fully paid-up in Advanta Holdings B.V., Netherlands		
Investment stated at Amortised Cost		210	210
	Investments in Government or trust securities (Unquoted)		
	Indira Vikas Patra [Face Value: Current Year: ₹0.06 lac.[March 31, 2017: ₹0.06 lac]]	0	0
	National Saving Certificates [Face Value: Current Year: ₹0.06 lac. [March 31, 2017: ₹0.06 lac]]	0	0

Notes to standalone financial statements for the year ended March 31, 2018

5. Investments (Contd.)

INR Crores

	March 31, 2018	March 31, 2017
Investments stated at Fair Value through OCI		
Investments in Equity Instruments (Quoted)		
28,100 [March 31, 2017: 28,100] Equity Shares of ₹10 each fully paid—up in Gujarat State Financial Corporation	0	1
50,000 [March 31, 2017: 50,000] Equity Shares of ₹10 each fully paid—up in Nivi Trading Limited	0	0
41,150 [March 31, 2017: 41,150] Equity Shares of ₹10 each fully paid—up in Transpek Industry Limited	5	2
5,307 [March 31, 2017: 5,307] Equity Shares of ₹10 each fully paid—up in IDFC Limited	0	0
5,307 [March 31, 2017: 5,307] Equity Shares of ₹10 each fully paid—up in IDFC Bank Limited.	0	0
17,990 [March 31, 2017: 17,990] Equity Shares of ₹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)		
6,855 [March 31, 2017: 6,855] Optionally Convertible Bonds of ₹1.00,000 each in Tatva Global Environment Private Limited	76	83
b. Investment in Others (Unquoted)		
10,000 (March 31, 2017:10,000) Equity Shares of ₹10 each fully paid-up in Janakalyan Sahakari Bank Limited	0	0
1,000,000 (March 31, 2017: 1,000,000) Equity Shares of ₹10 each fully paid-up in Uniphos International Limited	0	0
45,000 (March 31, 2017: 45,000) Equity Shares of ₹10 each fully paid-up in Bloom Packaging Private Limited	1	1
19,025 (March 31, 2017: 19,025) Equity Shares of ₹10 each fully paid-up in Bench Bio Private Limited	1	1
240,000 (March 31, 2017: 240,000) Equity shares of ₹10 each fully paid-up in UPL Investment Private Limited	2	2
57 [March 31, 2017: 57] Ordinary Shares of 1 Rand each fully paid-up in Cropserve [PTY] Limited	0	0
3,435,070 [March 31, 2017: 3,435,070] Equity Shares of ₹10 each fully paid-up in Narmada Clean Tech Limited	3	3
Total Non-Current Investments	**594**	**593**

Aggregate book value and Market value of quoted investments	5	3
Aggregate amount of unquoted investments	589	590
Impairment of Investments	-	-
Impairment of Investments		
Investment at fair value through Profit and loss (fully paid) reflect investment in debt instruments. 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.		

Notes to standalone financial statements for the year ended March 31, 2018

5. Investments (Contd.)

Extent of equity interest in subsidiaries, joint venture and associates

Name and Country of Incorporation	% of equity interest	
	March 31, 2018	March 31, 2017
a. Subsidiaries		
UPL Corporation Limited (formerly known as Bio-Win Corporation Ltd), Mauritius"	100%	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	95%	95%
United Phosphorus (Global) LLP, India	95%	95%
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

INR Crores

		Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(A)	**Security Deposit**				
a.	Unsecured, Considered good				
	- to related parties (refer note 36)	15	5	-	-
	- to other than related parties	59	74	-	-
b.	Unsecured, Considered doubtful	2	2	-	-
	Less: Allowance for doubtful security deposit	(2)	(2)	-	-
		74	**79**	**-**	**-**
(B)	**Loans and Advances to related parties (refer note 32 and 36)**				
a.	Unsecured, Considered good	831	859	98	127
		831	**859**	**98**	**127**
(C)	**Loans to employees**				
a.	Unsecured, Considered good	-	3	7	1
		-	**3**	**7**	**1**
(D)	**Sundry loans**				
	Unsecured, Considered doubtful	2	2	-	-
	Less: Allowance for doubtful sundry loans	(2)	(2)	-	-
	Total loans	**905**	**941**	**105**	**128**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company.

Notes to standalone financial statements for the year ended March 31, 2018

7. Other Financial Assets

INR Crores

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(A) Interest receivable				
a. Unsecured, Considered good	-	-	24	5
b. Unsecured, Considered doubtful	-	-	0	0
Less: Allowance for doubtful Interest receivable	-	-	(0)	(0)
	-	**-**	**24**	**5**
(B) Receivables from related parties (refer note 36)				
a. Unsecured, Considered good	-	-	68	47
	-	**-**	**68**	**47**
(C) Export Benefits receivables				
Unsecured, Considered good	35	60	82	75
	35	**60**	**82**	**75**
(D) Other receivables				
Unsecured, Considered doubtful	-	-	2	2
Less: Allowance for doubtful other financial assets	-	-	(2)	(2)
Total Other Financial Assets	**35**	**60**	**174**	**127**

8. Other Assets

INR Crores

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(i) Capital advances	66	32	-	-
(ii) Statutory receivables	158	179	606	300
(iii) Prepaid Expense	-	4	46	25
(vi) Other Advances	-	-	35	39
	224	215	687	364

9. Inventories

(Valued at lower of cost and net realisable value)

INR Crores

	March 31, 2018	March 31, 2017
a. Raw materials and components [includes goods in transit: ₹22 crores (March 31, 2017: ₹9 crores)]	519	404
b. Work in progress	147	148
c. Finished goods	638	647
d. Traded goods [includes goods in transit: ₹3 crores (March 31, 2017: ₹5 crores)]	80	91
e. Store and spares [including fuel]	40	31
f. Packing Material	25	28
g. By products	3	6
	1,452	**1,355**

Notes to standalone financial statements for the year ended March 31, 2018

10. Trade receivables

INR Crores

	March 31, 2018	March 31, 2017
Unsecured, Considered good	2,017	1,957
Unsecured, Considered doubtful	77	69
Less: Allowance for doubtful trade receivable	(77)	(69)
Total trade receivables	**2,017**	**1,957**

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.

For terms and conditions relating to related party receivables, refer Note 36.

Trade receivables are non-interest bearing and are generally on terms of 45 to 270 days.

The Company has entered into an agreement to sell and 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, 2018, the Company sold receivables which have been derecognised amounting to ₹48 crores. (March 31, 2017: ₹147 crores). For explanations on the Company's credit risk management processes, refer note 41.

11. Cash and cash equivalents

INR Crores

	March 31, 2018	March 31, 2017
Balances with banks		
- Current accounts	93	59
Cash on Hand	0	0
Total Cash and cash equivalents	**93**	**59**

11A. Other Bank Balances

INR Crores

	March 31, 2018	March 31, 2017
- Unclaimed Dividend accounts	7	6
- Margin money deposit **	14	5
- Deposits with original maturity for more than 3 months but less than 12 months	12	1
Total Other Bank Balances	**33**	**12**

** Margin money deposits given as security against Bank Guarantees

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

INR Crores

	March 31, 2018	March 31, 2017
Balances with banks:		
-Current accounts	93	59
Cash on Hand	0	0
Total Cash and cash equivalents	**93**	**59**

12. Share Capital

Authorised Share Capital

	Equity Shares of INR 2 each	
	No.	INR Crores
At April 1, 2016	1,27,50,00,000	255
Increase/(decrease) during the year	(3,75,00,000)	(7)
At March 31, 2017	**1,23,75,00,000**	**248**
Increase/(decrease) during the year	-	-
At March 31, 2018	**1,23,75,00,000**	**248**

Notes to standalone financial statements for the year ended March 31, 2018

12. Share Capital (Contd.)

Issued equity capital

Equity shares of INR 2 each issued, subscribed and fully paid

	Equity Shares of INR 2 each	
	No.	INR Crores
At April 1, 2016	42,86,04,274	86
Increase/(decrease) during the year	7,84,12,844	15
At March 31, 2017	**50,70,17,118**	**101**
Increase/(decrease) during the year	23,15,963	1
At March 31, 2018	**50,93,33,081**	**102**

Terms/ rights attached to equity shares

The Company has one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March, 2018, the amount of per share dividend proposed as distributions to equity shareholders is ₹8 (March, 2017: ₹7)

Details of shareholders holding more than 5% shares in the company

Name of the shareholder

	March 31, 2018		March 31, 2017	
	No. in crores	% holding in the class	No. in crores	% holding in the class
Equity shares of INR 2 each fully paid				
Nerka Chemicals Private Limited	10	19.94%	10	19.98%
Uniphos Enterprises Limited	3	5.01%	3	5.03%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2018	March 31, 2017
	INR Crores	
Equity shares bought back by the Company.	3	3

There are 42,353,062 shares (March 31, 2017: 42,361,062) 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.

There are NIL shares (March 31, 2017: 42,103,942) underlying equity shares of the Company in respect of GDR's listed on Singapore Stock Exchange were issued pursuant to scheme of amalgamation of Advanta Limited with the Company (refer note 45).

12A. Preference Share Capital

Authorised Share Capital

	Optionally Convertible Preference Shares (OCPS) of INR 100 each		Compulsorily Convertible Preference Shares (CCPS) of INR 100 each	
	No.	INR Crores	No.	INR Crores
At April 1, 2016	1,40,00,000	140	50,00,000	5
Increase/(decrease) during the year	(1,40,00,000)	(140)	22,45,00,000	225
At March 31, 2017	**-**	**-**	**22,95,00,000**	**230**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	**-**	**-**	**22,95,00,000**	**230**

Notes to standalone financial statements for the year ended March 31, 2018

12A. Preference Share Capital (Contd.)

Issued Preference Share Capital

	Optionally Convertible Preference Shares		Compulsorily Convertible Preference Shares	
	No.	INR Crores	No.	INR Crores
At April 1, 2016	-	-	-	-
Increase/(decrease) during the year	2,46,42,786	25	8,19,40,125	82
At March 31, 2017	**2,46,42,786**	**25**	**8,19,40,125**	**82**
Debt portion of OCPS considered as part of Short term borrowings	-	24	-	-
Equity portion of OCPS considered as part of other Equity	-	1	-	-
At March 31, 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	-	-	-	-

Terms/ rights attached to preference shares

Each Compulsory convertible preference share (CCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one CCPS held. If the CCPS are not converted within 18 months from the date of allotment, then the CCPS shall be automatically converted into equity shares of the Company at the end of 18 months from the date of allotment. The CCPS carry a dividend of 5% per annum, payable annually, subject to deduction of taxes at source, if applicable. The CCPS shall be non-cumulative and non-participating in nature. The holder of CCPS shall have right to vote in accordance with Section 47 of the Companies Act, 2013.

Each Optionally convertible preference share (OCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one OCPS held. If the OCPS are not converted within 18 months from the date of allotment, then the OCPS shall be automatically redeemed at par. The OCPS carry a dividend of 5% per annum, payable 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 shall have right to vote in accordance with Section 47 of the Companies Act, 2013. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

12B. Share Capital Suspense

During the year March 31, 2017, the Company had allotted Equity Shares, Compulsorily Convertible Preference Shares and Optionally Convertible Preference Shares to the shareholders of erstwhile Advanta Limited, pursuant to Scheme of Amalgamation as described in detail in Note 45. Accordingly , the balance lying in Share Capital Suspense Account was transferred to respective Equity / Liability Account.

12C. Distribution made & proposed

INR Crores

	March 31, 2018	March 31, 2017
Cash dividends on Equity shares declared and paid:		
Final dividend for the year 31 March 2017: ₹7 per share (31 March 2016: ₹5 per share)	357	214
Proposed dividends on Equity shares:		
Proposed cash dividend for the year 31 March 2018: ₹8 per share (March 31, 2017: ₹7 per share)	407	355

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.

12D. 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)

Notes to standalone financial statements for the year ended March 31, 2018

13. Other equity

i) Securities Premium

	INR Crores
As at April1, 2016	822
Increase/(decrease) during the year	3,676
At March 31, 2017	**4,498**
Increase/(decrease) during the year	109
At March 31, 2018	**4,607**

ii) Retained Earnings

	INR Crores
As at April1, 2016	929
Add: Profit for the year	245
Add: Transfer from Debenture redemption reserve	15
Less: Re-measurement gains (losses) on defined benefit plans	(2)
Less: Appropriations:	
Dividend on Equity Shares	(214)
Dividend on Optionally Convertible Preference Share	(3)
Transfer to debenture redemption reserve	(2)
At March 31, 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**

iii) Other Reserves

Capital Redemption Reserve

	INR Crores
As at April1, 2016	36
Increase/(decrease) during the year	-
At March 31, 2017	**36**
Increase/(decrease) during the year	2
At March 31, 2018	**38**

Capital Reserve

	INR Crores
As at April1, 2016	86
Increase/(decrease) during the year	-
At March 31, 2017	**86**
Increase/(decrease) during the year	-
At March 31, 2018	**86**

Notes to standalone financial statements for the year ended March 31, 2018

13. Other equity (Contd.)

Debenture Redemption Reserve	INR Crores
As at April1, 2016	140
Add: Amount transferred from retained earnings	2
Less: Amount transferred to retained earnings	(15)
At March 31, 2017	**127**
Add: Amount transferred from retained earnings	14
Less: Amount transferred to retained earnings	-
At March 31, 2018	**141**

Share based payment reserve	INR Crores
As at April1, 2016	2
Increase/(decrease) during the year	0
At March 31, 2017	**2**
Increase/(decrease) during the year	(2)
At March 31, 2018	**0**

General Reserve	INR Crores
As at April1, 2016	1,848
Increase/(decrease) during the year	-
At March 31, 2017	**1,848**
Increase/(decrease) during the year	-
At March 31, 2018	**1,848**

Equity Component of convertible preference shares	INR Crores
As at April1, 2016	-
Increase/(decrease) during the year	0
At March 31, 2017	**0**
Increase/(decrease) during the year	(0)
At March 31, 2018	**-**

Equity Instruments through Other Comprehensive Income	INR Crores
As at April1, 2016	1
Increase/(decrease) during the year	1
At March 31, 2017	**2**
Increase/(decrease) during the year	3
At March 31, 2018	**5**

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.

Capital Reserve - The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

Notes to standalone financial statements for the year ended March 31, 2018

13. Other equity (Contd.)

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 INR Crores

	March 31, 2018	March 31, 2017
Capital Redemption Reserve	38	36
Capital Reserve	86	86
Debenture Redemption Reserve	141	127
Share based payment reserve	0	2
General Reserve	1,848	1,848
Equity Component of convertible preference shares	-	0
Equity Instruments through Other Comprehensive Income	5	2
Total other reserves	**2,118**	**2,101**

14. Borrowings

INR Crores

	Effective interest rate	Maturity	March 31, 2018	March 31, 2017
Debentures				
Unsecured Redeemable Non convertible Debentures (NCDs) (Refer note a below)	10.44% to 10.85%	2018-2026	682	756
Current maturities of Non- current Debentures			127	52
Total Non-current Borrowings			**809**	**808**
Less: Amount clubbed under "other current financial liabilities" (refer note 15)			(127)	(52)
Net Non-current Borrowings			**682**	**756**
Aggregate Secured loans (non-current)			-	-
Aggregate Unsecured loans (non-current)			682	756

Current Borrowings INR Crores

	Maturity	March 31, 2018	March 31, 2017
Loans repayable On Demand			
From Banks			
Cash credit, packing credit and working capital demand loan accounts (Refer note b below)			
- Secured (MCLR+50bsp and 6 months LIBOR+50bps)	On demand	65	3
- Unsecured (6 months LIBOR+05 to 50bps and 1month GSEC+5bps)	On demand	248	13
Liability component of compound financial instrument			
Optionally Convertible preference shares (unsecured) (refer note 12A)		-	24
Total current Borrowings		**313**	**40**
Aggregate Secured loans (current)		65	3
Aggregate Unsecured loans (current)		248	37

Notes to standalone financial statements for the year ended March 31, 2018

14. Borrowings (Contd.)

a. **Unsecured Redeemable Non-Convertible Debentures (NCD's)**

i) The Borrowings and current maturities of long term borrowings include ₹49 crores (March,31 2017: ₹48 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 ₹300 crores (March 31, 2017: ₹300 crores) have been issued under two series and are redeemable at par at the end of 10th year ₹150 crores i.e June, 2022 and 7th year ₹150 crores i.e June, 2019 from the date of allotment. Out of the above, NCDs amounting to ₹90 crores have been bought back by the Company.

iii) NCDs of face value amounting to ₹250 crores (March 31, 2017: ₹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 ₹300 crores (March 31, 2017: ₹300 crores) have been issued under four series and are redeemable at par of ₹75 crores each at the end of 12th year, 11th year, 9th year and 8th year i.e. October 2022, October 2021, October 2019 and October 2018 respectively from the date of allotment.

v) NCDs mentioned above carry a coupon rate ranging from 10.25% to 10.70%.

b. **Secured Loan repayable on demand from Banks**

Outstanding loan is secured by hypothecation of inventories, bills receivables, book debts and all movable assets of the Company both present and future, wherever situated.

15. Other financial liabilities

INR Crores

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liabilities at fair value through profit or loss				
Derivatives contract (net)	135	142	36	-
Total financial liabilities at fair value through profit or loss	**135**	**142**	**36**	**-**
Other financial liabilities carried at amortised Cost				
Current maturities of long-term borrowings (note 14)	-	-	127	52
Trade Deposits	-	-	51	51
Creditors for capital goods	-	-	154	38
Interest accrued on borrowings	-	-	1	-
Unpaid dividend	-	-	7	6
Others	4	4	1	1
Total other financial liabilities carried at amortised Cost	**4**	**4**	**341**	**148**
Total other financial liabilities	**139**	**146**	**377**	**148**

16. Other current liabilities

INR Crores

	March 31, 2018	March 31, 2017
Advances against Orders	52	49
Statutory Liabilities	7	41
Other liabilities	3	4
Total other current liabilities	**62**	**94**

17. Trade payables

INR Crores

	Non-current	
	March 31, 2018	March 31, 2017
Trade payables	-	9
	-	**9**

Notes to standalone financial statements for the year ended March 31, 2018

18. Trade payables

INR Crores

	Current	
	March 31, 2018	March 31, 2017
- Outstanding dues of micro and small enterprises	17	1
- Outstanding dues of other than micro and small enterprises	2,336	2,187
	2,353	**2,188**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90-360 days terms

For terms and conditions with related parties, refer note 36

For explanations on the Company's credit risk management processes, refer note 41

19. 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:

INR Crores

	March 31, 2018	March 31, 2017
Current tax:		
In respect of current year	180	89
Adjustments of tax relating to earlier years	(83)	-
Deferred tax:		
In respect of current year	(69)	84
	28	**173**

ii) Income tax expenses recognised in OCI:

INR Crores

	March 31, 2018	March 31, 2017
Deferred tax expenses on remesurement of defined benfit plan	0	1
	0	**1**

b) Reconciliation of tax expense and the accounting profit for the year is as under:

INR Crores

	March 31, 2018	March 31, 2017
Accounting profit before income tax	576	418
Statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	199	144
Dividend Income from Subsidiary	(123)	(75)
Investment Allowance on new Plant & Machinery	-	(16)
Additional deduction on expenditure on Research & Development	(11)	(15)
Amortisation of goodwill in books considered as not deductible in provision for tax	128	128
Agricultural Income exempt from tax	(19)	-
MAT credit of earlier years*	(63)	-
Others	0	6
	111	173
Adjustments of tax relating to earlier years*	(83)	-
Income tax expense reported in the statement of profit and loss	**28**	**173**

* Pursuant to the completion of assessments for the past years, the Company has written back excess provision of tax of ₹83 crores and recognised minimum alternate tax credit entitlement of ₹63 crores.

Notes to standalone financial statements for the year ended March 31, 2018

19. Income taxes (Contd.)

c) Deferred tax

The major components of Deferred tax assets/ (liablities) arising on account of temprory difference are as follows: INR Crores

	Balance Sheet		Statement of profit and loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	(205)	(189)	16	18
Debentures carried at amortised cost	1	(2)	(3)	(0)
Minimum tax credit	63	-	(63)	75
Provision for doubtful debts and advances	42	32	(10)	3
Gratuity	8	6	(2)	(2)
Leave Encashment	24	22	(2)	(4)
Unwinding of interest cost of trade payables	(3)	(7)	(4)	(1)
Others	7	5	(2)	(5)
Net deferred tax assets/(liabilities)	**(64)**	**(133)**	**-**	**-**
Deferred tax expense/(income)	**-**		**(69)**	**84**

Reflected in the balance sheet as follows: INR Crores

	Balance Sheet	
	March 31, 2018	March 31, 2017
Deferred tax assets	144	65
Deferred tax liabilities:	(208)	(198)
Deferred tax liabilities, net	**(64)**	**(133)**

Reconciliation of deferred tax liabilities (net): INR Crores

	Balance Sheet	
	March 31, 2018	March 31, 2017
Opening balance as of 1 April	(133)	(49)
Tax income/(expense) during the year recognised in profit or loss	69	(84)
Tax income/(expense) during the year recognised in OCI	0	(1)
Tax income/(expense) during the year recognised in Equity	-	1
Closing balance as at 31 March	**(64)**	**(133)**

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

INR Crores

	March 31, 2018			March 31, 2017		
	Leave encashment	Dividend on CCPS	Total	Leave encashment	Dividend on CCPS	Total
Opening	63	3	66	51	-	51
Arising during the year	5	-	5	20	3	23
Utilised	-	(3)	(3)	(8)	-	(8)
Closing	**68**	**-**	**68**	**63**	**3**	**66**

Notes to standalone financial statements for the year ended March 31, 2018

21. Revenue from operations

INR Crores

	March 31, 2018	March 31, 2017
Sale of products (including excise duty)	7,168	7,107
Sale / rendering of services		
Job-work income	20	16
Management service fees	13	8
Others	1	1
Other operating revenues	-	
Export Incentives	86	88
Refund of statutory receivable	14	29
Excess Provisions in respect of earlier years written back (net)	38	23
Royalty Income	24	1
Miscellaneous Receipts	10	4
Total Revenue from operations	**7,374**	**7,277**

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, 2018 is net of GST. However revenue for the quarter ended 30th June 2017 included in the year ended March 31, 2018 and for the year ended March 31, 2017 is inclusive of excise duty. The Net Revenue from Operations (Net of GST/ Excise Duty) as applicable are stated below:

INR Crores

	March 31, 2018	March 31, 2017
Revenue from operations	7,374	7,277
Less: Excise Duty	(111)	(338)
Net Revenue from operations	**7,263**	**6,939**

22. Other income

INR Crores

	March 31, 2018	March 31, 2017
Interest income on		
Bank deposits	1	2
Loans and others	68	61
Dividend Income on		
Long-term investments in Subsidiary (refer note 36)	356	216
Other non-operating income		
Fair value gain/(loss) on financial instruments at fair value through profit or loss	(7)	12
Rent received	4	4
Profit on sale of assets (net)	-	10
Profit on sale of Investments	-	5
Sundry Credit Balances written back (net)	7	5
Share in profit from investment in LLP	6	8
Miscellaneous Income	0	2
Total Other Income	**435**	**325**

Notes to standalone financial statements for the year ended March 31, 2018

23. Cost of raw material and components consumed

INR Crores

	March 31, 2018	March 31, 2017
Inventory at the beginning of the year	404	370
Add: Purchases	3,632	3,063
	4,036	**3,433**
Less: inventory at the end of the year	519	404
Cost of raw material and components consumed	**3,517**	**3,029**

24. (Increase)/Decrease in inventory

INR Crores

	March 31, 2018	March 31, 2017
Inventories at the end of the year		
Finished goods	638	647
By-products	3	6
Work in progress	147	148
Traded goods	80	91
	868	**892**
Inventories at the beginning of the year		
Finished goods	647	656
By-products	6	10
Work in progress	148	166
Traded goods	91	25
	892	**857**
(Increase)/Decrease in inventory	24	(35)
Less: Excise duty on stocks	(22)	(73)
	2	**(108)**

25. Employee benefits expense

INR Crores

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	391	354
Contribution to provident and other funds (refer note 33)	25	21
Share based payments to employees (refer note 34)	0	0
Retirement benefits (refer note 33)	21	26
Staff welfare expenses	49	44
	486	**445**

