IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering circular (this "**Offering Circular**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES (THE "**SECURITIES**") DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the Securities described herein, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to Merrill Lynch (Singapore) Pte. Ltd., J.P. Morgan Securities plc, MUFG Securities EMEA plc, Coöperatieve Rabobank U.A, Singapore Branch, UBS AG Singapore Branch, Australia and New Zealand Banking Group Limited, Barclays Bank PLC, Citigroup Global Markets Limited, DBS Bank Ltd. and Société Générale (together, the "**Joint Bookrunners**" or the "**Joint Lead Managers**") that your stated electronic mail address to which this e-mail has been delivered is not located in the United States and that you consent to delivery of this Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

The materials relating to the offering of the Securities do not constitute, and may not be used in connection with, an offer or solicitation by or on behalf of the Issuer (as defined in the Offering Circular) and the Joint Lead Managers in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of the Securities be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers are licensed brokers or dealers in that jurisdiction, the offering of the Securities shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Joint Lead Managers, nor any person who controls any of them nor any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers. You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Mauritius Financial Services Commission is not responsible for the contents of this Offering Circular and shall not be liable to any action in damages suffered in connection with this Offering Circular.

STRICTLY CONFIDENTIAL

UPL Corporation Limited

(a public limited company incorporated under the laws of Mauritius)

U.S.$400,000,000 Perpetual Subordinated Capital Securities

Issue price: 100.00 per cent.

Perpetual Subordinated Capital Securities (the "**Securities**") will be issued in an initial aggregate principal amount of U.S.$400,000,000 by UPL Corporation Limited (the "**Issuer**"). Subject to the provisions of the Securities relating to deferral of interest (see "*Terms and Conditions of the Securities – Interest – Interest Deferral*"), each Security bear interest on their principal amount at the applicable interest rate ("**Interest Rate**") payable semi-annually in arrear on 27 May and 27 November of each year (each an "**Interest Payment Date**"): (i) in respect of the period from, and including, 27 February 2020 (the "**Issue Date**"), to, but excluding, 27 May 2025 (the "**First Reset Date**") at 5.250 per cent. per annum and, with respect to the First Interest Payment Date only, such interest will amount to U.S.$39.375 per Calculation Amount; (ii) in respect of the period from, and including, the First Reset Date to, but excluding, 27 May 2030 (the "**First Step-up Date**"), shall be a fixed rate per annum (expressed as a percentage) equal to the sum of: (1) the then prevailing U.S. Treasury Rate; and (2) the Initial Spread; (iii) in respect of the period from, and including, the First Step-up Date to, but excluding, 27 May 2045 (the "**Second Step-up Date**"), the Interest Rate shall be reset on each Reset Date to a fixed rate per annum (expressed as a percentage) equal to the sum of: (1) the then-prevailing U.S. Treasury Rate; (2) the Initial Spread; and (3) 0.25 per cent (the "**Initial Step-up Margin**"); (iv) in respect of the period from, and including, each Reset Date falling after the Second Step-up Date to, but excluding, the immediately following Reset Date, the Interest Rate shall be reset on each Reset Date to a fixed rate per annum (expressed as a percentage) equal to the sum of: (1) the then-prevailing U.S. Treasury Rate; (2) the Initial Spread; (3) the Initial Step-up Margin; and (4) 0.75 per cent. (the "**Second Step-up Margin**") (see further "*Terms and Conditions of the Securities*").

Upon the occurrence of a Change of Control Triggering Event (as defined in "*Terms and Conditions of the Securities*"), unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Holders, the Trustee and the Principal Paying Agent pursuant to Condition 5(h) of the Terms and Conditions of the Securities by the 30th day following the occurrence of the Change of Control Triggering Event or (y) the Change of Control Triggering Event is remedied by the 30th day following the occurrence of the Change of Control Triggering Event, the Interest Rate will increase by 5.00 per cent. per annum with effect from (A) the next Interest Payment Date immediately following the occurrence of the Change of Control Triggering Event or (B) if the date on which the Change of Control Triggering Event occurs is prior to the most recent preceding Interest Payment Date, such Interest Payment Date, provided that the maximum aggregate increase in the Interest Rate pursuant to Condition 4(e) of the Terms and Conditions of the Securities shall be 5.00 per cent. per annum.

If following an increase in the Interest Rate after a Change of Control Triggering Event, such Change of Control Triggering Event is cured or no longer exists, upon written notice of such facts being given to the Holders (in accordance with Condition 14), the Trustee and the Principal Paying Agent, the Interest Rate shall be decreased by 5.00 per cent. per annum with effect from (and including) the Interest Payment Date immediately following the date falling 30 days after the date on which the Trustee (as defined in "*Terms and Conditions of the Securities*") receives notice of the cure of the Change of Control Triggering Event provided that the maximum aggregate decrease in the Interest Rate pursuant to Condition 4(e) shall be 5.00 per cent. per annum.

The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Interest which is otherwise scheduled to be paid on an Interest Payment Date to the next Interest Payment Date by giving notice to the holders of the Securities (the "**Holders**", and each, a "**Holder**"), the Trustee and the Principal Paying Agent not more than ten business days nor less than five business days prior to a scheduled Interest Payment Date, unless a Compulsory Interest Payment Event (as defined in "*Terms and Conditions of the Securities*") has occurred. Any interest so deferred shall remain outstanding in full and constitute "*Arrears of Interest*" and the Issuer shall be subject to the restrictions as described in "*Terms and Conditions of the Securities – Interest Deferral-Restrictions in the case of Deferral*". Save for certain restrictions, the Issuer may, at its sole discretion, elect to further defer any Arrears of Interest by complying with the foregoing notice requirement and is not subject to any limit as to the number of times interest and Arrears of Interest can or shall be deferred. See "*Terms and Conditions of the Securities – Interest – Interest Deferral*".

The Securities are perpetual securities in respect of which there is no fixed redemption date. However, the Issuer may, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee, the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities: (i) on any date during the period commencing on (and including) 27 February 2025 (the "**First Call Date**") up to (and including) the First Reset Date or on any Interest Payment Date thereafter at their principal amount together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest); (ii) upon the occurrence of a Gross-Up Event (as defined in "*Terms and Conditions of the Securities*") at their principal amount together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest); (iii) upon the occurrence a Tax Deductibility Event, an Equity Credit Classification Event or an Accounting Event (each as defined in "*Terms and Conditions of the Securities*") at 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date), or their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest); (iv) if the aggregate principal amount of the Securities outstanding is less than or equal to 25 per cent. of the aggregate principal amount originally issued, at their principal amount, together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) or (v) if a Change of Control Triggering Event occurs, at 101 per cent. of their principal amount (together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest)). See "*Terms and Conditions of the Securities – Redemption and Purchase*".

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of, and quotation for, the Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries and associated companies or the Securities. The Securities will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Securities are listed on the SGX-