26. Finance costs

INR Crores

	March 31, 2018	March 31, 2017
Interest:		
- On Debentures	81	81
- On cash Credit and Working capital demand loans	25	47
- On Others	15	38
Exchange Difference (net)	(21)	39
(Gain)/Loss on Derivatives Instruments	(10)	(97)
Unwinding of Interest cost on Trade Payable	35	31
Other Financial Charges	10	10
	135	**149**

Notes to standalone financial statements for the year ended March 31, 2018

27. Depreciation and amortization expense

INR Crores

	March 31, 2018	March 31, 2017
Depreciation of tangible assets	226	205
Amortization of intangible assets	440	450
	666	**655**

28. Other expense

INR Crores

	March 31, 2018	March 31, 2017
Power and fuel	237	287
Containers & packing materials consumed	286	302
Transport Charges	244	237
Sub-contracting expenses	316	230
Sales Commission	46	127
Rent (Refer note: 35)	76	83
Effluent Disposal Charges	70	79
Travelling and conveyance	74	74
Advertising and sales promotion	72	87
Legal and professional fees	83	69
Consumption of stores and spares	65	53
Repairs and maintenance		
Plant and machinery	32	32
Buildings	3	4
Others	32	30
Rates and taxes	18	23
Exchange differences (net)	9	22
Charity and Donations [(includes ₹22 crores (31 March 2017: ₹25 crores) paid to Satya Electoral Trust for political purpose)]	30	27
CSR expenses (Refer note 46)	20	24
Insurance	13	13
Allowances for doubtful debts and advances (net)	8	6
Assets written off	9	4
Payment to auditor (Refer details below)	2	3
Directors' sitting fees	0	0
Other Expenses	160	113
	1,905	**1,929**

Payment to Auditors

INR Crores

	March 31, 2018	March 31, 2017
Audit fee	2	3
Other services (certification fees)*	0	0
Reimbursement of expenses*	0	0
	2	**3**

* Amount less than a Crore

29. Research and development costs

INR Crores

Research and Development costs, as certified by the Management

	March 31, 2018	March 31, 2017
a) Revenue expenses debited to appropriate heads of account.	91	73
b) Capital Expenditure	5	21

Notes to standalone financial statements for the year ended March 31, 2018

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: INR Crores

	March 31, 2018			March 31, 2017		
	FVTOCI reserve	Retained earnings	Total	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	0	0	-	(2)	(2)
Gain/(loss) on FVTOCI financial assets	3	-	3	1	-	1
	3	0	3	1	(2)	(1)

31. Earnings per share (EPS)

INR Crores

	March 31, 2018	March 31, 2017
Profit attributable to equity holders for basic earnings	548	245
Weighted average number of Equity shares for basic EPS*	50,82,06,912	50,70,17,118
Effect of dilution:		
Convertible preference shares	-	22,62,904
Employee Stock options	91,176	75,973
Weighted average number of Equity shares adjusted for the effect of dilution *	**50,82,98,088**	**50,93,55,995**

Earnings per equity share (in Rupees)		
Basic (Face value of ₹2 each)	10.78	4.84
Diluted (Face value of ₹2 each)	10.78	4.81

* 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

INR Crores

	March 31, 2018		March 31, 2017	
	Loan given	Outstanding	Loan given	Outstanding
Loan given and proposed to be utilised for business operations by recipient -				
Tatva Global Environment (Deonar) Limited	-	0	-	0
Bharuch Enviro Infrastructure Limited	-	-	-	1
Loan given to subsidiaries for working capital / business operations				
UPL Corporation Limited (foreign currency loan)	-	929	-	903
Advanta Holdings BV	-	-	168	-
SWAL Corporation Limited	102	-	90	83

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.

33. Gratuity and other post-employment benefit plans

INR Crores

	March 31, 2018	March 31, 2017
Gratuity Plan	23	17

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:

Notes to standalone financial statements for the year ended March 31, 2018

The amounts recognised in the statement of Profit and Loss are as follows:

(i) Defined Benefit Plan

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Current service cost	9	5
Interest cost on benefit obligation	3	3
Return on plan assets	(2)	(2)
Amount included under the head Employee Benefit Expense in Note 25	**10**	6
Actuarial changes arising from changes in financial assumptions	(2)	2
Remeasurements recognised in Other Comprehensive Income(OCI)	**(2)**	2
Total Expenses recognised in the statement of Profit & Loss	**8**	8
Actual return on plan assets	2	2

(ii) Defined Contribution Plan

INR Crores

	Provident Fund	
	March 31, 2018	March 31, 2017
Current service cost included under the head Employee Benefit Expense	16	14

INR Crores

	Superannuation Fund	
	March 31, 2018	March 31, 2017
Current service cost included under the head Employee Benefit Expense	9	7

The amounts recognised in the Balance Sheet are as follows:

INR Crores

	March 31, 2018	March 31, 2017
Present value of funded obligation	51	44
Less: Fair value of plan assets	28	27
Net Liability	**23**	**17**

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	44	37
Interest cost	3	3
Current service cost	9	5
Benefits paid	(2)	(3)
Actuarial changes arising from changes in financial assumptions	(3)	2
Closing defined benefit obligation	**51**	**44**

Changes in the fair value of plan assets are as follows:

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Opening fair value of plan assets	27	24
Return on plan assets	2	2
Actuarial changes arising from changes in financial assumptions	(1)	1
Closing fair value of plan assets	28	27

Notes to standalone financial statements for the year ended March 31, 2018

Expected contribution to defined benefit plan for the year 2018-19 INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Expected contribution to defined benefit plan	24	18

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Investments with insurer under:	%	%
Funds managed by insurer	**100**	**100**

The principal actuarial assumptions at the Balance Sheet date. INR Crores

	March 31, 2018	March 31, 2017
Discount rate	7.70%	6.85 - 7.29%
Return on plan assets	7.70%	6.85 - 7.29%
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 31 March 2018 is as shown below: INR Crores

Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation		
Discount rate	(3)	3
Future salary increases	3	(3)
Withdrawal rate	-	**(0)**

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, 2018, 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, 2018	March 31, 2017
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, 2018

The details of the activity have been summarized below

	(No. of equity shares)	
	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	52,250	1,88,055
Exercisable at the beginning of the year	52,250	1,12,195
Forfeited during the year	-	6,075
Exercised during the year	35,750	89,575
Vested during the year	-	69,785
Expired during the year	-	40,155
Outstanding at the end of the year	16,500	52,250
Exercisable at the end of the year*	16,500	52,250
Weighted average remaining contractual life (in years)	3.91	4.91

For options excercised during the current period, the weighted average share price at the exercise date was ₹833 (Mar 31, 2017: ₹616.48).

Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2018	March 31, 2017
Weighted average share price/market price	68.75	68.75
Exercise price (₹per share)	57.00	57.00
Expected volatility	64.49%	64.49%
Life of the options granted (vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected dividends	0.30% per annum	0.30% per annum
Average risk-free interest rate	8.04% per annum	8.04% per annum

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, 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	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		

Notes to standalone financial statements for the year ended March 31, 2018

The details of the activity have been summarized below

Particulars	(No. of equity shares)	
	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	23,723	4,15,792
Exercisable at the beginning of the year	2,814	55,695
Granted during the year	-	-
Forfeited during the year	-	3,19,685
Exercised during the year	9,047	72,384
Vested during the year	19,502	19,503
Expired during the year	-	-
Outstanding at the end of the year	14,676	23,723
Exercisable at the end of the year*	13,269	2,814
Weighted average remaining contractual life (in years)	1.02	1.95

For options excercised during the current period, the weighted average share price at the exercise date was ₹703.8 (Mar 31, 2017: ₹538.72).

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, 2018	March 31, 2017
Weighted average share price/market price (₹ per share)	112.81	112.81
Exercise price (₹ per share)	Grant 1 ₹103.80	Grant 1 ₹103.80
	Grant 2 ₹262.75	Grant 2 ₹262.75
	Grant 3 ₹319.70	Grant 3 ₹319.70
Expected volatility	49.17%	49.17%
Life of the options grantwed (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, 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

Notes to standalone financial statements for the year ended March 31, 2018

The details of the activity have been summarized below

Particulars	March 31, 2018
Outstanding at the beginning of the year	-
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	-
Expired during the year	-
Outstanding at the end of the year	60,000
Exercisable at the end of the year*	-
Weighted average remaining contractual life (in years)	4.49

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2018
Weighted average share price/market price (₹ per share)	824
Exercise price (₹ per share)	784
Expected volatility	21.49%
Life of the options granted (vesting and exercise period) in years	2 to 3.25 years
Expected dividends	-
Average risk-free interest rate	7.22% per annum

D. Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

INR Crores

	March 31, 2018	March 31, 2017
Total employee compensation cost pertaining to stock option plan	0	0
Liability for employee stock option plan outstanding as at the year end	0	2

35. Commitments and contingencies

a. Leases- Operating lease commitments — Company as lessee

Lease rent debited to statement of profit and loss is ₹76 crores (March 31, 2017: ₹83 crores)

The Company has entered into operating lease arrangements for its office premises, vehicles, machinery, storage locations and residential premises.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

INR Crores

	March 31, 2018	March 31, 2017
Within one year	21	20
After one year but more than five years	90	88
More than five years	15	38

b. Commitments

INR Crores

	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	72	134

Notes to standalone financial statements for the year ended March 31, 2018

35. Commitments and contingencies (Contd.)

c. Contingent liabilities

INR Crores

	March 31, 2018	March 31, 2017
Disputed Income-Tax Liability (excluding interest)	26	26
Disputed Excise Duty / Service Tax liability (excluding interest)	203	173
Disputed Sales Tax liability	31	28
Disputed Custom Duty liability	34	36
Disputed Fiscal Penalty for cancellation of licenses	33	33
Disputed penalty levied by Competition Commission of India for Cartelization of prices*	-	252
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)		
Claims against the Company not acknowledged as debts	4	6

* The Competition Commission of India (CCI) had levied a penalty of ₹252 crores on the Company for alleged violation of section 3(3) (b) and 3(3) (d) of the Competition Act 2002. The order of the CCI was challenged before the Competition Appellate Tribunal (COMPAT) which by its order dated 29th October, 2013 has reduced the penalty to ₹7 crores 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 Company does not expect the outcome of the proceedings to have a materially adverse impact on standalone financial statements.

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:

Shroffs United Chemicals Limited
SWAL Corporation Limited
United Phosphorus (India) LLP
United Phosphorus Global LLP
Optima Farm Solutions Limited
UPL Europe Limited
UPL Deutschland GmbH
UPL Polska Sp z.o.o.
UPL Benelux B.V.
Cerexagri B.V.
Blue Star B.V.
United Phosphorus Holdings Cooperatief U.A.
United Phosphorus Holdings B.V.
Decco Worldwide Post-Harvest Holdings Cooperatief U.A.
Decco Worldwide Post-Harvest Holdings B.V.
United Phosphorus Holding, Brazil B.V.
UPL Italia S.R.L.
UPL Iberia, S.A.
Decco Iberica Postcosecha, S.A.U.
Transterra Invest, S. L. U.
Cerexagri S.A.S.
Neo-Fog S.A.
UPL France
United Phosphorus Switzerland Limited
Agrodan, ApS
Decco Italia SRL
Limited Liability Company "UPL"
Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

United Phosphorus Inc.
UPI Finance LLC
Cerexagri, Inc. (PA)
UPL Delaware, Inc.
Canegrass LLC
Decco US Post-Harvest Inc
Rice Co LLC
Riceco International, Inc.
UPL Corporation Limited
UPL Limited (merged in UPL Corporation Limited, Mauritius)
UPL Management DMCC
UPL Limited
UPL Agro S.A. de C.V.
Decco Jifkins Mexico Sapi
United Phosphorus do Brasil Ltd
Uniphos Industria e Comercio de Produtos Quimicos Ltd.
Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.
UPL Costa Rica S.A.
UPL Bolivia S.R.L
UPL Paraguay S.A.
Icona Sanluis S.A.
DVA Technology Argentina S.A.
UPL Argentina S A
Decco Chile SpA
UPL Colombia SAS
United Phosphorus Cayman Limited
UP Aviation Limited
UPL Australia Limited
UPL New Zealand Limited
UPL Shanghai Limited
UPL Limited (Korea)
PT.UPL Indonesia
PT Catur Agrodaya Mandiri
UPL Limited
UPL Philippines Inc.
UPL Vietnam Co. Limited
UPL Limited, Japan
Anning Decco Fine Chemical Co. Limited
UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.
Safepack Products Limited
Citrashine (Pty) Ltd
UPL Africa SARL (divested during the year)
Prolong Limited
Perrey Participações S.A
Agrinet Solutions Limited
Advanta Netherlands Holding B.V.
Advanta Semillas SAIC
Advanta Holdings B.V.
Advanta Seeds International
Pacific Seeds Holdings (Thailand) Limited
Pacific Seeds (Thai) Limited
Advanta Seeds Pty Ltd
Advanta US Inc.

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

Advanta Comercio De Sementes LTDA.
PT Advanta Seeds Indonesia
Advanta Seeds DMCC
Essentiv LCC
UPL Agro Limited Mauritius (acquired during the year)
UPL Jiangsu Limited (formed during the year)
Riceco International Bangladesh Ltd (acquired during the year)
Uniphos Malaysia Sdn Bhd (acquired during the year)
Advanta Seeds Ukraine LLC

(b) **Names of the other related parties with whom transactions have taken place during the year**

(i) **Name of Associate Companies:**

Chemisynth (Vapi) Limited
Weather Risk Management Services Private Ltd
Ingen Technologies Private Limited

(ii) **Joint Venture Companies:**

United Phosphorus (Bangladesh) Limited (upto 22nd September, 2016)

(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
Mr. Jaidev R. Shroff *
Mr. Arun C. Ashar
Mr. Vikram R. Shroff *
Mrs. Asha Ashar *
Mr. Navin Ashar *
Mr. Hardeep Singh
Mr. Vasant Gandhi
Mr. Pradeep Goyal
Mr. Vinod Sethi
Dr. Reena Ramchandran
Mr. Pradip Madhavji
Mr. 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, 2018

36. Related party transactions (Contd.)

(c) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
NATURE OF TRANSACTIONS:										
1 INCOME										
(A) SALES:										
(i) GOODS	4,034	3,882	-	-	7	5	6	2	4,047	3,889
UPL Corporation Ltd.	880	920	-	-	-	-	-	-	880	920
UPL Limited Gibraltar	1,028	1,025	-	-	-	-	-	-	1,028	1,025
SWAL Corporation Limited	512	404	-	-	-	-	-	-	512	404
UPL Ltd. - Mauritius	282	836	-	-	-	-	-	-	282	836
United Phosphorus (India) LLP	642	425	-	-	-	-	-	-	642	425
Others	690	272	-	-	7	5	6	2	702	279
(ii) FIXED ASSETS	-	8	-	-	-	-	-	-	-	8
UNITED PHOSPHORUS (INDIA) LLP		7	-	-	-	-	-	-	-	7
Others		1	-	-	-	-	-	-	-	1
(B) DIVIDEND RECEIVED	356	216	-	-	-	-	-	-	356	216
UPL Corporation Ltd.	356	216	-	-	-	-	-	-	356	216
(C) MANAGEMENT FEES / OTHER SERVICES	7	1	-	-	-	-	8	7	15	8
Tatva Global Environment Private Limited	-	-	-	-	-	-	2	3	2	3
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	1	1	1	1
Gharpure Engineering and Construction Private Limited	-	-	-	-	-	-	4	2	4	2
Uniphos Enterprises Ltd	-	-	-	-	-	-	1	1	1	1
United Phosphorus (India) LLP	7	1	-	-	-	-	-	-	7	1
Others	-	-	-	-	-	-	0	0	0	0
(D) RENT RECEIVED	2	2	-	-	-	-	0	0	2	2
Uniphos Envirotronic Pvt. Ltd.	-	-	-	-	-	-	0	0	0	0
United Phosphorus (India) LLP	2	2	-	-	-	-		-	2	2
Others	-	-	-	-	-	-	0	0	0	0
(E) ROYALTY INCOME	29	2	-	-	-	-	-	-	29	2
United Phosphorus (India) LLP	29	2	-	-	-	-	-	-	29	2
(F) COMMISSION ON GUARANTEE GIVEN / RECEIVED	6	1	-	-	-	-	-	-	6	1
Advanta Seeds PTY Ltd.	-	0	-	-	-	-	-	-	-	0

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

(c) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Advanta Seed International Mauritius	-	1	-	-	-	-	-	-	-	1
UPL Europe Ltd	2	-	-	-	-	-	-	-	2	-
UPL Italia SRL	1	-	-	-	-	-	-	-	1	-
Cerexagri SAS	1	-	-	-	-	-	-	-	1	-
Cerexagri BV	1	-	-	-	-	-	-	-	1	-
UPL Argentina SA.	1	-	-	-	-	-	-	-	1	-
(G) Markup on reimbursement of expenses received	**-**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**
Advanta Netherlands Holdings BV	-	0	-	-	-	-	-	-	-	0
2 EXPENSES										
(A) PURCHASES										
(i) GOODS	**347**	**255**	**-**	**-**	**-**	**-**	**48**	**57**	**395**	**312**
UPL Ltd, Hong Kong	140	156	-	-	-	-		-	140	156
Bloom Seal Containers Pvt Ltd, Vapi	-	-	-	-	-	-	29	34	29	34
Optima Farm Solutions Ltd.	122	70	-	-	-	-		-	122	70
Others	85	29	-	-	-	-	18	23	103	52
(ii) PURCHASE OF LICENCES	**16**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**-**
United Phosphorus India LLP	15	-	-	-	-	-	-	-	15	-
Others	0	-	-	-	-	-	-	-	0	-
(iii) FIXED ASSETS	**0**	**0**	**0**	**-**	**-**	**-**	**0**	**0**	**1**	**0**
UPL Environmental Engg. Ltd.	-	-	-	-	-	-	-	-	-	-
Cerexagri BV	0	0	-	-	-	-	-	-	0	0
Uniphos Envirotronic Pvt. Ltd.	-	-	-	-	-	-	0	0	0	0
Bharuch Enviro Infrastructure Ltd.	-	-	-	-	-	-	-	0	-	0
Chemie Synth (Vapi) Ltd	-	-	0	-	-	-	-	-	0	-
(iv) INTANGIBLE ASSETS	**3**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**2**
UPL Ltd. Japan	1	2	-	-	-	-	-	-	1	2
UPL Europe	1	-	-	-	-	-	-	-	1	-
UPL Limited Korea	1	-	-	-	-	-	-	-	1	-
(v) INTANGIBLE ASSETS - UNDER-CWIP	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**0**
UPL Limited Japan	0	0	-	-	-	-	-	-	0	0

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

(c) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
(vi) OTHERS	-	-	-	-	-	-	0	0	0	0
Vikram Farm	-	-	-	-	-	-	0	0	0	0
Pot Plants	-	-	-	-	-	-	0	0	0	0
Others	-	-	-	-	-	-	0	0	0	0
(B) SERVICES	1	0	0	0	-	-	79	84	80	84
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	77	82	77	82
Others	1	0	0	0	-	-	2	2	3	2
(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	1	0	1
(D) COMMISSION ON EXPORTS	31	106	-	-	-	-	-	-	31	106
UPL Corporation Ltd.	31	106	-	-	-	-	-	-	31	106
Others	-	-	-	-	-	-	-	-	-	-
(E) RESEARCH & DEVELOPMENT EXPENSES	1	-	-	-	-	-	-	-	1	-
Cerexagri B V	1	-	-	-	-	-	-	-	1	-
(F) WRITE BACK OF PAYABLES	0	4	-	-	-	-	-	-	0	4
UPL Corporation Ltd.	0	0	-	-	-	-	-	-	0	0
UPL Ltd Gibraltar	-	4	-	-	-	-	-	-	-	4
Others	-	0	-	-	-	-	-	-	-	0
(G) WRITE OFF OF RECEIVABLES	-	0	-	-	-	-	0	-	0	0
Enviro Technology Ltd	-	-	-	-	-	-	0	-		
Safepack Products Ltd.	-	0	-	-	-	-	-	-	-	0
Other	-	0	-	-	-	-	0	-	0	0

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

(c) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
(H) CONTRIBUTION TO C.S.R.	-	-	-	-	-	-	0	0	0	0
Vikram Farm	-	-	-	-	-	-	-	0	-	0
Bharuch Enviro Infrastructure Ltd.	-	-	-	-	-	-	0	0	0	0
3 FINANCE										
(A) LOAN / INTER CORPORATE DEPOSITS GIVEN	102	258	-	-	-	-	-	-	102	258
SWAL Corporation Limited	102	90	-	-	-	-	-	-	102	90
Advanta Holdings BV Netherlands	-	168	-	-	-	-	-	-	-	168
(B) INTEREST RECEIVED	43	57	-	-	-	-	0	0	43	58
UPL Corporation Ltd.	35	32	-	-	-	-	-	-	35	32
SWAL Corporation Limited	8	12	-	-	-	-	-	-	8	12
Advanta Holdings BV Netherland	-	13	-	-	-	-	-	-	-	13
Others	0	-	-	-	-	-	0	0	0	0
(C) ALLOTMENT/ PURCHASE OF BONDS	-	-	-	-	-	-	-	2	-	2
Tatva Global Environment Private Limited	-	-	-	-	-	-	-	2	-	2
(D) ALLOTMENT/ PURCHASE OF SHARES	-	-	-	10	-	-	-	-	-	10
Weather Risk Management Services Private Limited	-	-	-	10	-	-	-	-	-	10
(E) SALE/REDEMPTION OF SHARES/NCD/COMMERCIAL PAPERS	-	9	-	-	-	-	-	15	-	24
Swal Corporation Ltd.	-	7	-	-	-	-	-	-	-	7
UPL Investment India Pvt. Ltd.		-	-	-	-	-	-	15	-	15
Others		2	-	-	-	-	-	-	-	2
(F) REPAYMENT AGAINST LOAN GIVEN	184	658	-	-	-	-	1	4	185	662
UPL Corporation Ltd.	-	220	-	-	-	-	-	-	-	220
SWAL Corporation Limited	184	49	-	-	-	-	-	-	184	49
Advanta Holdings BV Netherland	-	390	-	-	-	-	-	-	-	390
Others	-	-	-	-	-	-	1	4	1	4
(G) GUARANTEES CANCELLED DURING THE YEAR	309	-	-	-	-	-	-	-	309	-
UPL Europe Ltd.	291	-	-	-	-	-	-	-	291	-
Others	18	-	-	-	-	-	-	-	18	-

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

(c) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
4 (A) REIMBURSMENTS RECEIVED	16	15	-	-	-	-	0	0	17	15
Swal Corporation Limited	4	4	-	-	-	-	-	-	4	4
UPL Management DMCC	0	1	-	-	-	-	-	-	-	1
United Phosphorus (India) LLP	7	3	-	-	-	-	-	-	7	3
Advanta Netherlands Holdings BV	-	3	-	-	-	-	-	-	-	3
Advanta Seeds International	-	2	-	-	-	-	-	-	-	2
United Phosphorus Inc	2	-	-	-	-	-	-	-	2	-
Cerexagri BV	2	-	-	-	-	-	-	-	2	-
Others	1	2	-	-	-	-	0	0	2	2
(B) REIMBURSEMENTS MADE	1	2	-	-	-	-	-	0	1	2
Cerexagri B.V.	-	0	-	-	-	-	-	-	-	0
Advanta Seeds International Mauritius	-	0	-	-	-	-	-	-	-	0
Swal Corporation Ltd.	-	1	-	-	-	-	-	-	0	1
UPL Vietnam Co. Ltd.	0	1	-	-	-	-	-	0	0	1
UPL Paraguay S.A.	1	-	-	-	-	-	-	0	1	0
Others	0	0	-	-	-	-	-	0	0	0
5 OUTSTANDING AT THE YEAR END										
(A) PAYABLES	268	231	0	-	-	-	3	7	271	238
UPL Corporation Ltd.	20	121	-	-	-	-	-	-	20	121
UPL Ltd, Hong Kong	84	88	-	-	-	-	-	-	84	88
United Phosphorus LLP	29	-	-	-	-	-	-	-	29	-
Optima Farm Solutions Ltd.	109	-	-	-	-	-	-	-	109	-
Others	26	22	0	-	-	-	3	7	28	30
(B) RECEIVABLE	1,052	1,061	0	0	1	1	4	1	1,057	1,063
UPL Corporation Ltd.	59	218	-	-	-	-	-	-	59	218
UPL Limited.- Gibraltar	223	97	-	-	-	-	-	-	223	97
Swal Corporation Ltd.	194	110	-	-	-	-	-	-	194	110
United Phosphorus (India) LLP	322	430	-	-	-	-	-	-	322	430
Optima Farm Solutions Ltd.	108	-	-	-	-	-	-	-	108	-

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

(c) The following transactions were carried out with related parties in the ordinary course of business:

INR Crores

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Others	146	206	0	0	1	1	4	1	151	208
(C) LOANS AND ADVANCES GIVEN	**929**	**985**	**-**	**-**	**-**	**-**	**0**	**1**	**929**	**986**
UPL Corporation Ltd.	929	903	-	-	-	-	-	-	929	903
Advanta Holdings BV Netherland	-	-	-	-	-	-	-	-	-	-
Others	-	82	-	-	-	-	0	1	0	83
(D) INTEREST RECEIVABLE	**7**	**5**	**-**	**-**	**-**	**-**	**0**	**0**	**7**	**5**
UPL Corporation Ltd.	7	5	-	-	-	-	-	-	7	5
Others	-	-	-	-	-	-	0	0	0	0
(E) MANAGEMENT FEES RECEIVABLE	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**8**	**10**	**8**
Tatva Global Environment Private Limited	-	-	-	-	-	-	1	4	1	4
Bharuch Enviro Infrastructure Ltd.	-	-	-	-	-	-	-	0	-	0
Gharpure Engineering and Construction Private Limited	-	-	-	-	-	-	8	4	8	4
Others	-	-	-	-	-	-	1	0	1	0
(F) GUARANTEES GIVEN ON BEHALF OF COMPANIES.	**497**	**865**	**-**	**-**	**-**	**-**	**-**	**-**	**497**	**865**
UPL Europe Ltd.	-	291	-	-	-	-	-	-	-	291
Cerexagri BV	186	159	-	-	-	-	-	-	186	159
UPL Italia SRL	133	114	-	-	-	-	-	-	133	114
Cerexagri SAS	178	153	-	-	-	-	-	-	178	153
UPL Argentina SA	-	130	-	-	-	-	-	-	-	130
Others	-	18	-	-	-	-	-	-	-	18
(G) DEPOSIT GIVEN	**-**	**-**	**-**	**-**	**-**	**-**	**13**	**5**	**13**	**5**
Bloom Packaging Pvt Ltd	-	-	-	-	-	-	1	1	1	1
Daman Ganga Pulp And Papers	-	-	-	-	-	-	4	4	4	4
Bharuch Enviro Infrastrure Ltd.	-	-	-	-	-	-	8	0	8	0
Others	-	-	-	-	-	-	0	0	0	0

(Above figures are gross of tax)

Notes to standalone financial statements for the year ended March 31, 2018

36. Related party transactions (Contd.)

c. Transactions with Key Management Personnel and their relatives

INR Crores

Nature of Transaction	March 31, 2018	March 31, 2017
Remuneration (refer note 1 below)		
Mr. Rajnikant.D. Shroff	10	15
Mr. Arun C. Ashar	3	3
Others	5	4
	18	**22**
Rent Paid		
Mr. Rajnikant.D. Shroff	0	0
Mrs. Sandra R. Shroff	0	0
Mr. Vikram R Shroff	0	0
Mr. Jai R Shroff	1	1
	2	**1**
Loan given during the year		
Mr. Anand Vora	-	0
Professional Fees		
Navin Ashar	0	0
Reimbursements Made	0	-
Outstanding's as at the Balance Sheet Date:		
Sundry Deposits given	2	2
Professional Fees Payable/(Receivable)	0	-
Loan outstanding	-	0
Rent Payable	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

INR Crores

Nature of Relationship	March 31, 2018		March 31, 2017	
	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	979	903	1,170
SWAL Corporation Limited	-	83	83	117
Advanta Holdings BV Netherlands	-	-	-	390

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.

Notes to standalone financial statements for the year ended March 31, 2018

37. Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

INR Crores

Nature of Transaction	March 31, 2018	March 31, 2017
Employee cost & other expenses	26	22

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, 2018 (In. '000)	March 31, 2018 (INR Crores)	March 31, 2017 (In. '000)	March 31, 2017 (INR Crores)	Purpose
Nature of Instrument						
Forward contract - Buy	USD	22,520	147	23,856	155	Hedging
Derivative contracts						
Full Currency Interest Rate Swap contracts - Buy	USD	1,11,179	725	1,11,179	550	Hedging-refer note below
Full Currency Interest Rate Swap contracts - Buy	EUR	25,667	207	25,667	210	Hedging-refer note below

Note:

Hedging against the underlying INR borrowings by which:

- Company will receive principal in INR and pay in foreign currency

- Company will receive fixed interest in INR and pay fixed / floating interest in foreign currency

Un-hedged Foreign Currency balances:

	Currency	March 31, 2018 (In. '000)	March 31, 2018 (INR Crores)	March 31, 2017 (In. '000)	March 31, 2017 (INR Crores)
Payables	USD	2,44,823	1,596	2,78,940	1,809
	EUR	2,166	18	27,804	193
	GBP	183	2	195	2
	JPY	-	-	97	0
	AUD	3	0	2	0
	CHF	-	-	1	0
	AED	60	0	-	-
Receivable	USD	2,39,793	1,563	2,52,573	1,638
	EUR	39,192	317	24,408	169
	AUD	554	3	782	4
	GBP	-	-	35	0
	CHF	199	1	-	-
	JPY	821	0	968	0

Notes to standalone financial statements for the year ended March 31, 2018

39. Catergory-wise classification of financial instruments

INR Crores

Particulars	Notes	Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(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	76	83	-	-
		83	**90**	**-**	**-**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares	5	5	3	-	-
		5	**3**	**-**	**-**
(A) Accounting, classification and fair values:					
Financial assets measured at amortised cost					
Security Deposits	6	74	79	-	-
Loans and Advances to related parties	6	831	859	98	127
Loans to employees	6	-	3	7	1
Interest Receivable	7	-	-	24	5
Receivables from related parties	7	-	-	68	47
Export Benefits receivables	7	35	60	82	75
Trade receivable	10	-	-	2,017	1,957
Cash and cash equivalents	11			93	59
Other Bank balance	11A			33	12
		940	**1,001**	**2,422**	**2,283**
Financial liabilities measured at fair value through profit or loss (FVTPL)					
Derivative contracts	15	135	142	36	-
		135	**142**	**36**	**-**
Financial liabilities measured at amortised cost					
Unsecured Redeemable Non convertible Debentures (NCDs)	14 and 15	682	756	127	52
Loans repayable on demand					
- Secured	14	-	-	65	3
- Unsecured	14	-	-	248	13
Trade Deposits	15	-	-	51	51
Creditors for capital goods	15	-	-	154	38
Interest accrued on borrowings	15	-	-	1	-
Unpaid dividend	15	-	-	7	6
Others	15	4	4	1	1
Trade payables (non-current)	17	-	9	-	-
Trade payables (current)	18	-	-	2,353	2,188
		686	**769**	**3,007**	**2,352**

Notes to standalone financial statements for the year ended March 31, 2018

(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.

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 2018: INR Crores

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(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.

Notes to standalone financial statements for the year ended March 31, 2018

40. Fair Value hierarchy (Contd.)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018: INR 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, 2018	171	171	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017: INR 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, 2017	3	3	-	-
Unquoted equity shares	Mar 31, 2017	7	-	-	7
Unquoted optionally convertible bonds	Mar 31, 2017	83	-	83	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017: INR Crores

	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, 2017	142	142	-	-

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.

Notes to standalone financial statements for the year ended March 31, 2018

41. Financial risk management objectives and policies (Contd.)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

INR Crores

	Increase/decrease in basis points	Effect on profit or loss	Effect on equity
March 31, 2018	+100	(3)	(2)
	-100	3	2
March 31, 2017	+100	(0)	(0)
	-100	0	0

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, 2018, 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.

Notes to standalone financial statements for the year ended March 31, 2018

41. Financial risk management objectives and policies (Contd.)

INR Crores

	Change in USD Rate	Effect on profit or loss	Effect on equity
March 31, 2018	1%	(0)	(0)
	-1%	0	0
March 31, 2017	1%	(2)	(1)
	-1%	2	1

INR Crores

	Change in USD Rate	Effect on profit or loss	Effect on equity
March 31, 2018	1%	3	2
	-1%	(3)	(2)
March 31, 2017	1%	0	0
	-1%	(0)	(0)

The movement in the pre-tax effect is a result of a change in the fair value of of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, 31 March 2017 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.

Notes to standalone financial statements for the year ended March 31, 2018

41. Financial risk management objectives and policies (Contd.)

INR Crores

	March 31, 2018			
	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

INR Crores

	March 31, 2017			
	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings (other than convertible preference shares) (refer note 14)	16	344	412	772
Convertible preference shares (refer note 15)	24	-	-	24
Other financial liabilities (refer note 15)	148	4	-	152
Trade and other payables (refer note 17 and 18)	2,188	9	-	2,197
Derivative contracts (refer note 15)	-	117	25	142
	2,376	474	437	3,287

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, 2018 and March 31, 2017.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

INR Crores

	March 31, 2018	March 31, 2017
Borrowings other than convertible preference shares (Note 14 and 15)	1,122	824
Less: cash and cash equivalents (Note 11)	(93)	(59)
Net debt	**1,029**	**765**
Optionally Convertible preference shares (Note 14)	-	24
Equity (Note 12 and 13)	7,969	7,750
Total capital	**7,969**	**7,774**
Capital and net debt	**8,998**	**8,539**
Gearing ratio	**11%**	**9%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Notes to standalone financial statements for the year ended March 31, 2018

INR Crores

43. Exceptional items	March 31, 2018	March 31, 2017
Amount payable on settlement of a contract in respect of earlier years	-	14
Provision of Stamp duty on merger of Advanta	-	32
Amount payable as per final order of The Competition Commission of India	7	-
	7	46

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 23rd June, 2016 has sanctioned the Scheme of Amalgamation of Advanta Limited, a subsidiary as per Ind AS, with the Company with an appointed date of 1st April, 2015. The Scheme has become effective on 20th July, 2016, pursuant to its filing with Registrar of Companies.

In accordance with the provisions of the aforesaid scheme the Company had in prior year accounted for the amalgamation under the "Purchase Method" as prescribed by the Accounting Standard 14 - Accounting for Amalgamations, which is different from Ind AS 103 " Business Combinations". Accordingly the accounting treatment had been given as under:

a. The amalgamation has been accounted under the "Purchase Method" as prescribed by Accounting Standard 14 - Accounting for Amalgamations which is different from Ind AS 103 "Business Combinations". Accordingly, the accounting treatment has been given as under:-

   (i) The assets and liabilities of Advanta Limited as at 1 April 2015 have been incorporated at their book values in the financial statements of the Company.

   (ii) All inter-corporate balances and obligations (including investments held by the Company in Advanta Limited, deposits, loans and advances, outstanding balances or other obligations) between the Company and Advanta Limited stands cancelled.

b. The excess of fair value of equity shares and preference shares over the book value of assets and liabilities transferred and cancellation of Investments in Advanta held by the Company amounting to ₹3,697 crores has been recorded as goodwill arising on amalgamation.

c. Consideration for amalgamation discharged by way of issuance of new Equity Shares has been recorded at fair value and Preference Shares has been recorded at face value. As the shares have been allotted subsequent to the March 31, 2016, the same has been disclosed under Share Capital Suspense account till the date of allotment.

d. In accordance with scheme, the goodwill recorded on amalgamation has been amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹370 crores (31 March, 2016: ₹370 Crores) has been recognised in the statement of profit and loss.

Notes to standalone financial statements for the year ended March 31, 2018

45. Amalgamation with Advanta Limited (Contd.)

Book value of assets and liabilities acquired from Advanta Limited are as under:

Assets	INR Crores
Non Current Assets	645
Current Assets	81
Total Assets (A)	726
Liabilities	
Non-Current Liabilities	6
Current Liabilities	86
Total Liabilities (B)	92
Net Assets taken over (C)=(A-B)	634
Cancellation of Investments in Advanta Limited held by the Company (D)	539
Purchase consideration (E)	3,797
Less: Other adjustments (F)	(5)
Goodwill on amalgamation (G)=(E-F-C+D)	**3,697**

46. CSR expenditure:

Details of CSR expenditure:

INR Crores

	March 31, 2018	March 31, 2017
Gross amount required to be spent by the company during the year	6	8
	6	**8**

INR 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**

INR Crores

	March 31, 2017		
	In cash	Yet to be paid in Cash	Total
Amount spent during the year			
Construction/acquisition of any asset	-	-	-
On purposes other than above	23	1	24
	23	**1**	**24**

Notes to standalone financial statements for the year ended March 31, 2018

47. Segment information

1. Information about Operating Business Segments

INR Crores

	March 31, 2018				March 2017			
	Agro Activity	Non Agro Activity	Unallocated	Total	Agro Activity	Non Agro Activity	Unallocated	Total
Revenue								
External	6,787	574	13	7,374	6,794	465	18	7,277
Inter segment	(183)	183	-	-	(183)	183	-	-
Total revenue	**6,604**	**757**	**13**	**7,374**	**6,611**	**648**	**18**	**7,277**
Segment Results								
Contribution	741	29	-	770	725	55	-	780
Add: Inter segment profit	(37)	37	-	-	(37)	37	-	-
Total segment results	**704**	**66**	**-**	**770**	**688**	**92**	**-**	**780**
Unallocated expenses net of unallocated income	-	-		52				167
Finance costs	-	-		135				149
Exceptional items (refer note 43)				7				46
Profit before taxation				**576**				**418**
Provision for:								
Current tax	-	-	-	180				89
Adjustments of tax relating to earlier years	-	-	-	(83)				-
Deferred tax				(69)				84
Net profit after tax				**548**				**245**
Other information								
Segment assets	9,148	738	2,164	12,050	8,691	623	2,032	11,346
Segment liabilities	2,458	176	1,447	4,081	2,295	152	1,149	3,596
Capital expenditure	665	65	13	743	424	21	21	466
Depreciation	187	27	12	226	153	39	14	206
Amortisation	420	0	20	440	402	0	48	450
Non cash expenses other than depreciation	17	0	7	24	9	1	0	10

Notes to standalone financial statements for the year ended March 31, 2018

47. Segment information (Contd.)

2. Information about Geographical Business Segments

INR Crores

	March 31, 2018			March 31, 2017		
	India	Outside India	Total	India	Outside India	Total
Revenue by Geographical Market						
External	3,392	3,982	7,374	3,114	4,163	7,277
Carrying amount of Non Current Operating Assets	5,453	336	5,789	5,213	390	5,603

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. Details of Specified bank notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed as under:

INR Crores

Particulars	SBN	Other denominations	Total
Closing cash balance as on 08.11.2016	73,82,500	12,46,120	86,28,620
Add: Permitted receipts			
Amount withdrawn from Banks	-	61,25,495	61,25,495
Less: Permitted payments	(2,54,500)	-	(2,54,500)
Less: Amount deposited in banks	(71,28,000)	-	(71,28,000)
Expenditure incurred	-	(48,38,173)	(48,38,173)
Closing cash balance as on 30.12.2016	**-**	**25,33,442**	**25,33,442**

Notes to standalone financial statements for the year ended March 31, 2018

49. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

INR Crores

	March 31, 2018	March 31, 2017
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	17	1
Interest due on above, current year ₹0 (March 31, 2017: ₹Nil)	0	-
Total	17	1
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 ₹0 (March 31, 2017: ₹Nil)	-	-
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

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

M.B. Trivedi
Company Secretary
Membership no.: ACS4250

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Place: San Francisco
Date: April 27, 2018

Independent Auditors' Report

To the Members of
UPL Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of UPL Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as listed in Annexure-I, comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group, 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 the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group, its associates and joint ventures are responsible for assessing the ability of the Group, its associates and joint ventures 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 Group its associates and joint ventures or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We are also responsible to 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 ability of Group, its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Group, its associates and joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 1 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, its associates and joint ventures, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2018, and their consolidated profit (including other comprehensive income), their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. We did not audit the financial statements and other financial information of 90 subsidiaries, included in the Consolidated Ind AS financial statements, whose financial statements reflects total assets of ₹53,417 crores and net assets of ₹23,244 crores as at 31 March 2018; total revenue of ₹25,492 crores and net cash outflows amounting to ₹66 crores for the year ended on that date, as considered in the Consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of ₹93 crores for the year ended 31 March 2018, as considered in the Consolidated Ind AS financial statements, in respect of 8 associates and 3 joint ventures, whose financial statements have not been audited by us. These financial statements of the subsidiaries, associates and joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, its associates and joint ventures, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries, its associates and joint ventures is based solely on the 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 Holding 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 Holding 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 Holding Company and audited by us.

2. The audited consolidated Ind AS financial statements of the Group, its associates and joint ventures for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these Consolidated Ind AS financial statements, have been audited by the predecessor auditor whose audit report dated 28 April 2017 expressed an unmodified opinion on those audited Consolidated Ind AS financial statements.

3. Our opinion above on the Consolidated Ind AS 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

1 As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, its associates and joint ventures, 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 Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

   (d) in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed 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 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, its associates companies and joint ventures incorporated in India, none of the directors of the Group Companies, its associate companies and joint ventures incorporated in India are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associates companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 37 to the Consolidated Ind AS financial statements;

ii. the Group, its associates and jointly controlled entities has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 16 to the Consolidated Ind AS 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, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate companies and joint ventures incorporated in India during the year ended 31 March 2018; and

iv. the disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Consolidated Ind AS financial statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date: 27 April 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS financial statements of UPL Limited as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of UPL Limited ("hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls with reference to financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control with reference to 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 authorizations 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 control 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matter paragraph below, the Holding Company, its subsidiary companies, its associates companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 4 subsidiary companies and its 2 associate companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such subsidiary and associate 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: 27 April 2018

Annexure-1

The financial statement includes the following entities

Names of the Entities

Subsidiaries:

Shroffs United Chemicals Limited
SWAL Corporation Limited
United Phosphorus (India) LLP
United Phosphorus Global LLP
Optima Farm Solutions Limited
UPL Europe Limited
UPL Deutschland GmbH
United Phosphorus Polska Sp.z o.o
UPL Benelux B.V.
Cerexagri B.V.
Blue star B.V.
United Phosphorus Holdings Cooperatief U.A.
United Phosphorus Holdings B.V
Decco Worldwide Post-Harvest Holdings Cooperatief U.A.
Decco Worldwide Post-Harvest Holdings B.V.
United Phosphorus Holding, Brazil B.V
UPL Italia S.R.L
UPL Iberia, S.A
Decco Iberica Postcosecha, S.A.U.
Transterra Invest, S. L. U.
Cerexagri S.A.S.
Neo-Fog S.A.
UPL France
United Phosphorus Switzerland Limited.
Agrodan, ApS
Decco Italia SRL
Limited Liability Company "UPL"
Decco Portugal Post Harvest LDA
United Phosphorus Inc.
UPI Finance LLC
Cerexagri, Inc. (PA)
UPL Delaware, Inc.
Canegrass LLC
Decco US Post-Harvest Inc.
Essentiv LCC
RiceCo LLC
Riceco International, Inc.
UPL Corporation Limited
UPL Limited, Mauritius (merged with UPL Corporation Limited w.e,f. 28 February 2018)
UPL Management DMCC
UPL Limited, Gibraltar
UPL Agro SA DE CV.
Decco Jifkins Mexico Sapi
Perrey Participações S.A
Uniphos Industria e Comercio de Produtos Quimicos Ltda.
UPL Do Brasil - Industria e Comércio de Insumos Agropecuários S.A.
UPL Costa Rica S.A.
UP Bolivia S.R.L
UPL Paraguay S.A.

Icona Sanluis S.A
DVA Technology Argentina S.A.
UPL Argentina S.A.
Decco Chile SpA
UPL Colombia SAS
United Phosphorus Cayman Limited
UP Aviation Limited
UPL Australia Limited
UPL New Zealand Limited
UPL Shanghai Limited
UPL Limited Korea Co., Ltd
PT.UPL Indonesia
PT Catur Agrodaya Mandiri
UPL Limited, Hong Kong
UPL Philippines Inc.
UPL Vietnam Co. Limited
UPL Limited, Japan
Anning Decco Fine Chemical Co. Limited
UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret Anonim Sirketi
Safepack Products Limited
Citrashine (Pty) Ltd
UPL Africa SARL (Divested w.e.f. 9 March 2018)
Prolong Limited
Agrinet Solutions Limited
Advanta Holdings B.V.
Advanta Netherlands Holdings B.V.
Advanta US LLC (Formerly known as Advanta U.S. Inc)
Advanta Seeds International
Advanta Seeds DMCC
Advanta Commercio De Sementes LTDA
Advanta Semillas SAIC
Advanta Seeds Pty Ltd
Pacific Seeds (Thai) Ltd
Pacific Seeds Holdings (Thai) Limited
PT Advanta Seeds Indonesia
Advanta Seeds Ukraine LLC
UPL Jiangsu Limited
UPL Agro Limited, Mauritius
Riceco International Bangladesh Limited (w.e.f 2 October 2017)
Uniphos Malaysia Sdn Bhd (w.e.f 2 January 2018)
Associates :
Kerala Enviro Infrastructure Limited
Polycot Technologies 2010 Limited
3SB Produtos Agrícolas S.A.
Sinagro Produtos Agropecuários S.A.
Serra Bonita Sementes S.A (w.e.f 5 July 2017)
Chemisynth (Vapi) Limited
Universal Pestochem (Industries) Limited
Weather Risk Management Services Private Ltd

Joint Ventures :

Hodogaya UPL Co. Limited
Longreach Plant Breeders Management Pty Ltd
United Phosphorus (Bangladesh) Limited

Consolidated Balance Sheet as at March 31, 2018

INR Crores

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,874	2,483
Capital work-in-progress	3	1,090	633
Goodwill	4	432	419
Other intangible assets	4	1,131	1,169
Intangible assets under development	4	229	159
Investments accounted for using the equity method	5	386	174
Financial assets			
(i) Investments	5	641	204
(ii) Loans	6	151	225
(iii) Trade receivables	10	1	0
(iv) Other financial assets	7	35	60
Income tax assets (net)		194	212
Deferred tax assets (net)	18	529	670
Other non-current assets	8	319	275
Total non-current assets		**8,012**	**6,683**
Current assets			
Inventories	9	4,538	4,156
Financial assets			
(i) Investments	5	7	0
(ii) Trade receivables	10	6,056	5,656
(iii) Cash and cash equivalents	11	2,859	2,880
(iv) Bank balances other than cash and cash equivalents	11A	35	15
(v) Loans	6	147	119
(vi) Other financial assets	7	167	164
Income tax assets (net)		27	12
Other current assets	8	1,175	656
Total current assets		**15,011**	**13,658**
Assets held for sale		20	40
Total Assets		**23,043**	**20,381**
Equity and liabilities			
Equity			
Equity share capital	12	102	101
Compulsorily convertible preference share	12A	-	82
Share capital suspense	12B	-	-
Other equity	13	9,067	7,214
Equity attributable to owners of the parent		**9,169**	**7,397**
Non-controlling interests		19	33
Total Equity		**9,188**	**7,430**
LIABILITIES			
Non-current liabilities:			
Financial liabilities			
(i) Borrowings	15	5,873	5,350
(ii) Trade payables	19	-	10
(iii) Other financial liabilities	16	232	378
Provisions	17	20	16
Deferred tax liabilities (net)	18	88	169
Total non-current liabilities		**6,212**	**5,923**
Current liabilities:			
Financial liabilities			
(i) Borrowings	15	634	708
(ii) Trade payables	19	5,675	4,875
(iii) Other financial liabilities	16	755	802
Provisions	17	91	93
Other current liabilities	20	357	414
Net employee defined benefit liabilities	35	73	60
Current tax liabilities (net)		57	76
		7,642	**7,028**
Total liabilities		**13,855**	**12,951**
Total equity and liabilities		**23,043**	**20,381**
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of these consolidated financial statements.	3 - 48		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration No: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership No.: 042070

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C.Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary
Membership No.: ACS4250

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Place: San Francisco
Date: April 27, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

INR Crores

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
REVENUE			
Revenue from operations	21	17,506	16,680
Other income	22	414	444
TOTAL INCOME		17,920	17,124
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)		8,112	7,816
Excise duty		128	368
Employee benefits expenses	23	1,713	1,627
Finance costs	24	783	735
Depreciation and amortisation expenses	25	675	672
Other expenses	26	4,048	3,884
TOTAL EXPENSES		15,459	15,102
Profit before share of loss of equity accounted investee,exceptional items and tax		2,461	2,022
Share of loss of equity accounted investees (net of income tax)	33 & 34	93	19
Profit before exceptional items and tax		2,368	2,003
Exceptional items	27	63	81
Profit before tax		2,305	1,922
Tax expenses		275	189
Current tax	18	311	293
Adjustments of tax relating to earlier years	18	(79)	5
Deferred tax	18	43	(109)
Profit for the year		2,030	1,733
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified subsequently to profit or loss	28	8	23
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(5)	0
B (i) Items that will be reclassified subsequently to profit or loss	28	67	0
(ii) Income tax relating to items that will be reclassified to profit or loss	28	0	0
Total Other Comprehensive Income for the year, net of tax		70	23
Total Comprehensive Income for the year		2,100	1,756
Profit for the year		2,030	1,733
Attributable to:			
Owners of the parent		2,022	1,727
Non-controlling interests		8	6
Total comprehensive income for the year		2,100	1,756
Attributable to:			
Owners of the parent		2,092	1,750
Non-controlling interests		8	6
Earnings per equity share (in INR)	29		
Basic (Face value of ₹2 each)		39.79	34.07
Diluted (Face value of ₹2 each)		39.78	33.92
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of these consolidated financial statements.	3 - 48		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration No: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership No.: 042070

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C.Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary
Membership No.: ACS4250

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Place: San Francisco
Date: April 27, 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

INR Crores

	Equity shares of INR 2 each		Compulsorily Convertible Preference Shares (CCPS)	
	Nos.	INR Crores	Nos.	INR Crores
As at April 1, 2016	42,86,04,274	86	-	-
Changes during the year	7,84,12,844	15	8,19,40,125	82
At March 31, 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**	**-**	**-**

A1. Share capital suspense (Refer note 30)

INR Crores

	INR Crores
As at April 1, 2016	3,797
Changes during the year	(3,797)
At March 31, 2017	-
Changes during the year	-
At March 31, 2018	-

B. Other Equity

INR Crores

For the year ended March 31, 2018	Attributable to the owners of the parent												Non-controlling interest	Total other equity
	Equity component of convertible preference shares	Reserve and Surplus								Items of OCI		Total		
		Capital redemption reserve	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share-based payment reserve	Non-controlling interest reserve	Retained earnings	Equity Instruments through other comprehensive income	Exchange differences on translation of a foreign operation			
As at 1st April 2017	0	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)	-	-	-	-	-
Shares options exercised	-	-	-	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

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

Other Equity

INR Crores

For the year ended March 31, 2017	Attributable to the owners of the parent												Non-controlling interest	Total other equity
	Equity component of convertible preference shares	Reserve and Surplus								Items of OCI		Total		
		Capital redemp-tion reserve	Capital reserve	Securities premium	Debenture redemp-tion reserve	General reserve	Share-based payment reserve	Non-controlling interest reserve	Retained earnings	Equity Instruments through other compreh-ensive income	Exchange differences on translation of a foreign operation			
As at 1st April 2016	-	36	172	822	140	1,848	2	(3,693)	2,779	(76)	(24)	2,006	44	2,050
Profit for the year	-	-	-	-	-	-	-	-	1,727	-	-	1,727	6	1,733
Other comprehensive income(net of tax)	-	-	-	-	-	-	-	-	1	22	0	23	-	23
Total comprehensive income														
Dividends paid during the year	-	-	-	-	-	-	-	-	(214)	-	-	(214)	(16)	(230)
Dividend distribution tax on preference dividend	-	-	-	-	-	-	-	-	(3)	-	-	(3)	-	(3)
Allotment of shares pursuant to scheme of amalgamation with Advanta Limited (Refer Note 30)	0	-	-	3,673	-	-	-	-	-	-	-	3,673	-	3,673
Conversion of optionally convertible preference shares and Compulsorily convertible preference shares	-		-	2	-	-	-	-	-	-	-	2	-	2
Transfer to retained earnings	-	-	-	-	(15)	-	-	-	15	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	2	-	-	-	(2)	-	-	-	-	-
Shares options exercised	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Share based compensation	-	-	-	-	-	-	0	-	-	-	-	0	-	0
Foreign exchange impact	-	-	(1)	-	-	-	-	-	-	-	-	(1)	(1)	(2)
As at 31 March 2017	**0**	**36**	**171**	**4,498**	**127**	**1,848**	**2**	**(3,693)**	**4,303**	**(54)**	**(24)**	**7,214**	**33**	**7,247**

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's registration No: 101248W/W-100022

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

Bhavesh Dhupelia
Partner
Membership No.: 042070

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

A.C.Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

Anand Vora
Chief Financial Officer

M.B.Trivedi
Company Secretary
Membership No.: ACS4250

Place: Mumbai
Date: April 27, 2018

Place: Mumbai
Date: April 27, 2018

Place: San Francisco
Date: April 27, 2018

Consolidated Statement of Cash Flows for the year ended March 31, 2018

INR Crores

Sr. No	Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
A	**Cash flow from operating activities**				
	Profit before exceptional items and tax		**2,461**		**2,022**
	Adjustments for				
	Depreciation and amortization expense	675		672	
	Finance costs	783		735	
	Allowance for doubtful debts and advances (net)	17		(4)	
	Assets written off	10		5	
	Bad debts written off	2		16	
	Gain on disposal of property, plant and equipment	(2)		(13)	
	Fair value gain on financial instruments at fair value through profit or loss	-		(12)	
	Interest Income	(132)		(150)	
	Unwinding of interest on trade receivables	(282)		(249)	
	Manufacturing cxpenses capitalised	(26)		(23)	
	Excess provisions in respect of earlier years written back (net)	(57)		(40)	
	Sundry credit balances written off (net)	15		(2)	
	Loss/(Gain) on sale of current and non current investments (net)	7		(12)	
			1,010		**923**
	Operating profit before working capital changes		**3,472**		**2,945**
	Working capital adjustments				
	(Increase) in inventories	(383)		(387)	
	(Increase) in non current and current trade receivables	(138)		(316)	
	(Increase) in other non current and current assets	(502)		(79)	
	(Increase)/ Decrease in other non current and current financial assets	(12)		5	
	Increase in non current and current trade payables	663		841	
	Increase in non current and current provisions and net employee defined benefit liabilities	16		12	
	(Decrease) in other current liabilities	(57)		(144)	
	Increase in other non current and current financial liabilities	90		112	
			(322)		**44**
	Cash generated from operations		3,150		2,989
	Income taxes paid (net)		(249)		(341)
	Cash flow before exceptional items		2,902		2,648
	Exceptional items		(63)		(63)
	Net cash flow from operating activities		**2,839**		**2,585**
B	**Cash flow from investing activities**				
	Purchase of Property,plant and equipment including Capital-work-in-progress and capital advances		(1,092)		(883)
	Purchase of intangible assets including assets under development		(321)		(376)
	Proceeds from sale of property, plant and equipment		9		56
	Payment for acquisition of additional stake in subsidiary		(22)		-
	Payment of contingent consideration		(126)		(31)
	Purchase of equity shares of equity accounted investees		(300)		(10)
	Purchase of investments		(423)		-
	Sundry loans given		(14)		(134)
	Sundry loans repayment received		85		247
	Fixed deposit, margin money and dividend accounts (net)		(21)		(3)
	Profit on sale of investment in mutual funds/bonds		(7)		12
	Interest income		140		123
	Net cash flow (used in) investing activities		**(2,093)**		**(999)**

Consolidated Statement of Cash Flows for the year ended March 31, 2018

INR Crores

Sr. No	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings	1,954	3,455
	Repayment of long term borrowings	(1,623)	(555)
	Short term borrowings (net)	(45)	(1,821)
	Interest paid and other financial charges	(717)	(711)
	Dividend paid to minority shareholders by subsidiaries	(12)	(16)
	Dividends paid	(357)	(212)
	Net cash flow (used in)/from financing activities	**(801)**	**140**
D	**Exchange difference arising on conversion debited to foreign currency translation reserve**	37	(23)
	Net (Decrease)/Increase in cash and cash equivalents (A+B+C+D)	**(19)**	**1,703**
	Cash and cash equivalents as at the beginning of the year (Refer note 11)	2,880	1,177
	Cash and cash equivalents as at the end of the year (Refer note 11)	**2,859**	**2,880**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Notes	March 31, 2017	Cash flows	Non-cash changes				March 31, 2018
				Acquisition	Foreign exchange movement	Fair value change	Other adjustments	
Debentures								
Unsecured Redeemable Non convertible Debentures (NCDs)	15 and 16	809	(-)	(-)	(-)	(-)	(-)	809
Bonds (Unsecured)								
3.25% Senior Notes	15	3,210	(-)	(-)	20	(-)	(-)	3,230
4.50% Senior Notes	15	(-)	1,937	(-)	(-)	(-)	(-)	1,937
Term Loan								
From Bank (Unsecured)	15	1,623	(1,621)	(-)	(-)	(-)	(-)	2
From Bank (Secured)	15	9	(2)	(-)	(-)	(-)	(-)	7
From others (Unsecured)	15	2	17	(-)	(-)	(-)	(-)	19
Cash credit, packing credit and working capital demand loan accounts	15	641	(20)	(-)	(-)	(-)	(-)	621
Liability component of optionally convertible preferance shares	15	24	(2)	(-)	(-)	(-)	(22)	(-)
Discounted Trade Receivables	15	43	(30)	(-)	(-)	(-)	(-)	13
Total liabilities from financing activities		**6,361**	**279**	**(-)**	**20**	**(-)**	**(22)**	**6,638**

Notes:

(i) The amalgamation of Advanta Limited with the Company (Refer Note 30) is a non cash transaction and hence,has no impact on the Group's cash flows for the previous year.

(ii) 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.

(iii) 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's registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.: 042070

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

R.D. Shroff
Chairman and 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: April 27, 2018

M.B.Trivedi
Company Secretary
Membership No.: ACS4250
Place: San Francisco
Date: April 27, 2018

Notes to consolidated financial statements for the year ended March 31, 2018

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 2018.

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 April 27,2018.

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
- Contingent consideration.

The consolidated financial statements are presented in Indian Rupees ('INR') or ('₹) 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 ₹'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 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.

Notes to consolidated financial statements for the year ended March 31, 2018

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 venture as at 31 March 2018. 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 Polycoat Technologies 2010 Limited, 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,Serra Bonita Sementes SA and Polycoat Tecnologies 2010 Limited for the year ended 31st December 2017 have been considered for the purpose of consolidation after making necessary adjustments for the effects of significant transactions or events, if any that occur till the reporting date of the group i.e. March 31.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Notes to consolidated financial statements for the year ended March 31, 2018

(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.

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.

Notes to consolidated financial statements for the year ended March 31, 2018

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 Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is stated inclusive of excise duty and excludes sales tax/value added tax (VAT)/Goods and Services Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Sale of services

Income from services are recognized as and when the services are rendered.

Royalty Income

Income for Royalty is recognised on accrual basis in accordance with the substance of relevant agreement. Royalties accrue in accordance with the terms of relevant agreement and are recognised on that basis, unless having regard to the substance of the agreement, it is more appropriate to recognise revenue on some other systematic and rational basis.

Notes to consolidated financial statements for the year ended March 31, 2018

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'.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Divident income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale is regarded met only when the assets 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.

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

Notes to consolidated financial statements for the year ended March 31, 2018

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.

Sr. No.	Description of Assets	Useful life of Assets
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 measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Notes to consolidated financial statements for the year ended March 31, 2018

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

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'.

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)

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

Notes to consolidated financial statements for the year ended March 31, 2018

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 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

Notes to consolidated financial statements for the year ended March 31, 2018

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.

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

Notes to consolidated financial statements for the year ended March 31, 2018

- 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.

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.

Notes to consolidated financial statements for the year ended March 31, 2018

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.

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.

Notes to consolidated financial statements for the year ended March 31, 2018

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

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 used 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

Notes to consolidated financial statements for the year ended March 31, 2018

- 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.

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.

Notes to consolidated financial statements for the year ended March 31, 2018

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 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.

Notes to consolidated financial statements for the year ended March 31, 2018

ac. **Standards issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind As 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind As 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's consolidated financial statements.

Amendment to Ind AS 21:

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The company has evaluated the effect of these on the consolidated financial statements and the impact is not material.

These amendments will come into force from April 1, 2018.

Notes to consolidated financial statements for the year ended March 31, 2018

3. Property, plant and equipment and capital work-in-progress

INR Crores

	Land - Freehold	Land - Leasehold	Building	Building- Leasehold	Plant and Equipment	Laboratory Equipment's	Furniture Fixtures and Equipments	Office Equipment's	Vehicles	Assets Taken on Lease		Land Improve-ments	Building Improve-ments	Aircraft	Capital Work in Progress	Total
										Furniture, Fixtures and Equipment's	Vehicles					
Cost or valuation																
At 1 April 2016	**244**	**150**	**456**	**25**	**3,211**	**53**	**87**	**77**	**83**	**2**	**2**	**20**	**85**	**76**	**312**	**4,883**
Additions during the year	2	12	55	-	416	14	9	9	38	-	-	1	3	-	682	1,241
Disposals during the year	(22)	-	(33)	-	(66)	(4)	(1)	(6)	(10)	-	-	(4)	-	-	-	(146)
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(369)	(369)
Exchange differences	3	-	(7)	(2)	(50)	(2)	-	(1)	1	-	-	(2)	1	(3)	8	(54)
At 31 March 2017	**227**	**162**	**471**	**23**	**3,511**	**61**	**95**	**79**	**112**	**2**	**2**	**15**	**89**	**73**	**633**	**5,555**
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)	-	-	-	(541)	(633)
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**
Depreciation																
At 1 April 2016	**-**	**1**	**221**	**17**	**1,799**	**28**	**52**	**53**	**49**	**-**	**1**	**19**	**33**	**10**	**-**	**2,283**
Depreciation charge for the year (Note 25)	-	-	14	1	236	5	11	12	17	-	-	-	6	10	-	312
Disposals during the year	-	-	(26)	-	(52)	(4)	-	(6)	(7)	-	-	(3)	-	-	-	(98)
Exchange differences	-	-	(8)	(1)	(41)	(4)	-	(1)	-	-	-	(2)	-	(1)	-	(58)
At 31 March 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**
Net book value																
At 31 March 2018	227	162	340	6	1,875	47	35	37	53	-	-	1	45	46	1,090	3,964
At 31 March 2017	227	161	270	6	1,569	36	32	21	53	2	1	1	50	54	633	3,116

INR Crores

Net book value	Year ended March 31, 2018	Year ended March 31, 2017
Plant, property and equipment	2,874	2,483
Capital work in progress	1,090	633
Total	**3,964**	**3,116**

Capital Work in Progress

Capital work-in-progress as at 31 March 2018 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, 2018

4. Intangible assets

INR Crores

	Goodwill*	Other Intangible Assets										Intangible asset under development	Total (Excl. Goodwill
		Data Access Fees	Product Registrations	Product Acquisitions	Task Force Expenses	Software/ License Fees	Customer Contracts	Brands/ Trade Marks	Non-compete agreements	Trade Secrets	Right to Use	Germplasm		
Cost														
At 1 April 2016	**417**	**209**	**2,795**	**645**	**22**	**56**	**420**	**301**	**22**	**18**	**-**	**256**	**172**	**4,916**
Additions during the year	-	-	280	99	-	7	-	2	-	-	-	-	156	544
Deductions during the year	-	(91)	(287)	-	-	-	-	-	-	-	-	-	-	(378)
Transfer/Capitalised	-	-	-	-	-	-	-	-	-	-	-	-	(174)	(174)
Foreign Exchange Adjustment	2	(2)	(79)	(2)	-	(1)	16	(2)	-	-	-	-	5	(65)
At 31 March 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)	-	-	-	-	-	-	-	-	-	(112)	(130)
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**
Amortisation														
At 1 April 2016	**-**	**208**	**2,171**	**257**	**11**	**45**	**385**	**269**	**21**	**11**	**-**	**209**	**-**	**3,587**
Amortisation for the year (Note 25)	-	1	250	44	3	5	28	13	-	2	-	12	-	358
Amortisation on disposals	-	(91)	(285)	-	-	-	-	-	-	-	-	-	-	(376)
Foreign Exchange Adjustment	-	(3)	(65)	(1)	-	(1)	15	(1)	1	-	-	1	-	(54)
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**
Net book value	432	2	673	402	6	15	1	16	-	1	3	12	229	1,360
At 31 March 2018	419	1	638	442	8	13	8	20	-	5	-	34	159	1,328
At 31 March 2017														

INR Crores

Net book value	Year ended March 31, 2018	Year ended March 31, 2017
Goodwill	432	419
Other intangible assets	1,131	1,169
Intangible assets under development	229	159
Total	**1,792**	**1,747**

*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.

Notes to consolidated financial statements for the year ended March 31, 2018

5. Investments

INR Crores

		March 31, 2018	March 31, 2017
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 2017: 4,000] Equity Shares fully paid-up in 3SB Produtos Agricolas SA [includes goodwill of ₹73 Crores [March 2017 ₹64 Crores]	102	76
(ii)	87,298,237 [March 2017: 43,907,261] Equity Shares fully paid-up in Sinagro Produtos Agropecuarios SA. [includes goodwill of ₹48 Crores, [March 2017: ₹24 Crores] (refer Note (a) below)	0	36
(iii)	921,000 [March 2017: 921,000] Equity Shares of ₹10 each fully paid-up in Chemisynth [Vapi] Limited (refer Note (a) below)	0	0
(iv)	18,130 [March 2017: 18,130] Equity shares of ₹100 each of Universal Pestochem [Industries] Pvt. Ltd. (refer Note (a) below)	0	0
(v)	3,350,000 [March 2017: 3,350,000] Equity Shares of ₹10 each fully paid-up in Kerala Enviro Infrastructure Limited	3	3
(vi)	200 [March 2017: 200] Equity shares of Polycoat Technologies 2010 Limited (refer Note (a) below)	0	0
(vii)	37,681 [March 2017: 37,681] Equity shares of ₹10 each, fully paid-up in Weather Risk Management Services Pvt Ltd [includes goodwill of ₹3 Crores [March 2017 ₹Nil]	10	10
(viii)	103,016,215 [March 2017:Nil] Equity shares of ₹1 each, fully paid-up in Serra Bonita Sementes S.A. [includes goodwill of ₹(14) Crores [March 2017 ₹Nil]	208	0
b.	Investment in Joint Ventures (Unquoted)		
(i)	1,627 [March 2017: 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 2017: 200] Equity shares fully paid up in Hodogaya UPL Co. Ltd	21	18
(iii)	88,223 [March 2017: 88,223] Equity shares of ₹1 AUD each fully paid-up in Longreach Plant Breeders Management Private Limited [includes goodwill of ₹18 Crores, [March 2017: ₹18 Crores]	42	31
Total non-current investments accounted for using the Equity Method		386	174
Investment stated at Amortised Cost			
	Investments in Government or trust securities (Unquoted)		
(i)	Indira Vikas Patra [Face Value: Current Year: ₹0.06 lac.[March 31, 2017: ₹0.06 lac]]	0	0
(ii)	"National Saving Certificates [Face Value: Current Year: ₹0.09 lac. [March 2017: ₹0.09 lac]]	0	0
Investments stated at Fair Value through OCI			
	Investments in Equity Instruments (Quoted)		
(i)	11,700,000 [March 2017: 11,700,000 Equity shares fully paid up in Ishihara Sangyo Kaisha Ltd.	94	75
(ii)	28,100 [March 31, 2017: 28,100] Equity Shares of ₹10 each fully paid-up in Gujarat State Financial Corporation	0	0
(iii)	50,000 [March 31, 2017: 50,000] Equity Shares of ₹10 each fully paid-up in Nivi Trading Limited	0	0
(iv)	41,150 [March 31, 2017: 41,150] Equity Shares of ₹10 each fully paid-up in Transpek Industry Limited	5	2
(v)	5,307 [March 31, 2017: 5,307] Equity Shares of ₹10 each fully paid-up in IDFC Limited	0	0
(vi)	5,307 [March 31, 2017: 5,307] Equity Shares of ₹10 each fully paid-up in IDFC Bank Limited.	0	0

Notes to consolidated financial statements for the year ended March 31, 2018

5. Investments (Contd.)

INR Crores

		March 31, 2018	March 31, 2017
(vii)	17,990 [March 31, 2017: 17,990] Equity Shares of ₹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)**		
	6,855 [March 31, 2017: 6,855] Optionally Convertible Bonds of ₹1.00,000 each in Tatva Global Environment Private Limited	76	83
B.	**Investment in Equity Instruments (Unquoted)**		
(i)	240,000 (March 31, 2017: 240,000) Equity shares of ₹10 each fully paid-up in UPL Investment Private Limited	2	2
(ii)	Equity shares in Amira Nature foods Limited	33	34
(iii)	57 [March 31, 2017: 57] Ordinary Shares of 1 Rand each fully paid-up in Cropserve [PTY] Limited	0	0
(iv)	3,435,070 [March 31, 2017: 3,435,070] Equity Shares of ₹10 each fully paid-up in Narmada Clean Tech Limited	3	3
(v)	10,000 [March 2017: 10,000] Equity Shares of ₹10 each fully paid—up in Janakalyan Sahakari Bank Limited	0	0
(vi)	1,000,000 (March 31, 2017: 1,000,000) Equity Shares of ₹10 each fully paid-up in Uniphos International Limited	0	0
(vii)	45,000 (March 31, 2017: 45,000) Equity Shares of ₹10 each fully paid-up in Bloom Packaging Private Limited	1	1
(viii)	19,025 (March 31, 2017: 19,025) Equity Shares of ₹10 each fully paid-up in Bench Bio Private Limited	1	1
(ix)	100 [March 31, 2017: 100] Equity Shares of Natural Art KK	0	0
(C)	**Investment in Others**		
	415 [March 2017: 415] Optionally convertible Debentures of ₹50,000 each of Bloom Packaging Pvt. Ltd.	2	2
	201,834,849 [March 31, 2017: Nil] Non-convertible Debentures of BRL 1 each of IBI Brasil Empreendimentos E Participacoes S.A.	424	-
	Total Other Non-Current Investments	641	204
	Total Non-Current Investments	**1,027**	**378**

Notes to consolidated financial statements for the year ended March 31, 2018

5. Investments (Contd.)

	March 31, 2018	March 31, 2017
Current		
Investments stated at Fair Value through profit and loss		
Investments in Others (Unquoted)	7	0
Total Current Investments	**7**	**0**
Total Investments	**1,034**	**378**
Aggregate amount and market value quoted investments	99	78
Aggregate amount of unquoted investments	935	300
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

INR Crores

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(A) Security Deposit				
a. Unsecured, Considered good	91	95	31	0
b. Unsecured, Considered doubtful	2	2	-	-
Less: Allowance for doubtful security deposit	(2)	(2)	-	-
	91	**95**	**31**	**0**
(B) Loans and Advances to related parties (refer note 38)				
a. Unsecured, Considered good	60	128	96	50
	60	**128**	**96**	**50**
(C) Loans to employees				
a. Unsecured, Considered good	0	2	8	11
	0	**2**	**8**	**11**
(D) Sundry loans				
a. Unsecured, Considered good	-	-	12	58
b. Unsecured, Considered doubtful	2	2	-	-
Less: Allowance for doubtful sundry loans	(2)	(2)	-	-
	-	**-**	**12**	**58**
Total loans	**151**	**225**	**147**	**119**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group.

Notes to consolidated financial statements for the year ended March 31, 2018

7. Other Financial Assets

INR Crores

		Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(A)	**Interest receivable**				
a.	Unsecured, Considered good	-	-	49	57
b.	Unsecured, Considered doubtful	-	-	-	0
	Less: Allowance for doubtful Interest receivable	-	-	-	(0)
		-	**-**	**49**	**57**
(B)	**Export benefits receivables**				
a.	Unsecured, Considered good	35	60	94	87
		35	**60**	**94**	**87**
(C)	**Others**				
a.	Unsecured, Considered good	-	-	24	20
b.	Unsecured, Considered doubtful	2	2	-	-
	Less: Allowance for doubtful other financial assets	(2)	(2)	-	-
		-	**-**	**24**	**20**
	Total Other Financial Assets	**35**	**60**	**167**	**164**

8. Other Assets

INR Crores

		Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(i)	Capital advances	93	32	-	-
(ii)	Statutory receivables	219	237	915	397
(iii)	Other advances	7	6	260	259
	Total Other Assets	**319**	**275**	**1,175**	**656**

9. Inventories

(Valued at lower of cost and net realisable value)

INR Crores

		March 31, 2018	March 31, 2017
a.	Raw materials and components	957	856
b.	Work in progress	372	355
c.	Finished goods	2,561	2,330
d.	Traded goods	478	459
e.	Store and spares [including fuel]	72	62
f.	Packing material	93	87
g.	By products	5	7
		4,538	**4,156**

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 ₹23 Crores (31 March 2017: ₹56 Crores).

Notes to consolidated financial statements for the year ended March 31, 2018

10. Trade receivables

INR Crores

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, Considered good	1	0	6,056	5,656
Unsecured, Considered doubtful	-	-	366	360
Less: Allowance for doubtful trade receivable	-	-	(366)	(360)
Total trade receivables	**1**	**0**	**6,056**	**5,656**

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, 2018, the Group sold receivables which have been recognised of ₹2,051 Crores (₹2,043 Crores at 31st March, 2017).

11. Cash and cash equivalents

INR Crores

	March 31, 2018	March 31, 2017
Balances with banks		
-Current accounts	141	117
-Foreign currency accounts	2	1
-Current accounts outside India	1,519	1,481
Fixed deposit accounts		
- Deposits with original maturity for less than 3 months	-	1
-Fixed deposits outside India	1,164	1,241
Cheques/drafts on hand	32	33
Cash on hand	1	6
	2,859	**2,880**

11A. Other Bank Balances

INR Crores

	March 31, 2018	March 31, 2017
- Deposits with original maturity for more than 3 months but less than 12 months	14	1
- Margin money deposit *	14	8
-Unclaimed dividend accounts	7	6
	35	**15**

*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: INR Crores

	March 31, 2018	March 31, 2017
Balances with banks:		
-Current accounts	141	117
-Foreign currency accounts	2	1
-Current accounts outside India	1,519	1,481
Fixed deposit accounts	1,164	1,241
- Deposits with original maturity for less than 3 months	-	1
Cheques/drafts on hand	32	33
Cash on hand	1	6
	2,859	2,880

Notes to consolidated financial statements for the year ended March 31, 2018

12. Share Capital

Authorised Share Capital

INR Crores

	Equity Shares of INR 2 each	
	No.	INR Crores
At April 1, 2016	1,27,50,00,000	255
(Decrease) during the year	(3,75,00,000)	(7)
At March 31, 2017	**1,23,75,00,000**	**248**
Increase/(decrease) during the year	-	-
At March 31, 2018	**1,23,75,00,000**	**248**

Issued equity capital

Equity shares of INR 2 each issued, subscribed and fully paid

INR Crores

	Equity Shares of INR 2 each	
	No.	INR Crores
At April 1, 2016	42,86,04,274	86
Increase during the year	7,84,12,844	15
At March 31, 2017	**50,70,17,118**	**101**
Increase during the year	23,15,963	1
At March 31, 2018	**50,93,33,081**	**102**

Terms/ rights attached to equity shares

The Company has one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March, 2018, the amount of per share dividend proposed as distributions to equity shareholders is ₹8 (March, 2017: ₹7)

Details of shareholders holding more than 5% shares in the company

INR Crores

Name of the shareholder

	March 31, 2018		March 31, 2017	
	No. in crores	% holding in the class	No. in crores	% holding in the class
Equity shares of INR 2 each fully paid				
Nerka Chemicals Private Limited	10	19.94%	10	19.98%
Uniphos Enterprises Limited	3	5.01%	3	5.03%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

INR Crores

	March 31, 2018	March 31, 2017
Equity shares bought back by the Company.	3	3

There are 42,353,062 shares (March 31, 2017: 42,361,062) 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.

There are NIL shares (March 31, 2017: 42,103,942) underlying equity shares of the Company in respect of GDR's listed on Singapore Stock Exchange were issued pursuant to scheme of amalgamation of Advanta Limited with the Company.

Notes to consolidated financial statements for the year ended March 31, 2018

12A. Preference Share Capital (Contd.)

Authorised Share Capital

INR Crores

	Optionally Convertible Preference Shares (OCPS) of INR 100 each		Compulsorily Convertible Preference Shares (CCPS) of INR 10 each	
	No.	INR Crores	No.	INR Crores
At April 1, 2016	1,40,00,000	140	50,00,000	5
Increase/(decrease) during the year	(1,40,00,000)	(140)	22,45,00,000	225
At March 31, 2017	**-**	**-**	**22,95,00,000**	**230**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	**-**	**-**	**22,95,00,000**	**230**

Issued Preference Share Capital

INR Crores

Preference shares of INR 10 each issued, subscribed and fully paid	Optionally Convertible Preference Shares (OCPS)		Compulsorily Convertible Preference Shares (CCPS)	
	No.	INR Crores	No.	INR Crores
At April 1, 2016	-	-	-	-
Increase during the year	2,46,42,786	25	8,19,40,125	82
At March 31, 2017	**2,46,42,786**	**25**	**8,19,40,125**	**82**
Debt portion of OCPS considered as part of Short term borrowings	-	24	-	-
Equity portion of OCPS considered as part of other Equity	-	1	-	-
At March 31, 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	**-**	**-**	**-**	**-**

Terms/ rights attached to preference shares

Each Compulsory convertible preference share (CCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one CCPS held. If the CCPS are not converted within 18 months from the date of allotment, then the CCPS shall be automatically converted into equity shares of the Company at the end of 18 months from the date of allotment. The CCPS carry a dividend of 5% per annum, payable annually, subject to deduction of taxes at source, if applicable. The CCPS shall be non-cumulative and non-participating in nature. The holder of CCPS shall have right to vote in accordance with Section 47 of the Companies Act, 2013.

Each Optionally convertible preference share (OCPS) has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting within 18 months from the date of allotment i.e. from August 08, 2016 on the basis of ten new equity shares of INR 2 for every four hundred and seventy one OCPS held. If the OCPS are not converted within 18 months from the date of allotment, then the OCPS shall be automatically redeemed at par. The OCPS carry a dividend of 5% per annum, payable 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 shall have right to vote in accordance with Section 47 of the Companies Act, 2013. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

12B. Share Capital Suspense

During the previous year, the Company had allotted Equity Shares, Compulsorily Convertible Preference Shares and Optionally Convertible Preference Shares to the shareholders of erstwhile Advanta Limited, pursuant to Scheme of Amalgamation as described in detail in Note 30. Accordingly , the balance lying in Share Capital Suspense Account was transferred to respective Equity / Liability Account.

Notes to consolidated financial statements for the year ended March 31, 2018

13. Other equity

i) Securities Premium

INR Crores

	March 31, 2018
As at 1 April, 2016	822
Additions during the year	3,676
At 31 March, 2017	**4,498**
Additions during the year	109
At 31 March, 2018	**4,607**

(ii) Retained earnings

INR Crores

	March 31, 2018
Balance as at 1 April 2016	**2,779**
Add: Profit for the year	1,727
Add: Transfer from debenture redemption reserve	15
Add: Remeasurement gains/(losses) of defined benefit plans	1
Less: Appropriations:	
Dividend paid on Equity Shares	(214)
Dividend proposed on optionally convertible preferance share	(3)
Transfer to debenture redemption reserve	(2)
Total appropriations	**(219)**
At 31 March 2017	**4,303**
Add: Profit for the year	2,022
Add: Transfer from debenture redemption reserve	-
Less: Remeasurement gains/(losses) of defined benefit plans	(7)
Less: Appropriations:	
Dividend on equity shares paid during the year	(357)
Dividend proposed on optionally convertible preference share	-
Acquisition of non-controlling interests	(11)
Transfer to debenture redemption reserve, capital redenmpttion reserve and share based payments reserve	(23)
Total appropriations	**(391)**
At 31 March 2018	**5,927**

iii) Other Reserves

INR Crores

	March 31, 2018
Capital redemption reserve	
As at April1, 2016	**36**
Changes during the year	-
At March 31, 2017	**36**
Changes during the year	9
At March 31, 2018	**45**

Capital Reserve

INR Crores

	March 31, 2018
As at April1, 2016	**172**
Changes during the year	(1)
At March 31, 2017	**171**
Changes during the year	22
At March 31, 2018	**193**

Notes to consolidated financial statements for the year ended March 31, 2018

13. Other equity (Contd.)

Debenture Redemption Reserve

INR Crores

	March 31, 2018
As at April1, 2016	140
Add: Amount transferred from retained earnings	2
Less: Amount transferred to retained earnings	(15)
At March 31, 2017	127
Add: Amount transferred from retained earnings	14
Less: Amount transferred to retained earnings	-
At March 31, 2018	141

General Reserve

INR Crores

	March 31, 2018
At 1 April 2016	1,848
Changes during the year	-
At 31 March 2017	1,848
Changes during the year	-
At 31 March 2018	1,848

Share based payment reserve

INR Crores

	March 31, 2018
At 1 April 2016	2
Changes during the year	0
At 31 March 2017	2
Changes during the year	(2)
At 31 March 2018	-

Non-controlling interest reserve

INR Crores

	March 31, 2018
At 1 April 2016	(3,693)
Changes during the year	-
At 31 March 2017	(3,693)
Changes during the year	-
At 31 March 2018	(3,693)

FVTOCI reserve

INR Crores

	March 31, 2018
At 1 April 2016	(76)
Changes during the year	22
At 31 March 2017	(54)
Changes during the year	10
At 31 March 2018	(44)

Foreign currency translation reserve

INR Crores

	March 31, 2018
At 1 April 2016	(24)
Changes during the year	0
At 31 March 2017	(24)
Changes during the year	67
At 31 March 2018	43

Notes to consolidated financial statements for the year ended March 31, 2018

13. Other equity (Contd.)

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.

Other reserves INR Crores

	March 31, 2018	March 31, 2017
Capital redemption reserve	45	36
Capital reserve	193	171
Debenture redemption reserve	141	127
General reserve	1,848	1,848
Share based payment reserve	-	2
Non-controlling interest reserve	(3,693)	(3,693)
FVTOCI reserve	(44)	(54)
Foreign currency translation reserve	43	(24)
Total other reserves	**(1,467)**	**(1,587)**

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 28.

14. Distribution made and proposed

INR Crores

	March 31, 2018	March 31, 2017
Cash dividends on Equity shares declared and paid:		
Final dividend for 31 March 2017: ₹7 per share (March 31, 2016: ₹5 per share)	357	214
	357	**214**
Proposed dividends on Equity shares:		
Proposed cash dividend for the year ended 31 March 2018: ₹8 per share (March 31, 2017: ₹7 per share)	407	355
	407	**355**

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)

Notes to consolidated financial statements for the year ended March 31, 2018

15. Borrowings

INR Crores

	Effective interest Rate %	Maturity	March 31, 2018	March 31, 2017
Non-current borrowings				
Debentures				
Redeemable non-convertible debentures (NCDs) (Unsecured) (refer note a below)	10.44% to 10.85%	2018-2026	682	756
			682	**756**
Bonds (Unsecured) (Refer Note b below)				
3.25% Senior Notes	3.25%	13th October 2021	3,230	3,210
4.50% Senior Notes	4.50%	8th March 2028	1,937	-
Term Loan				
From Bank				
Foreign currency loan (Unsecured)	Prime + 2%, 3.4%	2018-2021	2	1,380
Foreign currency loan (Secured) (Refer Note c below)	6.00% to 17.60%	2018-2022	3	4
Loan from Biotechnology Industry Research Assistance (BIRAC) (Secured)	2 to 3%	2020	-	0
From others (Unsecured)	2% to 5.79%	2018-2023	19	-
			5,873	**5,350**
Current maturities of long term borrowings				
Debentures				
Redeemable non-convertible debentures (NCDs) (Unsecured) (refer note a below)			127	53
			127	**53**
Term loans				
Foreign currency loan from banks (Unsecured)	Libor+1.5% and Prime + 2%	2018	-	243
Foreign currency loan (Secured) (Refer Note c below)	6.00% to 17.60%	2018	4	5
From others (Unsecured)	5.79%	2017-2018	-	2
			4	**250**
Total non-current borrowings			**6,004**	**5,653**
Less: Amount clubbed under "other current financial liabilities" (Refer Note 16)			**(131)**	**(303)**
Net non-current borrowings			**5,873**	**5,350**
Aggregate secured loans (non-current)			**3**	**4**
Aggregate unsecured loans (non-current)			**5,870**	**5,346**

Notes to consolidated financial statements for the year ended March 31, 2018

15. Borrowings (Contd.)

INR Crores

	Effective interest Rate %	Maturity	March 31, 2018	March 31, 2017
Current borrowings				
Loan from banks				
Secured (Refer Note d below)	MCLR+50bsp and 6 months LIBOR+50bps	2017-2018	65	8
Unsecured:				
Working capital loan repayable on demand from banks:	CDI + 1.6% to 2.7%, 6 months LIBOR+05 to 50bps and 1month GSEC+5bps, 30 Days T Bill Rate + 0.05%, BANABOR+ 1.75%, 9% to 15.87%	2017-2018	556	587
Short term buyers credit	LIBOR + 4.95%	2017-2018	-	46
			621	**641**
Liability component of compound financial instrument				
Optionally convertible preference shares (unsecured) (Refer note 12A)			-	24
Others (Unsecured)			-	(0)
			-	**24**
Discounted trade receivables (Unsecured)	8.5% - 9.5%	2017-2018	13	43
			13	**43**
Total current borrowings			**634**	**708**
Aggregate secured loans (current)			65	8
Aggregate unsecured loans (current)			569	700

a. **Unsecured redeemable non-convertible debentures (NCD's)**

i) The borrowings and current maturities of long term borrowings include ₹49 Crores (March,31 2017: ₹48 Crores) pertaining to interest accrued but not due on account of recognition of debentures at amortised cost as per effective interest rate (EIR) method.

ii) NCD's of face value amounting to ₹300 Crores (March 31, 2017: ₹300 Crores) have been issued under two series and are redeemable at par at the end of 10th year ₹150 Crores i.e June, 2022 and 7th year ₹150 Crores i.e June, 2019 from the date of allotment. Out of the above, NCD's amounting to ₹90 Crores have been bought back by the Company.

iii) NCDs of face value amounting to ₹250 Crores (March 31, 2017: ₹250 Crores) are redeemable at par at the end of 15th year i.e July 2026 from the date of allotment . The NCD's carry a call option at the end of 10th year from the date of allotment.

iv) NCD's of face value aggregating to ₹300 Crores (March 31, 2017:₹300 Crores) have been issued under four series and are redeemable at par of ₹75 Crores each at the end of 12th year, 11th year, 9th year and 8th year i.e. October 2022, October 2021, October 2019 and October 2018 respectively from the date of allotment.

v) NCD's mentioned above carry a coupon rate ranging from 10.25% 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.

Notes to consolidated financial statements for the year ended March 31, 2018

16. Other financial liabilities

INR Crores

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial liabilities at fair value through profit or loss				
Derivative contracts (net)	134	142	41	37
Other financial liabilities carried at amortised cost				
Current maturities of long term borrowings (Refer Note 15)	-	-	131	303
Payable towards acquisition of additional stake in UPL Do Brasil (Refer note: 42)	94	232	27	14
Creditors for capital goods	-	-	155	38
Interest accrued and not due on borrowings	-	-	59	103
Unpaid dividend	-	-	7	6
Trade deposits	-	-	73	70
Others	4	4	262	231
Total other financial liabilities	**232**	**378**	**755**	**802**

17. Provisions

Long term provisions

INR Crores

	Jubilee	Leave benefits	Environmental	Reorganisation	Labour claim	Total
At 1 April 2016	1	3	13	1	3	21
Arising during the year	-	-	-	-	-	-
Utilised	-	(3)	(1)	(1)	-	(5)
Foreign currency translation effect	(0)	-	0	-	0	0
At 31 March 2017	1	-	12	-	3	16
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

Short term provisions

INR Crores

	Leave benefits	Dividend on CCPS	Contingencies	Reorganisation	Total
At 1 April 2016	68	-	13	2	83
Arising during the year	24	2	-	-	26
Utilised	(6)	-	(7)	(1)	(14)
Foreign currency translation effect	(2)	-	-	-	(2)
At 31 March 2017	84	2	6	1	93
Arising during the year	8	-	-	-	8
Utilised	(5)	(2)	-	-	(7)
Foreign currency translation effect	(2)	-	-	-	(2)
At 31 March 2018	85	-	6	-	91

Notes to consolidated financial statements for the year ended March 31, 2018

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 which would depend on the cessation of the respective events.

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 cessations of the respective events.

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.

18. Income taxes

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Consolidated statement of profit and loss:

Profit or loss section

INR Crores

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	311	293
Adjustments of tax relating to earlier years	(79)	5
Deferred tax:		
Relating to origination and reversal of temporary differences	43	(109)
Income tax expense reported in the statement of profit or loss	**275**	**189**

OCI section

Deferred tax related to items recognised in OCI during the year:

INR Crores

	March 31, 2018	March 31, 2017
Gain on FVTOCI financial assets and net gain/loss on remeasurement of defined benefit plans.	(5)	0
Income tax charged to OCI	**(5)**	**0**

Notes to consolidated financial statements for the year ended March 31, 2018

18. Income taxes (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

INR Crores

	March 31, 2018	March 31, 2017
Accounting profit before tax	2,305	1,922
Accounting profit before income tax	**2,305**	**1,922**
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	798	665
Profit taxable at higher/lower/nil tax rates in certain jurisdictions	(451)	(416)
Investment allowance on new Plant and Machinery	-	(16)
Additional deduction on expenditure on research and development	(7)	(15)
Adjustment of tax relating to previous years	(144)	-
Other tax credits and allowances	(38)	(27)
Income exempt for tax purpose	(22)	(35)
Impact of change in tax rates	41	-
Utilisation of previously unrecognised tax losses	1	(15)
Share of results of associates and joint ventures	32	6
Other non-deductible expenses	11	7
Unrecognised deferred tax asset on carry forward losses	74	24
Others	(20)	11
At the effective income tax rate of 11.93% (31 March 2017: 9.81%)	**275**	**189**
Income tax expense reported in the statement of profit and loss	275	189
	11.93%	**9.81%**

c) Deferred tax

INR Crores

Deferred tax relates to the following:

	Balance Sheet		Statement of profit and loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	(267)	(270)	(3)	(312)
Fair value of derivatives	-	-	-	(3)
Unrealised profits on intercompany transactions	185	233	48	(82)
Financial assets impairment - expected credit loss	135	146	11	(19)
Carry forward of tax losses and unabsorbed depreciation	84	131	47	(79)
Leave encashment	25	23	(2)	(5)
Minimum alternative tax credit	69	12	(57)	80
Defined benefits obligation - Gratuity	14	7	(7)	(5)
Provisions and others	196	219	23	316
Exchange impact	-	-	(17)	-
Deferred tax expense/(income)			**43**	**(109)**
Net deferred tax assets/(liabilities)	**441**	**501**		

Reflected in the balance sheet as follows:

INR Crores

	Balance Sheet	
	March 31, 2018	March 31, 2017
Deferred tax assets	529	670
Deferred tax liabilities:	(88)	(169)
Deferred tax liabilities, net	**441**	**501**

Notes to consolidated financial statements for the year ended March 31, 2018

18. Income taxes (Contd.)

Reconciliation of deferred tax liabilities (net):

INR Crores

	Balance Sheet	
	March 31, 2018	March 31, 2017
Opening balance as of 1 April	**501**	**390**
Tax (expense)/income during the period recognised in statement of profit and loss	(43)	109
Tax income/(expense) during the period recognised in OCI	(5)	0
Exchange impact	(12)	2
Closing balance as at 31 March	**441**	**501**

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 ₹547 Crores (31 March 2017: ₹375 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 ₹84 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.

Pursuant to the completion of assessments for the past years, the Holding Company has written back an excess provision of tax and recognised minimum alternate tax credit entitlement relating to earlier periods aggregating to ₹146 Crores for the year ended 31st March 2018. Further due to US Tax Reforms, Tax rate in US reduced from 36% to 25%, accordingly the Group has recognised appropriate effect on Defered Tax Assets.

19. Trade payables

INR Crores

	Non Current	
	March 31, 2018	March 31, 2017
Trade payables	-	10
	-	10

INR Crores

	Current	
	March 31, 2018	March 31, 2017
Trade payables	5,675	4,875
	5,675	**4,875**

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

INR Crores

	Non Current	
	March 31, 2018	March 31, 2017
Advances against orders	214	284
Statutory liabilities	143	130
Total other current liabilities	**357**	**414**

Notes to consolidated financial statements for the year ended March 31, 2018

21. Revenue from operations

INR Crores

	March 31, 2018	March 31, 2017
Sale of products (including excise duty)	17,244	16,422
Sale of services		
Job-work / Service income	25	21
Other operating revenues		
Export incentives	102	100
Refund of statutory receivables	22	49
Royalty income	1	17
Excess provisions in respect of earlier years written back (net)	57	40
Miscellaneous receipts	55	31
Total Revenue from operations	**17,506**	**16,680**

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, 2018 is net of GST. However revenue for the quarter ended 30th June 2017 included in the year ended March 31, 2018 and for the year ended March 31, 2017 is inclusive of excise duty. The Net Revenue from Operations (Net of GST/ Excise Duty) as applicable are stated below:

INR Crores

	March 31, 2018	March 31, 2017
Revenue from operations	17,506	16,680
Less: Excise Duty	(128)	(368)
Net Revenue from operations	**17,378**	**16,312**

22. Other income

INR Crores

	March 31, 2018	March 31, 2017
Interest income on		
Bank deposits	-	2
Loans and others	132	148
Unwinding of interest on trade receivable	282	249
Other non-operating income		
Profit on sale of current and non current investments (net)	(7)	12
Fair value gain on financial instruments at fair value through profit or loss	-	12
Rent received	2	2
Profit on sale of property,plant and equipment (net)	2	13
Sundry credit balances written back (net)	-	2
Miscellaneous income	3	4
Total	**414**	**444**

Notes to consolidated financial statements for the year ended March 31, 2018

23. Employee benefits expense

INR Crores

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	1,556	1,493
Contribution to provident and other funds (Refer note 35)	34	30
Share based payments to employees (Refer note 36)	-	0
Gratuity and other retirement benefits (Refer note 35)	11	11
Staff welfare expenses	112	93
Total	**1,713**	**1,627**

24 . Finance costs

INR Crores

	March 31, 2018	March 31, 2017
Interest:		
- On Debentures	81	81
- On Term Loans	209	163
- On Cash Credit and Working Capital Demand Loan Accounts	126	175
- On Fixed Deposits and Fixed Loans	5	5
- On Others	55	79
Exchange difference (net)	145	109
Unwinding of interest on trade payables	113	84
Loss on derivatives Instruments	(8)	(47)
Other financial charges	57	86
Total	**783**	**735**

25. Depreciation and amortization expense

INR Crores

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment	343	306
Amortization of intangible assets	332	366
Total	**675**	**672**

26. Other expense

INR Crores

	March 31, 2018	March 31, 2017
Power and fuel	291	339
Transport charges	661	636
Sub-contracting expenses	741	533
Travelling and conveyance	256	254
Exchange difference (net)	11	238
Advertising and sales promotion	229	276
Legal and professional fees	269	243
Sales commission	213	130
Rent (Refer note: 37)	153	142
Labour charges	138	121
Repairs and maintenance		

Notes to consolidated financial statements for the year ended March 31, 2018

26. Other expense (Contd.)

INR Crores

	March 31, 2018	March 31, 2017
Plant and machinery	81	78
Buildings	12	11
Others	108	93
Effluent disposal charges	99	104
Consumption of stores and spares	83	84
Rates and taxes	76	77
Warehousing costs	119	90
Insurance	69	66
Registration charges	70	66
Allowances for doubtful debts and advances (net)	17	(4)
Communication costs	42	37
Royalty charges	43	22
Bad debts / advances written off	2	16
Charity and donations [(includes ₹22 Crores (31 March 2017: ₹25 Crores) paid to Satya Electoral Trust for political purpose)]	53	53
Assets written off	10	5
Sundry credit balances written off (net)	15	-
Research and development expenses	19	23
Other expenses	168	151
Total	**4,048**	**3,884**

27. Exceptional items

INR Crores

	March 31, 2018	March 31, 2017
Restructuring/reorganisation cost (Refer note a below)	29	37
Product contamination and counterfeiting (Refer note b below)	13	7
Inventory provision (Refer note c below)	-	18
Amount payable as stamp duty on merger with Advanta	-	32
Amount payable on settlement of a contract in respect of earlier years	-	14
Profit on sale of subsidiary	-	(27)
Towards Competition Comission of India (Refer note d below)	7	-
Others	14	-
Total	**63**	**81**

a) Restructuring/reorganisation costs incurred by the Group are for Latin American regions.

b) During the year, the Group incurred an amount of ₹13 Crores (March 31, 2017: ₹7 Crores) towards legal expenses for pursuing legal actions against companies and individuals alleged to be counterfeiting its products and agricultural pesticide's financial fines.

c) During the previous year, one of the subsidiaries of Group has recognised provision for inventory for an amount of ₹Nil (March 31, 2017: ₹18 Crores) due to uncertainty and unfavourable market conditions.

d) 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.

Notes to consolidated financial statements for the year ended March 31, 2018

28. Components of Other Comprehensive Income (OCI), net of tax

INR Crores

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

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**
During the year ended 31 March 2017					

INR Crores

	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	-	-	-	-	-
Gain/(loss) on FVTOCI financial assets	22	-	-	-	22
Re-measurement gains/(losses) on defined benefit plans	-	-	1	-	1
Total	**22**	**-**	**1**	**-**	**23**

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)

INR Crores

	March 31, 2018	March 31, 2017
Profit attributable to Equity holders of the parent:	2,022	1,727
Profit attributable to Equity holders of the parent for basic earnings per share	**2,022**	**1,727**
Interest on convertible preference shares	-	-
Profit attributable to Equity holders of the parent adjusted for the effect of dilution	**2,022**	**1,727**

INR Crores

	March 31, 2018	March 31, 2017
Weighted average number of Equity shares for basic EPS*	50,82,06,912	50,70,17,118
Effect of dilution:		
Employee stock options	91,176	75,973
Convertible preference shares	-	22,62,904
Weighted average number of Equity shares adjusted for the effect of dilution *	**50,82,98,088**	**50,93,55,995**

Earnings per equity share (in INR)		
Basic (Face value of ₹2 each)	39.79	34.07
Diluted (Face value of ₹2 each)	39.78	33.92

* 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, 2018

30. Amalgamation with Advanta Limited

The Hon'ble High Court of Gujarat vide its order dated 23rd June, 2016 had sanctioned the Scheme of Amalgamation of Advanta Limited, a subsidiary with the Company with an appointed date of 1st April, 2015. The Scheme had become effective on 20th July, 2016, pursuant to its filing with Registrar of Companies

In accordance with the provisions of the aforesaid scheme the Company had in prior year accounted for the amalgamation under the "Purchase Method" as prescribed by the Accounting Standard 14 - Accounting for Amalgamations, which is different from Ind AS 103 "Business Combinations". Accordingly the accounting treatment had been given as under:

(i) The assets and liabilities of Advanta Limited as at 1 April 2015 have been incorporated at their book values in the financial statements of the Company.

(ii) All inter-corporate balances and obligations (including investments held by the Company in Advanta Limited, deposits, loans and advances, outstanding balances or other obligations) between the Company and Advanta Limited stood cancelled.

b. The excess of fair value of equity shares and preference shares over the book value of assets and liabilities transferred and cancellation of Investments in Advanta held by the Company amounting to ₹3,697 Crores has been recorded as goodwill arising on amalgamation.

c. Consideration for amalgamation discharged by way of issuance of new Equity Shares has been recorded at fair value and Preference Shares had been recorded at face value. As the shares had been allotted subsequent to the March 31, 2016, the same had been disclosed under Share Capital Suspense account till the date of allotment.

d. In accordance with scheme, the goodwill recorded on amalgamation is being amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹370 Crores (31 March, 2017: ₹370 Crores) had been recognised in the statement of profit and loss.

Book value of assets and liabilities acquired from Advanta Limited are as under: INR Crores

Assets	
Non Current Assets	645
Current Assets	81
Total Assets (A)	**726**
Liabilities	
Non-Current Liabilities	6
Current Liabilities	86
Total Liabilities (B)	**92**
Net Assets taken over (C)=(A-B)	**634**
Cancellation of Investments in Advanta Limited held by the Company (D)	539
Purchase consideration (E)	3,797
Less: Other adjustments (F)	(5)
Goodwill on amalgamation (G)=(E-F-C+D)	**3,697**

Notes to consolidated financial statements for the year ended March 31, 2018

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	
					31-Mar-18	31-Mar-17
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		100%	100%
7	UPL Deutschland GmbH	Crop protection	Germany		100%	100%
8	UPL Polska Sp z.o.o.	Crop protection	Poland		100%	100%
9	UPL Benelux B.V.	Crop protection	Netherlands		100%	100%
10	Cerexagri B.V.	Crop protection	Netherlands		100%	100%
11	Blue Star B.V.	Crop protection	Netherlands		100%	100%
12	United Phosphorus Holdings Cooperatief U.A.	Crop protection	Netherlands		100%	100%
13	United Phosphorus Holdings B.V.	Crop protection	Netherlands		100%	100%
14	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Crop protection	Netherlands		100%	100%
15	Decco Worldwide Post-Harvest Holdings B.V.	Crop protection	Netherlands		100%	100%
16	United Phosphorus Holding, Brazil B.V.	Crop protection	Netherlands		100%	100%
17	UPL Italia S.R.L.	Crop protection	Italy		100%	100%
18	UPL Iberia, S.A.	Crop protection	Spain		100%	100%
19	Decco Iberica Postcosecha, S.A.U.	Crop protection	Spain		100%	100%
20	Transterra Invest, S. L. U.	Crop protection	Spain		100%	100%
21	Cerexagri S.A.S.	Crop protection	France		100%	100%
22	Neo-Fog S.A.	Crop protection	France		100%	100%
23	UPL France	Crop protection	France		100%	100%
24	United Phosphorus Switzerland Limited	Crop protection	Switzerland		100%	100%
25	Agrodan, ApS	Crop protection	Denmark		100%	100%
26	Decco Italia SRL	Crop protection	Italy		100%	100%
27	Limited Liability Company "UPL"	Crop protection	Russia		100%	100%
28	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	Crop protection	Portugal		100%	100%
29	United Phosphorus Inc.	Crop protection	USA		100%	100%
30	UPI Finance LLC	Crop protection	USA		100%	100%
31	Cerexagri, Inc. (PA)	Crop protection	USA		100%	100%
32	UPL Delaware, Inc.	Crop protection	USA		100%	100%
33	Canegrass LLC	Crop protection	USA		70%	70%
34	Decco US Post-Harvest Inc	Crop protection	USA		100%	100%
35	RiceCo LLC	Crop protection	USA		100%	100%
36	Riceco International, Inc.	Crop protection	Bahamas		100%	100%
37	UPL Corporation Limited	Crop protection	Mauritius		100%	100%

Notes to consolidated financial statements for the year ended March 31, 2018

31. Group information (Contd.)

Sr No	Name	Principal activities	Country of incorporation/ Principal place of business		% Controlling Interest	
					31-Mar-18	31-Mar-17
38	UPL Limited	Crop protection	Mauritius	#	100%	100%
39	UPL Management DMCC	Crop protection	United Arab Emirates		100%	100%
40	UPL Limited	Crop protection	Gibraltar		100%	100%
41	UPL Agro S.A. de C.V.	Crop protection	Mexico		100%	100%
42	Decco Jifkins Mexico Sapi	Crop protection	Mexico		100%	100%
43	United Phosphorus do Brasil Ltda	Crop protection	Brazil	#2	-	100%
44	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	Crop protection	Brazil		100%	100%
45	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	Crop protection	Brazil		100%	100%
46	UPL Costa Rica S.A.	Crop protection	Costa Rica		100%	100%
47	UPL Bolivia S.R.L	Crop protection	Bolivia		100%	100%
48	UPL Paraguay S.A.	Crop protection	Paraguay		100%	100%
49	Icona Sanluis S.A.	Crop protection	Argentina		100%	100%
50	DVA Technology Argentina S.A.	Crop protection	Argentina		100%	100%
51	UPL Argentina S A	Crop protection	Argentina		100%	100%
52	Decco Chile SpA	Crop protection	Chile		100%	100%
53	UPL Colombia SAS	Crop protection	Colombia		100%	100%
54	United Phosphorus Cayman Limited	Crop protection	Cayman Islands		100%	100%
55	UP Aviation Limited	Crop protection	Cayman Islands		100%	100%
56	UPL Australia Limited	Crop protection	Australia		100%	100%
57	UPL New Zealand Limited	Crop protection	New Zealand		100%	100%
58	UPL Shanghai Limited	Crop protection	China		100%	100%
59	UPL Limited (Korea)	Crop protection	Korea		100%	100%
60	PT.UPL Indonesia	Crop protection	Indonesia		100%	100%
61	PT Catur Agrodaya Mandiri	Crop protection	Indonesia		100%	100%
62	UPL Limited	Crop protection	Hong Kong		100%	100%
63	UPL Philippines Inc.	Crop protection	Philippines		100%	100%
64	UPL Vietnam Co. Limited	Crop protection	Vietnam		100%	100%
65	UPL Limited, Japan	Crop protection	Japan		100%	100%
66	Anning Decco Fine Chemical Co. Limited	Crop protection	China		55%	55%
67	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi	Crop protection	Turkey		100%	100%
68	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Crop protection	Turkey	#3	100%	51%
69	Safepack Products Limited	Crop protection	Israel		100%	100%
70	Citrashine (Pty) Ltd	Crop protection	South Africa		100%	100%
71	UPL Africa SARL	Crop protection	Senegal	#1	-	100%
72	Prolong Limited	Crop protection	Israel	#4	100%	50%
73	Perrey Participações S.A	Crop protection	Brazil		100%	100%
74	Agrinet Solutions Limited	Crop protection	India		50%	50%

Notes to consolidated financial statements for the year ended March 31, 2018

31. Group information (Contd.)

Sr No	Name	Principal activities	Country of incorporation/ Principal place of business		% Controlling Interest	
					31-Mar-18	31-Mar-17
75	Advanta Netherlands Holding B.V.	Seed Business	Netherlands		100%	100%
76	Advanta Semillas SAIC	Seed Business	Argentina		100%	100%
77	Advanta Holdings B.V.	Seed Business	Netherlands		100%	100%
78	Advanta Seeds International	Seed Business	Mauritius		100%	100%
79	Pacific Seeds Holdings (Thailand) Limited	Seed Business	Thailand		100%	100%
80	Pacific Seeds (Thai) Limited	Seed Business	Thailand		100%	100%
81	Advanta Seeds Pty Ltd	Seed Business	Australia		100%	100%
82	Advanta US LLC (formerly known as Advanta US Inc.)	Seed Business	USA		100%	100%
83	Advanta Comercio De Sementes LTDA.	Seed Business	Brazil		100%	100%
84	PT Advanta Seeds Indonesia	Seed Business	Indonesia		100%	100%
85	Advanta Seeds DMCC	Seed Business	United Arab Emirates		100%	100%
86	Essentiv LCC	Crop protection	USA	@2	50%	50%
87	UPL Agro Limited Mauritius	Crop protection	Mauritius	@1	100%	-
88	UPL Jiangsu Limited	Crop protection	China	@	70%	-
89	Riceco International Bangladesh Ltd	Crop protection	Bangladesh	@1	100%	-
90	Uniphos Malaysia Sdn Bhd	Crop protection	Malaysia	@1	100%	-
91	Advanta Seeds Ukraine LLC	Seed Business	Ukraine	@2	100%	100%

@ Subsidiary formed during the year

@1 Subsidiary acquired during the year

@2 Subsidiary formed during the previous year

During the year UPL Limited, Mauritius merged in UPL Corporation Limited, Mauritius.

#1 Subsidiary divested during the year.

#2 During the previous year United Phosphorus do Brasil Ltda was merged in Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.

#3 During the year, the Group through its step down wholly owned subsidiary, has increased its stake from 51% to 100%

#4 During the year, the Group through its step down wholly owned subsidiary, has increased its stake from 50% to 100%

Notes to consolidated financial statements for the year ended March 31, 2018

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	
				31-Mar-18	31-Mar-17
1	Weather Risk Management Private Ltd	India	$$	27%	27%
2	Ingen Technologies Private Limited	India	$$	*	*
3	Kerala Enviro Infrastructure Limited	India		28%	28%
4	Polycoat Technologies 2010 Limited	Israel		20%	20%
5	3SB Produtos Agricolas S.A.	Brazil	#	49%	40%
6	Sinagro Produtos Agropecuarios S.A.	Brazil	#	49%	40%
7	Seara Comercial Agricola Ltda.	Brazil		**	**
8	Serra Bonita Sementes S.A.	Brazil	$	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%

$ Investment 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 2016-17

Additional 9% stake acquired 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	
			31-Mar-18	31-Mar-17
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%

Notes to consolidated financial statements for the year ended March 31, 2018

32. Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests (NCI):

INR Crores

Name	Country of incorporation /Principal place of business	March 31, 2018	March 31, 2017
Canegrass LLC (Canegrass)	USA	30%	30%
Anning Decco Fine Chemical Co. Limited (Anning Decco)	China	45%	45%
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Turkey	-	49%

Information regarding non-controlling interest

INR Crores

Particulars	March 31, 2018	March 31, 2017
Accumulated balances of material non-controlling interest:		
Canegrass LLC	16	12
Anning Decco Fine Chemical Co. Limited	12	10
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	-	13

INR Crores

Particulars	March 31, 2018	March 31, 2017
Profit/(loss) allocated to material non-controlling interest:		
Canegrass LLC	17	12
Anning Decco Fine Chemical Co. Limited	0	2
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	-	(3)

The summarised information of these subsidiaries are provided below. The information is based on amounts before inter company eliminations

Summarised statement of profit or loss for the year ended 31 March 2018:

INR Crores

Particulars	Canegrass LLC	Anning Decco
Revenue	107	21
Cost of raw material and components consumed	(51)	15
Other expenses	(0)	(35)
Finance costs	-	(1)
Profit before tax	**57**	**0**
Income tax	-	(0)
Profit for the year from continuing operations	**57**	**0**
Total comprehensive income	**57**	**0**
Attributable to non-controlling interests	17	0
Dividends paid to non-controlling interests	-	-

Notes to consolidated financial statements for the year ended March 31, 2018

32. Material partly owned subsidiaries (Contd.)

Summarised statement of profit or loss for the year ended 31 March 2017:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Revenue	79	25	89
Cost of raw material and components consumed	(40)	15	(66)
Other expenses	(0)	(36)	(29)
Finance costs	(0)	1	(1)
Profit before tax	**39**	**5**	**(7)**
Income tax		(1)	1
Profit for the year from continuing operations	**39**	**4**	**(6)**
Total comprehensive income	**39**	**4**	**(6)**
Attributable to non-controlling interests	12	2	(3)
Dividends paid to non-controlling interests	12	-	-

Summarised balance sheet as at 31 March 2018:

INR Crores

Particulars	Canegrass LLC	Anning Decco
Current Assets	86	25
Non-current Assets	-	3
Current Liabilities	(32)	(2)
Non-current Liabilities	(0)	-
Total equity	**54**	**26**
Attributable to:		
Equity holders of parent	38	14
Non-controlling interest	16	12

Summarised balance sheet as at 31 March 2017:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Current Assets	70	23	114
Non-current Assets	-	2	7
Current Liabilities	(32)	(2)	(95)
Non-current Liabilities	-	-	(0)
Total equity	**38**	**23**	**26**
Attributable to:			
Equity holders of parent	26	13	**13**
Non-controlling interest	12	10	**13**

Notes to consolidated financial statements for the year ended March 31, 2018

32. Material partly owned subsidiaries (Contd.)

Summarised statement of cash flows for the year ended 31 March 2018:

INR Crores

Particulars	Canegrass LLC	Anning Decco
Operating	49	(3)
Investing	-	(1)
Financing	(41)	-
Net increase/(decrease) in cash and cash equivalents	**8**	**(4)**

Summarised statement of cash flows for the year ended 31 March 2017:

INR Crores

Particulars	Canegrass LLC	Anning Decco	UPL Agromed
Operating	42	(0)	(6)
Investing	-	(0)	(1)
Financing	(40)	-	6
Net increase/(decrease) in cash and cash equivalents	2	(0)	(1)

33. Investment in Joint Ventures

a) The Group has a 40% interest in Hodogaya UPL Co. Limited, a joint venture incorporated in Japan. Hodogaya UPL Co. Limited is involved in the 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:

INR Crores

Summarised balance sheet	March 31, 2018	March 31, 2017
Current assets, including cash and cash equivalents INR 19 Crore. (31st March 2017: INR 32 Crores)	136	123
Non-current assets	0	2
Current liabilities, including tax payable INR 1 Crore. (31 March 2017: INR 2 Crores)	(84)	(79)
Non-current liabilities	-	-
Equity	52	46
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment (Note)	21	18

Note: The group does not have Goodwill

INR Crores

Summarised statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	215	201
Cost of raw material and components consumed	(183)	(171)
Depreciation and amortization	(0)	(0)
Interest Income	0	0
Finance costs	(0)	(0)
Employee benefit expenses	(8)	(9)
Other expenses	(19)	(17)
Profit before tax	4	4
Income tax expense	(1)	(1)
Profit for the year	3	3
Other Comprehensive Income(OCI)	-	-
Total comprehensive income for the year	3	3
Group's share of total comprehensive income(40%)	1	1

The group had no contingent liabilities or capital commitments relating to its interest in Hodogaya UPL Co. Limited as at 31 March 2018 and 31 March 2017. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

Notes to consolidated financial statements for the year ended March 31, 2018

33. Investment in Joint Ventures (Contd.)

b) The Group has a 70 % interest in Longreach Plant Breeders Management Pty Limited, a joint venture incorporated in Australia. Longreach Plant Breeders Management Pty Limited is involved in the development of wheat seeds. The Group's interest in Longreach Plant Breeders Management Pty Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

INR Crores

Summarised balance sheet	March 31, 2018	March 31, 2017
Current assets including cash and cash equivalents INR 5 Crores. (31st March 2017: INR 5 Crores)	68	72
Non-current assets	46	43
Current liabilities	(80)	(95)
Non-current liabilities	(0)	(1)
Equity	**34**	**19**
Proportion of the Group's ownership	70%	70%
Carrying amount of the investment before Goodwill	24	13
Add: Goodwill	18	18
Carrying amount of the investment	42	31

INR Crores

Summarised statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	48	32
Cost of raw material and components consumed	-	-
Depreciation and amortization	(4)	(12)
Finance costs	(5)	(5)
Employee benefit expenses	(5)	(5)
Other expenses	(16)	(11)
Profit before tax	**19**	**(1)**
Income tax expense	(4)	2
Profit for the year	**15**	**1**
Other Comprehensive Income(OCI)	**-**	**-**
Total comprehensive income for the year	**15**	**1**
Group's share of total comprehensive income(70%)	**11**	**1**

The group had no contingent liabilities or capital commitments relating to its interest in Longreach Plant Breeders Management Pty Limited as at 31 March 2018 and 31 March 2017. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

In the years ended 31 March 2018 and 31 March 2017, the group did not received dividends from any of its Joint Ventures.

The group also has interest in an immaterial Joint Venture United Phosphorous (Bangladesh) Limited.

Notes to consolidated financial statements for the year ended March 31, 2018

34. Investment in Associates

a) The Group has a 27.52% interest in Kerala Enviro Infrastructure Limited, which is involved in the business of management of hazardous waste. Kerala Enviro Infrastructure Limited is a private entity that is not listed on any public exchange. The Group's interest in Kerala Enviro Infrastructure Limited is accounted for using the equity method in the consolidated financial statements. The following table 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:

INR Crores

Summarised balance sheet	March 31, 2018	March 31, 2017
Current assets	15	10
Non-current assets	11	11
Current liabilities	(3)	(1)
Non-current liabilities	(11)	(10)
Equity	**12**	**10**
Proportion of the Group's ownership	28%	28%
Carrying amount of the investment	**3**	**3**

INR Crores

Summarised statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	14	9
Profit for the year	2	(4)
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	2	(4)
Group's share of profit for the year	1	(1)

Contingent Liability not provided for ₹1.55 Crores (Previous Year ₹Nil) for the appeals pending with Income tax for the AY 2015-16

b) The Group has a 49 % (31st March 2017: 40%) 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.

INR Crores

Summarised balance sheet	March 31, 2018	March 31, 2017
Current assets	244	268
Non-current assets	281	216
Current liabilities	(375)	(342)
Non-current liabilities	(91)	(111)
Equity	**59**	**31**
Proportion of the Group's ownership	49%	40%
Carrying amount of the investment excluding Goodwill	**29**	**12**
Goodwill	73	64
Additional investment during Jan-March'18	0	-
Carrying amount of the investment	**102**	**76**

Notes to consolidated financial statements for the year ended March 31, 2018

34. Investment in Associates (Contd.)

INR Crores

Summarised statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	408	325
Profit for the year	(7)	(89)
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	(7)	(89)
Group's share of profit for the year	(3)	(36)

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

c) The Group has a 49% (31st March 2017: 40%) interest in Sinagro Produtos Agropecuarios S.A., which is involved in the business of retail sales and commercial representation of crop protection chemical and seeds. Sinagro Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in Sinagro Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table 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.

INR Crores

Summarised balance sheet	March 31, 2018	March 31, 2017
Current assets	966	1,377
Non-current assets	382	782
Current liabilities	(1,355)	(1,643)
Non-current liabilities	(153)	(467)
Non-controlling interest	(12)	(18)
Equity	**(172)**	**30**
Proportion of the Group's ownership	49%	40%
Carrying amount of the investment excluding Goodwill	**(84)**	**12**
Goodwill	48	24
Additional investment during Jan-March'18	36	0
Carrying amount of the investment	**-**	**36**

INR Crores

Summarised statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	2,011	2,476
Profit for the year	(210)	40
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	(210)	40
Group's share of profit for the year	(103)	16

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017 other than those disclosed in Note 37 of the financials.

d) The Group has a 27.37% interest in Weather Risk Management Services Private Limited, which is grown into a comprehensive Climate Risk Management company. The company has its range of patented producs and services 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.

Notes to consolidated financial statements for the year ended March 31, 2018

34. Investment in Associates (Contd.)

INR Crores

Summarised balance sheet	March 31, 2018	March 31, 2017
Current assets	20	12
Non-current assets	21	27
Current liabilities	(8)	(5)
Non-current liabilities	(8)	(8)
Non-controlling interest	0	0
Equity	**26**	**26**
Proportion of the Group's ownership	27%	27%
Carrying amount of the investment excluding Goodwill	**7**	**7**
Goodwill	3	3
Carrying amount of the investment	**10**	**10**

INR Crores

Summarised statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	29	15
Profit for the year	(0)	(1)
Other Comprehensive Income (OCI)	(0)	-
Total comprehensive income for the year	(0)	(1)
Group's share of profit for the year	(0)	(0)

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

e) During the year the Group has acquired 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.

INR Crores

Summarised balance sheet	March 31, 2018
Current assets	119
Non-current assets	686
Current liabilities	(110)
Non-current liabilities	(31)
Non-controlling interest	-
Equity	**664**
Proportion of the Group's ownership	33%
Carrying amount of the investment excluding Goodwill	**221**
Goodwill	(14)
Carrying amount of the investment	**208**

INR Crores

Summarised statement of profit and loss	March 31, 2018
Revenue	174
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	1

The associate had no contingent liabilities or capital commitments as at 31 March 2018.

Notes to consolidated financial statements for the year ended March 31, 2018

35. Net employee defined benefit liabilities

INR Crores

	March 31, 2018	March 31, 2017
Net employee defined benefit liabilities	73	60
- Gratuity Plan (Note 35 (b) to (g))	44	35
- Defined benefit pension scheme (Note 35(h))	29	25

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) The amounts recognised in the statement of Profit and Loss are as follows:

(i) Defined Benefit Plan

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Current service cost	8	11
Past Service Cost	4	-
Interest cost on benefit obligation	4	3
Expenses recognised in Profit and Loss(under the head Employee Benefit Expenses in Note23)	**16**	**14**
Return on plan assets	(2)	(2)
Net actuarial (gain)/loss recognised during the year	(3)	(2)
Remeasurements recognised in Other Comprehensive Income(OCI)	**(5)**	**(4)**
Total Expenses recognised in the statement of Profit & Loss	**11**	**10**
Actual return on plan assets	**2**	**2**

(ii) Defined Contribution Plan

INR Crores

	Provident Fund	
	March 31, 2018	March 31, 2017
Current service cost included under the head Employee Benefit Expense in Note 23	16	17

(iii) Defined Contribution Plan

INR Crores

	Superannuation Fund	
	March 31, 2018	March 31, 2017
Current service cost included under the head Employee Benefit Expense in Note 23	10	11

(iv) Defined Contribution Plan

INR Crores

	Pension Fund	
	March 31, 2018	March 31, 2017
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:

INR Crores

	Defined Benefit Plan - Gratuity	
	March 31, 2018	March 31, 2017
Present value of funded obligation	73	63
Less: Fair value of plan assets	29	28
Net Liability	44	35

Notes to consolidated financial statements for the year ended March 31, 2018

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:

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	63	56
Interest cost	5	3
Current service cost	9	11
Benefits paid	(4)	(5)
Actuarial changes arising from changes in financial assumption	(3)	(2)
Past service cost	0	-
Exchange difference	3	(0)
Closing defined benefit obligation	73	63

d) Changes in the fair value of plan assets are as follows:

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
Opening fair value of plan assets	28	25
Return on plan assets	2	2
Actuarial changes arising from changes in financial assumption	(1)	1
Closing fair value of plan assets	**29**	**28**

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
e) Expected contribution to defined benefit plan for the year 2018-19	23	17
	23	**17**

f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

INR Crores

	Gratuity	
	March 31, 2018	March 31, 2017
	%	%
Investments with insurer under:		
Funds managed by insurer	100	100

g) The principal actuarial assumptions at the Balance Sheet date.

INR Crores

	March 31, 2018	March 31, 2017
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%

Notes to consolidated financial statements for the year ended March 31, 2018

35. Net employee defined benefit liabilities (Contd.)

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below: INR Crores

Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation		
Discount rate	(2)	4
Future salary increases	4	(2)
Withdrawal rate	**1**	**(0)**

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 2018 amounts to ₹29 Crores (31 March 2017: ₹25 Crores)

36. Share based payment

During the year ended March 31, 2018, the following employee stock option plan (ESOPs) were in existence. The relevant details of the scheme and the grant are as follows:

1a Employees stock option and share plan 2006

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on September 20, 2006 which provides for a grant of 840,000 options (each option convertible into share) to employees.

Particulars	March 31, 2018	March 31, 2017
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
Excercise period	10 years	10 years

1b The details of the activity have been summarized below

Particulars	(No. of equity shares)	
	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	52,250	1,88,055
Exercisable at the beginning of the year	52,250	1,12,195
Forfeited during the year	-	6,075
Exercised during the year	35,750	89,575
Vested during the year	-	69,785
Expired during the year	-	40,155
Outstanding at the end of the year	16,500	52,250
Exercisable at the end of the year*	16,500	52,250
Weighted average remaining contractual life (in years)	3.91	4.91

For options excercised during the current period, the weighted average share price at the exercise date was ₹833 (Mar 31, 2017: ₹616.48).

1c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Notes to consolidated financial statements for the year ended March 31, 2018

36. Share based payment (Contd.)

1c Stock options granted

Particulars	March 31, 2018	March 31, 2017
Weighted average share price/market price	68.75	68.75
Exercise price (₹per share)	57.00	57.00
Expected volatility	64.49%	64.49%
Life of the options granted (vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected dividends	0.30% per annum	0.30% per annum
Average risk-free interest rate	8.04% per annum	8.04% per annum

2a Employees stock option plan (ESOP) 2013

The Company instituted an Employees Stock Option Scheme ("ESOPs") for certain employees as approved by the shareholders on December 03, 2013 which provides for a grant of 1,300,000 options (each option convertible into shares) to employees.

Particulars	March 31, 2017 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	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		

2b The details of the activity have been summarized below

Particulars	(No. of equity shares)	
	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	23,723	4,15,792
Exercisable at the beginning of the year	2,814	55,695
Granted during the year	-	-
Forfeited during the year	-	3,19,685
Exercised during the year	9,047	72,384
Vested during the year	19,502	19,503
Expired during the year	-	-
Outstanding at the end of the year	14,676	23,723
Exercisable at the end of the year*	13,269	2,814
Weighted average remaining contractual life (in years)	1.02	1.95

For options excercised during the current period, the weighted average share price at the exercise date was ₹703.8 (Mar 31, 2017: ₹538.72).

Notes to consolidated financial statements for the year ended March 31, 2018

36. Share based payment (Contd.)

2c 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, 2018	March 31, 2017
Weighted average share price/market price (₹per share)	112.81	112.81
Exercise price (₹per share)	Grant 1 ₹103.80	Grant 1 ₹103.80
	Grant 2 ₹262.75	Grant 2 ₹262.75
	Grant 3 ₹319.70	Grant 3 ₹319.70
Expected volatility	49.17%	49.17%
Life of the options grantwed (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.

3a. 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, 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

Particulars	March 31, 2018	March 31, 2017
Outstanding at the beginning of the year	-	-
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	-	-
Expired during the year	-	-
Outstanding at the end of the year	60,000	-
Exercisable at the end of the year*	-	-
Weighted average remaining contractual life (in years)	4.49	-

Notes to consolidated financial statements for the year ended March 31, 2018

36. Share based payment (Contd.)

3c The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2018	March 31, 2017
Weighted average share price/market price (₹ per share)	824	-
Exercise price (₹ per share)	784	-
Expected volatility	21.49%	-
Life of the options granted (vesting and exercise period) in years	2 to 3.25 years	-
Expected dividends	-	-
Average risk-free interest rate	7.22% per annum	-

4a Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2018	March 31, 2017
Total employee compensation cost pertaining to stock option plan	0	0
Liability for employee stock option plan outstanding as at the year end	0	2

*Eligible employees holding 1 Option shall be entitled to purchase 1.06 new equity shares as per the scheme of Amalgamation.

37. Commitments and contingencies

a. Leases- Operating lease commitments — Company as lessee

Lease rent debited to statement of profit and loss is ₹153 Crores (March 31, 2017: ₹142 Crores)

The Group has entered into operating lease arrangements for its office premises (including utilities).

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

INR Crores

	March 31, 2018	March 31, 2017
Within one year	52	46
After one year but more than five years	125	123
More than five years	27	39
	195	**208**

There is no contingent rent recognised in the consolidated statement of profit and loss.

Finance lease

The Group has entered into finance lease arrangements for some of its vehicles and certain equipments. These leasing agreements provide for purchase option after 2 to 3 years. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are as follows:

INR Crores

	31-Mar-18		31-Mar-17	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	1	1	5	4
After one year but not more than five years	0	0	1	1
More than five years	-	-	-	-
Total minimum lease payments	**1**	**1**	**6**	**5**
Less: amounts representing finance charges	(0)	0	(1)	-
Present value of minimum lease payments	**1**	**1**	**5**	**5**

b. Commitments

INR Crores

	March 31, 2018	March 31, 2017
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	157	145

b) 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 unfulfilled commitment value is ₹73 Crores.

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
Claims against the company not acknowledged as debts		
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 subsidary 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.

Notes to consolidated financial statements for the year ended March 31, 2018

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:**

Chemisynth (Vapi) Limited

Kerala Enviro Infrastructure Limited

3SB Produtos Agrícolas S.A. (w.e.f. 29th June 2015)

Sinagro Produtos Agropecuários S.A. (w.e.f. 29th June 2015)

Weather Risk Management Pvt. Ltd

Ingen Technologies Pbt. Ltd

Polycoat Technologies 2010 Limited

Seara Comercial Agricola Ltda.

Serra Bonita Sementes S.A.

Bioplanta Nutricao Vegetal,Industria e Comercio S.A.

Universal Pestochem (Industries) Limited

(iii) **Enterprises over which key management personnel and their relatives have significant influence (Other Related Parties):**

Bharuch Enviro Infrastructure Limited

Bloom Packaging Private Limited

Bloom Seal Containers Private Limited

Daman Ganga Pulp and Papers Private Limited

Demuric Holdings Private Limited

Enviro Technology Limited

Gharpure Engineering and Construction Private Limited

Uniphos Envirotronic Private Limited

JRF International

GC Laboratories

Jai Trust

Nerka Chemicals Private Limited

Pot Plants

Sanguine Holdings Private Limited

Tatva Global Environment Private Limited

Tatva Global Environment (Deonar) Limited

Ultima Search

Uniphos International Limited

Uniphos Enterprises Limited

Uniphos Envirotronic Private Limited

UPL Environmental Engineers Limited

Vikram Farm

Ubania Realty LLP

VJS Investments Limited

Bench Bio Private Limited

Notes to consolidated financial statements for the year ended March 31, 2018

38. Related Party Disclosures: (Contd.)

(iv) **Key Management Personnel and their relatives :**

Whole Time Directors and their relatives

Mr. Rajnikant D. Shroff

Mr. Jaidev R. Shroff *

Mr. Vikram R. Shroff *

Mrs. Sandra R. Shroff *

Mr. Kalyan Banerjee

Mr. Arun C. Ashar

Mrs. Asha Ashar *

Mr. Navin Ashar *

Mr. Hardeep Singh

Mr. Vasant Gandhi

Mr. Pradeep Goyal

Mr. Vinod Sethi

Dr. Reena Ramchandran

Mr. Pradip Madhavji

Mr. P. V. Krishna (upto October 2016)

Mr. Anand Vora - Chief Financial Officer

Mr. M.B Trivedi - Company Secretary

* Relative of key management personnel.

Notes to consolidated financial statements for the year ended March 31, 2018

38 Related Party Disclosure (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.

INR Crores

Nature of Transactions	31 March 2018				31 March 2017			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
NATURE OF TRANSACTIONS:								
1 INCOME								
a) SALE OF GOODS	57	120	5	182	52	425	2	479
Sinagro Produtos Agropecuários S.A.	-	81	-	81	-	386	-	386
Hodogaya UPL Co. Limited	50	-	-	50	47	-	-	47
3SB Productos Agricolas S.A.	-	29	-	29	-	-	-	-
Others	7	10	5	22	5	39	2	46
b) MANAGEMENT FEES	-	-	8	8	-	-	7	7
Tatva Global Environment Private Limited	-	-	2	2	-	-	3	3
Gharpure Engineering & Construction Private Limited	-	-	4	4	-	-	2	2
Uniphos Enterprises Limited	-	-	1	1	-	-	1	1
Bharuch Enviro Infrastructure Limited	-	-	1	1	-	-	1	1
Others	-	-	0	0	-	-	0	0
c) RENT RECEIVED	-	-	0	0	-	-	0	0
Uniphos Envirotronic Private Limited	-	-	0	0	-	-	0	0
d) INTEREST RECEIVED	-	-	-	-	-	-	0	0
Gharpure Engineering and Constructions	-	-	-	-	-	-	0	0
e) GROUP RECHARGE	1	-	-	1	0	-	-	0
Longreach Plant Breeders Management Services Pty Limited	1	-	-	1	0	-	-	0
f) ROYALTY	61	-	-	61	-	-	-	-
Longreach Plant Breeders Management Services Pty Limited	61	-	-	61	-	-	-	-
2. EXPENSES								
a) PURCHASES OF GOODS	20	-	48	68	29	63	59	151
Hodogaya UPL Co. Limited	20	-	-	20	29	-	-	29
Sinagro Produtos Agropecuários S.A.	-	-	-	-	-	63	-	63
Bloom Seal Containers Private Limited	-	-	29	29	-	-	35	35
Bloom Packaging Private Limited	-	-	13	13	-	-	16	16
Others	-	-	6	6	-	-	8	8

Notes to consolidated financial statements for the year ended March 31, 2018

38 Related Party Disclosure (Contd.)

INR Crores

Nature of Transactions	31 March 2018				31 March 2017			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
b) PROPERTY,PLANT and EQUIPMENT	**-**	**0**	**0**	**0**	**-**	**-**	**100**	**100**
UPL Environmental Engineers Limited	-	-	-	-	-	-	0	0
Uniphos Envirotronic Private Limited	-	-	0	-	-	-	-	-
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	0	0
VJS Investments Limited	-	-	-	-	-	-	100	100
Chemie Synth (Vapi) Limited.	-	0	-	0	-	-	-	-
c) OTHERS	**-**	**0**	**0**	**0**	**-**	**-**	**0**	**0**
Vikram Farm	-	0	-	0	-	-	0	0
Pot Plants	-	-	-	-	-	-	0	0
Crop Care Federation of India	-	-	0	0	-	-	-	-
others	-	-	-	-	-	-	0	0
d) SERVICES	**-**	**-**	**79**	**79**	**-**	**0**	**84**	**84**
Bharuch Enviro Infrastructure Limited	-	-	77	77	-	-	82	82
Others	-	-	2	2	-	0	2	2
e) RENT	**-**	**-**	**1**	**1**	**-**	**-**	**1**	**1**
Sanguine Holdings Private Limited	-	-	0	0	-	-	1	1
Ultima Search	-	-	0	0	-	-	0	0
Bloom Packaging Private Limited	-	-	0	0	-	-	0	0
Jai Trust	-	-	-	-	-	-	0	0
Others	-	-	-	-	-	-	0	0
f) ROYALTY	**-**	**-**	**-**	**-**	**30**	**-**	**-**	**30**
Longreach Plant Breeders Management Services Pty Limited	-	-	-	-	30	-	-	30
g) COMMISSION EXPENSE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sinagro Produtos Agropecuários S.A.								
h) PROVISION FOR DOUBTFUL ADVANCES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Polycoat Technologies 2010 Limited	-	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2018

38 Related Party Disclosure (Contd.)

INR Crores

Nature of Transactions	31 March 2018				31 March 2017			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
i) CONTRIBUTION TO CSR	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**0**
Vikram Farm	-	-		-	-	-	0	0
j) GROUP RECHARGE	**0**	**-**	**-**	**0**	**0**	**-**	**-**	**0**
Longreach Plant Breeders Management Services Pty Limited	0	-	-	0	0	-	-	0
3. FINANCE								
a) INTEREST INCOME	**5**	**42**	**-**	**47**	**5**	**58**	**0**	**63**
Longreach Plant Breeders Management Services Pty Limited	5	-	-	5	5	-	-	5
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	0	0
Sinagro Produtos Agropecuários S.A.	-	20	-	20	-	31	-	31
Tatva Global Environment Private Limited	-		-	-	-	-	0	0
3SB Productos Agricolas S.A.	-	22	-	22	-	27	-	27
others	-	-	-	-	-	-	-	-
b) LOAN /INTER CORPORATE DEPOSITS GIVEN	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**9**
Tatva Global Environment Private Limited	-	-	-	-	-	-	-	-
Sinagro Produtos Agropecuários S.A.	-	-	-	-	-	-	-	-
Gharpure Engineering and Constructions	-	-	-	-	-	-	9	9
Others	-	-	-	-	-	-	-	-
c) PURCHASE/ALLOTMENT OF BONDS	**-**	**-**	**-**	**-**	**-**	**10**	**2**	**12**
Weather Risk Management Services Private Limited	-	-	-	-	-	10	-	10
Tatva Global Environment Private Limited	-	-	-	-	-	-	2	2
d) REPAYMENT OF LOAN / INTER CORPORATE DEPOSITS GIVEN	**-**	**-**	**-**	**1**	**-**	**-**	**21**	**21**
Tatva Global Environment Private Limited	-	-	-	-	-	-	-	-
Gharpure Engineering and Constructions	-	-	-	-	-	-	17	17
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	4	4
Others	-	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2018

38 Related Party Disclosure (Contd.)

INR Crores

Nature of Transactions	31 March 2018				31 March 2017			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
e) ADVANCES GIVEN	**-**	**-**	**17**	**17**	**-**	**-**	**5**	**5**
Urbania Realty LLP	-	-	17	17	-	-	5	5
f) SALE/REDEMPTION OF SHARES/NCD	**-**	**-**	**-**	**-**	**-**	**-**	**15**	**15**
UPL Investment India Pvt. Ltd.	-	-	-	-	-	-	15	15
g) RECEIPT AGAINST LOAN GIVEN	**-**	**-**	**1**	**1**	**-**	**-**	**-**	**-**
Bharuch Enviro Infrastructure Limited	-	-	1	1	-	-	-	-
4. REIMBURSEMENTS								
a) RECEIVED	**-**	**-**	**0**	**0**	**-**	**-**	**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
5. OUTSTANDINGS AS AT BALANCE SHEET DATE								
a) PAYABLES	**25**	**3**	**3**	**31**	**12**	**108**	**8**	**128**
Longreach Plant Breeders Management Services Pty Limited	12	-	-	12	-	-	-	-
Sinagro Produtos Agropecuários S.A.	-	-	-	-	-	108	-	108
Hodogaya UPL Co. Limited	13	-	-	13	12	-	-	12
Others	-	3	3	6	-	-	8	8
b) RECEIVABLES	**29**	**187**	**4**	**220**	**31**	**315**	**2**	**348**
Hodogaya UPL Co. Limited	28	-	-	28	30	-	-	30
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	1	1
3SB Produtos Agrícolas S.A.	-	51	-	51	-	58	-	58
Sinagro Produtos Agropecuários S.A.	-	129	-	129	-	257	-	257
Longreach Plant Breeders Management Services Pty Limited	-	-	-	-	-	-	-	-
Bench Bio Private Limited	-	-	-	-	-	-	0	0
Others	1	7	4	12	1	0	1	2

Notes to consolidated financial statements for the year ended March 31, 2018

38 Related Party Disclosure (Contd.)

INR Crores

Nature of Transactions	31 March 2018				31 March 2017			
	Joint Ventures	Associates	Other related parties	TOTAL	Joint Ventures	Associates	Other related parties	TOTAL
c) LOANS / INTER CORPORATE DEPOSITS GIVEN	**59**	**127**	**-**	**186**	**58**	**116**	**2**	**176**
3SB Productos Agricolas S.A.	-	54	-	54	-	21	-	21
Longreach Plant Breeders Management Services Pty Limited	59	-	-	59	58	-	-	58
Sinagro Produtos Agropecuários S.A.	-	73	-	73	-	95	-	95
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	1	1
Bloom Packaging Private Limited	-	-	-	-	-	-	1	1
Others	-	-	-	-	-	-	0	0
d) MANAGEMENT FEES RECEIVABLE	**-**	**-**	**10**	**10**	**-**	**-**	**8**	**8**
Tatva Global Environment Private Limited	-	-	1	1	-	-	4	4
Gharpure Engineering and Construction Private Limited	-	-	8	8	-	-	4	4
Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	0	0
Others	-	-	1	1	-	-	0	0
e) INTEREST RECEIVABLES	**0**	**-**	**0**	**1**	**18**	**-**	**-**	**18**
Gharpure Engineering and Construction Private Limited	-	-	-	-	-	-	-	-
Sinagro Produtos Agropecuários S.A.	-	-	-	-	-	-	-	-
Longreach Plant Breeders Management Services Pty Limited	0	-	-	0	18	-	-	18
Others	-	-	0	0	-	-	-	-
f) DEPOSITS GIVEN	**-**	**-**	**14**	**14**	**-**	**-**	**5**	**5**
Bharuch Enviro Infrastructure Limited	-	-	8	8	-	-	-	-
Daman Ganga Pulp and Papers Private Limited	-	-	4	4	-	-	4	4
Bloom Packaging Private Limited	-	-	-	-	-	-	1	1
Others	-	-	2	2	-	-	-	-
g) ADVANCES GIVEN	**-**	**-**	**27**	**27**	**-**	**-**	**10**	**10**
Urbania reality LLP			27	27	-	-	10	10

(Above figures are gross of tax)

Notes to consolidated financial statements for the year ended March 31, 2018

38 Related Party Disclosure (Contd.)

c. Transactions with Key Management Personnel of the Holding Company and their relatives

INR Crores

Nature of Transaction	March 31, 2018	March 31, 2017
Remuneration (Refer Note 1 below)		
Mr. Rajnikant D. Shroff	10	15
- Mr. Jaidev R. Shroff	13	13
- Mr. Vikram R. Shroff	8	10
- Mrs. Sandra R. Shroff	8	6
- Mr. Arun C. Ashar	3	3
- Others	4	4
Total	**47**	**51**
Rent paid		
- Mr. Rajnikant D. Shroff	0	0
- Mr. Jaidev R. Shroff	1	1
- Mr. Vikram R. Shroff	6	0
- Mrs. Sandra R. Shroff	0	0
Total	**8**	**1**
Professional fees		
Mr. Navin Ashar	0	0
Loan given during the year		
Mr. Anand Vora	-	0
Sundry Deposits Given		
Mr. Jaidev R. Shroff	-	-
Refund of Sundry Deposits		
Mrs. Asha Ashar	-	-
Outstandings as at the Balance Sheet Date		
Remuneration payable	-	-
Sundry deposits given	2	2
Rent Payable	-	-
Professional fees payable	-	-
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, 2018

39 . Segment information

A. Primary Segment Reporting (by Business Segment)

INR Crores

	March 31, 2018				March 2017			
	Agro Activity	Non Agro Activity	Unallocated	Total	Agro Activity	Non Agro Activity	Unallocated	Total
Primary Segment Reporting (by Business Segment)								
External	16,917	574	15	17,506	16,196	465	19	16,680
Inter segment	(183)	183	-	-	(183)	183	-	-
Total	**16,734**	**757**	**15**	**17,506**	**16,013**	**648**	**19**	**16,680**
Segment Results								
Contribution	3,722	66		3,788	3,291	54	-	3,345
Intersegment profits	(37)	37		-	(37)	37	-	-
Total Segment Results	**3,685**	**103**	**-**	**3,788**	**3,254**	**91**	**-**	**3,345**
Less :								
(i) Finance Costs				783				735
(ii) Unallocable Expenditure / Income (net)				544				588
(iii) Share of loss of associates and joint ventures				93				19
(iv) Exceptional items (refer note no. 27)				63				81
Total Profit before Tax				**2,305**				**1,922**
Provision for tax								
Current tax				311				293
Adjustments of tax relating to earlier years				**(79)**				**5**
Deferred tax				43				(109)
Profit for the year attributable to				**2,030**				**1,733**
Owners of the parent				2,022				1,727
Non-controlling interest				8				6
Other Information								
Segment Assets	17,209	738	5,096	23,043	15,150	623	4,608	20,381
Segment Liabilities	6,320	176	7,359	13,855	5,918	154	6,879	12,951
Capital Expenditure	1,325	69	19	1,413	1,218	21	21	1,260
Depreciation	291	27	25	343	243	39	24	306
Amortization	267	-	65	332	318	0	48	366
Non cash expenses other than depreciation	39	5	-	44	35	1	0	36

Notes to consolidated financial statements for the year ended March 31, 2018

39 . Segment information (Contd.)

(B) Secondary Segment Reporting (by Geographical location of the customers)

INR Crores

Particulars	March 31, 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

INR Crores

Particulars	March 31, 2017					
	India	Europe	North America	Latin America	ROW	Total
Revenue by geographical market	3,334	2,148	2,888	5,396	2,914	16,680
Carrying amount of 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)	2,773	551	342	1,010	462	5,138

3. Notes

(i) 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, 2018

40. Details of Specified Bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 for Holding Company and its subsidiaries and associates incorporated in India:

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed as under:

INR Crores

Particulars	SBN	Other denomination	Total
Closing cash balance as on 08.11.2016	74,39,500	13,69,870	88,09,370
Add: Permitted receipts	-	61,25,495	61,25,495
Amount withdrawn from Banks	-	4,74,425	4,74,425
Less: Permitted payments	(2,54,500)	-	(2,54,500)
Less: Amount deposited in banks	(71,85,000)	-	(71,85,000)
Expenditure incurred	-	(52,29,181)	(52,29,181)
Closing cash balance as on 30.12.2016	**-**	**27,40,609**	**27,40,609**

41. Research and development costs

INR Crores

Research and Development costs, as certified by the Management.	March 31, 2018	March 31, 2017
a) Revenue expenses debited to appropriate heads in statement of Profit & Loss	334	315
b) Capital Expenditure	69	79

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 ₹246 Crores as on March 31, 2017 (₹277 Crores as on 31st March'16), UPL group has settled ₹125 Crores during the year (₹31 Crores in the year ended March 31, 2017) with previous shareholders. Out of the amount payable, the amount payable within one year from the balance sheet date amounting to ₹27 Crores (₹14 Crores in March 31, 2017) has been disclosed as current and balance amount of ₹94 Crores (₹232 Crores as on March 31, 2017) has been disclosed as non current.

Notes to consolidated financial statements for the year ended March 31, 2018

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013:

INR Crores

S.No	Particulars	Co code	Name of the Entity in the Group	31st March 2018								31st March 2017							
				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	1000	UPL Limited, India	52%	4,726	48%	963			46%	963	56%	4,178	38%	653			37%	653
2	Subsidiaries Indian	1060	Shroffs United Chemicals Limited	0%	0	0%	0			0%	0	0%	0	0%	0			0%	0
		1200	SWAL Corporation Limited	1%	90	1%	30			1%	30	1%	64	0%	3			0%	3
		1300	United Phosphorus (India) LLP	0%	15	2%	33			2%	33	0%	9	-2%	(30)			-2%	(30)
		1350	United Phosphorus Global LLP	0%	0	0%	-			0%	-	0%	0	0%	0			0%	0
		1400	Optima Farm Solutions Limited	0%	29	1%	20			1%	20	0%	7	0%	5			0%	5
		1450	Agrinet Solutions Limited	0%	3	0%	-			0%	-	0%	3	0%	(0)			0%	(0)
	Foreign	2030	UPL Europe Limited	2%	203	6%	114			5%	114	3%	207	3%	45			3%	45
		2050	UPL Deutschland GmbH	0%	14	0%	9			0%	9	0%	9	0%	2			0%	2
		2060	UPL Polska Sp z.o.o.	0%	(0)	0%	(0)			0%	(0)	0%	(0)	0%	(0)			0%	(0)
		2100	UPL Benelux B.V.	1%	103	1%	15			1%	15	1%	80	1%	10			1%	10
		2200	Cerexagri B.V.	2%	220	0%	5			0%	5	2%	180	1%	11			1%	11
		2230	Blue Star B.V.	0%	0	0%	(1)			0%	(1)	0%	0	0%	(1)			0%	(1)
		2250	United Phosphorus Holdings Cooperatief U.A.	0%	(20)	0%	(1)			0%	(1)	0%	(16)	1%	12			1%	12
		2260	United Phosphorus Holdings B.V.	-3%	(279)	0%	(0)			0%	(0)	-3%	(254)	1%	14			1%	14
		2270	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	0%	(0)	0%	(0)			0%	(0)	0%	(0)	0%	(0)			0%	(0)
		2280	Decco Worldwide Post-Harvest Holdings B.V.	-1%	(62)	0%	2			0%	2	-1%	(55)	0%	(0)			0%	(0)
		2290	United Phosphorus Holding, Brazil B.V.	-3%	(296)	-1%	(17)			-1%	(17)	-3%	(247)	-2%	(30)			-2%	(30)
		2310	Advanta Holdings B.V.	-6%	(561)	2%	43			2%	43	-6%	(481)	-1%	(24)			-1%	(24)
		2320	Advanta Netherlands Holding B.V.	6%	588	0%	(3)			0%	(3)	7%	507	0%	3			0%	3
		2400	UPL Italia S.R.L.	1%	48	0%	6			0%	6	0%	33	0%	8			0%	8
		2500	UPL Iberia, S.A.	1%	88	0%	0			0%	0	1%	73	0%	6			0%	6
		2580	Decco Iberica Postcosecha, S.A.U.	1%	92	1%	13			1%	13	1%	67	1%	14			1%	14
		2590	Transterra Invest, S. L. U.	-1%	(104)	0%	4			0%	4	-2%	(151)	0%	0			0%	0
		2600	Cerexagri S.A.S.	3%	307	2%	45			2%	45	3%	220	1%	22			1%	22
		2630	Neo-Fog S.A.	0%	31	0%	3			0%	3	0%	23	0%	2			0%	2

Notes to consolidated financial statements for the year ended March 31, 2018

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013:

INR Crores

S.No	Particulars	Co code	Name of the Entity in the Group	31st March 2018								31st March 2017							
				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
		2700	UPL France	1%	86	0%	(5)			0%	(5)	1%	76	3%	45			3%	45
		4500	United Phosphorus Limited, Gibraltor	0%	-	0%	0			0%	0	0%	(0)	-19%	(333)			-19%	(333)
		2750	United Phosphorus Switzerland Limited	0%	1	0%	0			0%	0	0%	1	-1%	(13)			-1%	(13)
		2760	Agrodan, ApS	0%	3	0%	(4)			0%	(4)	0%	6	0%	(4)			0%	(4)
		2800	Decco Italia SRL	1%	48	0%	4			0%	4	1%	38	0%	3			0%	3
		2900	Limited Liability Company "UPL"	0%	10	0%	1			0%	1	0%	9	0%	5			0%	5
		2950	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	0%	(0)	0%	0			0%	0	0%	(0)	0%	(0)			0%	(0)
		4050	UPL Management DMCC	1%	123	1%	26			1%	26	1%	96	1%	15			1%	15
		3000	United Phosphorus Inc.	-9%	(857)	3%	57			3%	57	-10%	(740)	3%	50			3%	50
		3050	UPI Finance LLC	0%	0	0%	0			0%	0	0%	0	0%	0			0%	0
		3100	Cerexagri, Inc. (PA)	4%	358	1%	12			1%	12	5%	344	0%	1			0%	1
		3150	UPL Delaware, Inc.	0%	(10)	-1%	(14)			-1%	(14)	0%	4	0%	(7)			0%	(7)
		3200	Canegrass LLC	1%	54	1%	21			1%	21	1%	38	1%	12			1%	12
		3300	Decco US Post-Harvest Inc	1%	99	1%	16			1%	16	1%	83	0%	6			0%	6
		3350	Essentiv LCC	0%	(22)	-1%	(14)			-1%	(14)	0%	(8)	0%	(8)			0%	(8)
		3400	RiceCo LLC	1%	84	0%	(3)			0%	(3)	1%	70	0%	6			0%	6
		3450	Riceco International, Inc.	3%	230	2%	42			2%	42	3%	198	0%	6			0%	6
		3600	Advanta US Inc.	0%	37	-4%	(83)			-4%	(83)	-1%	(85)	-5%	(85)			-5%	(85)
		4000	UPL Corporation Limited	-23%	(2,118)	-8%	(164)			-8%	(164)	-42%	(3,133)	5%	89			5%	89
		5000	UPL Agro S.A. de C.V.	0%	(12)	0%	(3)			0%	(3)	-1%	(45)	-1%	(20)			-1%	(20)
		5050	Decco Jifkins Mexico Sapi	0%	(8)	0%	(2)			0%	(2)	0%	(6)	0%	(2)			0%	(2)
		5130	Advanta Comercio De Sementes LTDA.	-2%	(217)	-4%	(83)			-4%	(83)	-2%	(141)	-2%	(26)			-1%	(26)
		5140	Perrey Participações S.A	0%	8	0%	-			0%	-	0%	8	0%	(0)			0%	(0)
		5150	United Phosphorus do Brasil Ltd	0%	-	0%	-			0%	-	0%	-	0%	(3)			0%	(3)
		4100	UPL Agro Limited Mauritius	3%	255	9%	187			9%	187								
		4010	UPL Limited	0%	-	20%	403			19%	403	15%	1,091	17%	301			17%	301
		4200	Advanta Seeds International	6%	585	4%	75			4%	75	7%	513	2%	31			2%	31
		4250	Advanta Seeds DMCC	2%	151	0%	(9)			0%	(9)	2%	158	5%	84			5%	84
		5170	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	2%	140	1%	11			1%	11	2%	135	1%	9			1%	9

Notes to consolidated financial statements for the year ended March 31, 2018

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013:

INR Crores

S.No	Particulars	Co code	Name of the Entity in the Group	31st March 2018								31st March 2017							
				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
		5190	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	12%	1,146	3%	52			2%	52	15%	1,080	8%	141			8%	141
		5300	UPL Costa Rica S.A.	0%	(26)	-1%	(12)			-1%	(12)	0%	(21)	0%	7			0%	7
		5360	UPL Bolivia S.R.L	0%	(1)	0%	(1)			0%	(1)	0%	3	0%	(6)			0%	(6)
		5370	UPL Paraguay S.A.	0%	(6)	0%	(4)			0%	(4)	0%	(1)	0%	(4)			0%	(4)
		5430	Icona Sanluis S.A.	0%	(18)	0%	(5)			0%	(5)	0%	(12)	0%	(5)			0%	(5)
		5410	DVA Technology Argentina S.A.	0%	0	0%	-			0%	-	0%	0	0%	-			0%	-
		5450	Advanta Semillas SAIC	0%	18	-1%	(29)			-1%	(29)	1%	60	0%	(7)			0%	(7)
		5630	UPL Argentina S A	0%	(45)	-4%	(80)			-4%	(80)	1%	44	-2%	(32)			-2%	(32)
		5650	Decco Chile SpA	0%	12	0%	6			0%	6	0%	6	0%	4			0%	4
		5700	UPL Colombia SAS	0%	12	0%	(9)			0%	(9)	0%	19	0%	1			0%	1
		5950	United Phosphorus Cayman Limited	1%	67	1%	14			1%	14	1%	58	-1%	(12)			-1%	(12)
		5960	UP Aviation Limited	0%	15	0%	3			0%	3	0%	12	2%	33			2%	33
		6000	UPL Australia Limited	0%	25	0%	10			0%	10	0%	22	1%	13			1%	13
		6050	UPL New Zealand Limited	0%	3	0%	0			0%	0	0%	2	0%	1			0%	1
		4600	UPL Limited	25%	2,337	14%	290			14%	290	27%	2,017	35%	608			35%	608
		6100	UPL Shanghai Limited	0%	17	0%	4			0%	4	0%	12	0%	4			0%	4
		6110	UPL Jiangsu Limited	0%	2	0%	0			0%	0								
		6150	Advanta Seeds Pty Ltd	2%	207	1%	16			1%	16	3%	189	-1%	(15)			-1%	(15)
		6200	UPL Limited (Korea)	0%	3	0%	1			0%	1	0%	2	0%	1			0%	1
		6300	Pacific Seeds (Thai) Limited	4%	334	4%	80			4%	80	3%	220	-1%	(26)			-1%	(26)
		6350	Pacific Seeds Holdings (Thailand) Limited	0%	4	0%	(0)			0%	(0)	0%	3	6%	100			6%	100
		6400	PT.UPL Indonesia	0%	3	0%	4			0%	4	0%	(5)	0%	2			0%	2
		6450	PT Catur Agrodaya Mandiri	0%	(14)	0%	(0)			0%	(0)	0%	(15)	0%	3			0%	3
		6460	PT Advanta Seeds Indonesia	0%	(17)	1%	16			1%	16	-1%	(38)	0%	2			0%	2
		6500	UPL Limited	2%	197	1%	26			1%	26	2%	175	2%	35			2%	35
		6550	UPL Philippines Inc.	0%	(1)	0%	(7)			0%	(7)	0%	1	0%	2			0%	2
		6600	UPL Vietnam Co. Limited	1%	80	1%	21			1%	21	1%	55	1%	24			1%	24
		6650	Uniphos Malaysia Sdn Bhd	0%	2	0%	(0)			0%	(0)								
		6780	UPL Limited, Japan	1%	104	0%	(1)			0%	(1)	1%	88	0%	1			0%	1
		6800	Anning Decco Fine Chemical Co. Limited	0%	26	0%	0			0%	0	0%	23	0%	4			0%	4
		6900	Riceco International Bangladesh Ltd	0%	1	0%	0			0%	0								

Notes to consolidated financial statements for the year ended March 31, 2018

43. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013:

INR Crores

S.No	Particulars	Co code	Name of the Entity in the Group	31st March 2018								31st March 2017							
				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
		7100	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi	0%	2	-1%	(15)			-1%	(15)	0%	24	-1%	(11)			-1%	(11)
		7150	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	0%	19	0%	(1)			0%	(1)	0%	20	0%	(8)			0%	(8)
		7200	Safepack Products Limited	0%	40	0%	(3)			0%	(3)	1%	42	0%	2			0%	2
		7250	Citrashine (Pty) Ltd	0%	(6)	0%	(1)			0%	(1)	0%	(4)	0%	(1)			0%	(1)
		7500	UPL Africa SARL	0%	-	0%	0			0%	0	0%	(0)	0%	(0)			0%	(0)
		7550	Prolong Limited	0%	2	0%	(1)			0%	(1)	0%	2	0%	(0)			0%	(0)
		2930	Advanta Seeds Ukraine LLC	0%	0	0%	-			0%	-	0%	-	0%	-			0%	-
3	Non-controlling interest			0%	(19)	0%	(8)			0%	(8)	0%	(33)	0%	(6)			0%	(6)
4	Associates																		
	Indian																		
			Kerala Enviro Infrastructure Limited	0%	3	0%	1			0%	1	0%	3	0%	(1)			0%	(1)
			Chemisynth (Vapi) Limited	0%		0%				0%	-	0%	-	0%				0%	-
			Universal Pestochem (Industries) Limited	0%		0%				0%	-	0%	-	0%				0%	-
			Weather Risk Management Private Ltd	0%	10	0%	(0)			0%	(0)	0%	10	0%	(0)			0%	(0)
	Foreign		Polycoat Technologies 2010 Limited	0%		0%				0%	-	0%	-	0%				0%	-
			Sinagro Produtos Agropecuarios S.A.	0%	-	-5%	(103)			-5%	(103)	0%	36	1%	16			1%	16
			3SB Produtos Agricolas S.A.	1%	102	0%	(4)			0%	(4)	1%	76	-2%	(36)			-2%	(36)
			Sera Bonita	2%	208	0%	1			0%	1								
5	Joint Venture																		
	Foreign	6790	Hodagaya UPL Co. Limited	0%	21	0%	1			0%	1	0%	18	0%	1			0%	1
		6160	Longreach Plant Breeders Management Pty Limited	0%	42	1%	11			1%	11	0%	31	0%	1			0%	1
6	Other Compre-hensive Income							100%	70	3%	70					100%	23	1%	23
			Total	100%	9,169	100%	2,022	100%	70	100%	2,092	100%	7,397	100%	1,727	100%	23	100%	1,750

Note: The above figures are after eliminating inter-company transactions/balances and consolidation adjustments

Notes to consolidated financial statements for the year ended March 31, 2018

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.

	Nature of Instrument	Currency	31-Mar-18 (In '000) Amount outstanding	31-Mar-18 (INR Crores) Amount outstanding	31-Mar-17 (In '000) Amount outstanding	31-Mar-17 (INR Crores) Amount outstanding	Purpose - Hedging/ Speculation
(a)	Forward contracts - Sell	USD	3,874	25	14,041	91	Hedging
	Forward contracts - Sell	EUR	2,893	23	331	2	Hedging
	Forward contracts - Buy	USD	74,571	486	2,05,082	1,330	Hedging
(b)	Derivative contracts						
	(i) Full Currency Interest Rate Swap contracts - Buy	USD	1,11,179	725	1,11,179	550	Hedging (refer note below)
	Full Currency Interest Rate Swap contracts - Buy	EUR	25,667	207	25,667	210	Hedging (refer note below)
	Note:-						
	Hedging against the underlying INR borrowings by which:						
	- Group will receive principal in INR and pay in foreign currency						
	- Group will receive fixed interest in INR and pay fixed / floating interest in foreign currency.						
(c)	Un-hedged Foreign Currency Exposure on:						
	1 Payables	USD	3,50,549	2,285	2,76,975	1,796	
	(including Foreign Currency payable in respect of	EUR	3,102	25	27,240	189	
	derivative contracts as mentioned in (b) above)	GBP	6,937	64	2,526	20	
		CHF	5	0	16	0	
		DKK	878	1	1,310	1	
		PLN	11	0	175	0	
		AED	1,076	2	8	0	
		CAD	146	1	-	-	
		COP	73,61,730	17	1,36,60,390	31	
		THB	421	0			
		HUF	163	0	-	-	
		CZK	0	0	-	-	
	2 Receivable	USD	3,78,725	2,468	1,33,823	868	
		EUR	6,805	55	2,976	21	
		GBP	5,085	47	4,045	33	
		DKK	834	1	152	0	
		JPY	1,06,713	7	968	0	
		AUD	1,450	7	-	-	
		PLN	3,431	7	-	-	
		CAD	7,978	40	5,448	26	
		COP	34,56,462	8	42,25,403	9	
		AED	8	0	-	-	
		CHF	864	6	-	-	

Notes to consolidated financial statements for the year ended March 31, 2018

45. Catergory-wise Classification of Financial Instruments

INR Crores

	Refer note	Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(A) Accounting, classification and Fair Value :					
Investments accounted for using the equity method	5	386	174	-	-
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in others (unsecured)	5	426	2	7	0
Investments in unquoted equity shares	5	40	41	-	-
Investments in unquoted optionally convertible bonds	5	76	83	-	-
		542	**126**	**7**	**0**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares	5	99	78	-	-
		99	**78**	**-**	**-**
Financial assets measured at amortised cost					
Sundry deposits	6 (A)	91	95	31	0
Loans and advances to related party	6 (B)	60	128	96	50
Loans to employees	6 (C)	0	2	8	11
Sundry loans	6 (D)	-	-	12	58
Trade receivables	10	1	0	6,056	5,656
Interest Receivable	7 (A)	-	-	49	57
Bank deposits with more than 12 months of original maturity					
Cash and Cash Equivalents	11	-	-	2,859	2,880
Other Bank Balances	11A	-	-	35	15
Other advances	7 (C)	-	-	24	20
		187	**286**	**9,264**	**8,835**
Financial liabilities measured at fair value through profit or loss (FVTPL)					
Derivative contracts	16	134	142	41	37
		134	**142**	**41**	**37**
Financial liabilities measured at amortised cost					
Redeemable Non convertible Debentures (Unsecured)	15	682	756	-	-
Bonds (Unsecured)					
- 3.25% Senior Notes	15	3,230	3,210	-	-
- 4.50% Senior Notes	15	1,937	-	-	-
From Bank					
- Foreign currency loan (Unsecured)	15	2	1,380	-	-
- Foreign currency loan (Secured)	15	3	4	65	8
- Loan from Biotechnology Industry Research Assistance (BIRAC) (Secured)	15	-	0	-	-
- Others borrowings	15	19	-	556	587
Liability component of compound financial instruments	15	-	-	-	24

Notes to consolidated financial statements for the year ended March 31, 2018

45. Catergory-wise Classification of Financial Instruments (Contd.)

INR Crores

	Refer note	Non-current		Current	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discounted Trade receivables (Unsecured) - Factoring with recourse	15	-	-	13	43
Current maturities of long term borrowings	16	-	-	131	303
Payable towards acquisition of additional stake in UPL Do Brasil (Refer note: 42)	16	94	232	27	14
Capital goods creditors	16	-	-	155	38
Interest accrued and not due on borrowings	16	-	-	59	103
Trade Deposits	16	-	-	73	70
Trade payables (including Acceptances)	19	-	10	5,675	4,875
Others	16	4	4	269	236
		5,971	5,597	7,023	6,302

(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.

Notes to consolidated financial statements for the year ended March 31, 2018

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 2018: INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Investments in equity instruments (Quoted)	31-Mar-18	99	99	-	-
FVTPL financial investments (Note 5):					
Investments in equity instruments (Unquoted)	31-Mar-18	40	-	-	40
Investments in Optionally Convertible Bonds (Unquoted)	31-Mar-18	76	-	-	76
Investments in Others (Unquoted)	31-Mar-18	433	-	-	433

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018: INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 16):					
Derivative contracts	31-Mar-18	175	175	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017: INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
FVTOCI financial investments (Note 5):					
Investments in Equity Instruments (Quoted)	31-Mar-17	78	78	-	-
FVTPL financial investments (Note 5):					
Investments in Equity Instruments (Unquoted)	31-Mar-17	41	-	-	41
Investments in Optionally Convertible Bonds (Unquoted)	31-Mar-17	83	-	-	83
Investments in Others (Unquoted)	31-Mar-17	2	-	-	2

Notes to consolidated financial statements for the year ended March 31, 2018

46. Fair value hierarchy (Contd.)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017: INR Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Derivative financial liabilities (Note 16):					
Derivative contracts	31-Mar-17	178	178	-	-

47. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Groups principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

INR Crores

	Increase/decrease in basis points	Effect on profit or loss	Effect on equity
31-Mar-18			
USD	+50	(1)	(1)
	(50)	1	1
Others	+100	(3)	(2)
	(100)	3	2
31-Mar-17			
USD	+50	(8)	(8)
	(50)	8	8
Others	+100	(6)	(4)
	(100)	6	4

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The 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).

Notes to consolidated financial statements for the year ended March 31, 2018

47. Financial risk management objectives and policies (Contd.)

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 2018, the Group hedge position is stated in Note 44. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

INR Crores

	Change in USD Rate	Effect on profit or loss	Effect on equity
March 31, 2018	1%	2	1
	-1%	(2)	(1)
March 31, 2017	1%	(9)	(6)
	-1%	9	6

INR Crores

	Change in EURO Rate	Effect on profit or loss	Effect on equity
March 31, 2018	1%	0	0
	-1%	(0)	(0)
March 31, 2017	1%	(2)	(1)
	-1%	2	1

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 2018 and 31 March 2017 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.

Notes to consolidated financial statements for the year ended March 31, 2018

INR Crores

	Year ended March 31, 2018			
	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings (other than convertible preference shares) (Refer Note 15)	634	3,667	2,206	6,507
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**

INR Crores

	Year ended March 31, 2017			
	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings (other than convertible preference shares) (Refer Note 15)	684	4,938	412	6,034
Convertible preference shares (Refer Note 15)	24	-	-	24
Other financial liabilities (Refer Note 16)	766	236	-	1,002
Trade and other payables (Refer Note 19)	4,875	10	-	4,885
Derivative contracts (Refer Note 16)	37	117	25	179
	6,386	**5,301**	**437**	**12,124**

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, 2018 and March 31, 2017.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

INR Crores

	March 31, 2018	March 31, 2017
Borrowings other than convertible preference shares (Note 15)	6,638	6,337
Less: cash and cash equivalents (Note 11)	(2,859)	(2,880)
Net debt	**3,779**	**3,457**
Optionally Convertible preference shares (Note 15)	0	24
Equity	9,188	7,430
Total capital	9,188	7,454
Capital and net debt	**12,967**	**10,912**
Gearing ratio	29%	32%

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's registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.: 042070

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors of UPL Limited
CIN No.-L24219GJ1985PLC025132

R.D. Shroff
Chairman and Managing Director
Din No.-00180810
Place: Mumbai

Anand Vora
Chief Financial Officer

Place: Mumbai
Date: April 27, 2018

A.C.Ashar
Whole-time Director
Din No.- 00192088
Place: Mumbai

M.B.Trivedi
Company Secretary
Membership No.: ACS4250
Place: San Francisco
Date: April 27, 2018

UPL Limited

Uniphos House, C. D. Marg
Madhu Park, Khar (West)
Mumbai 400 052.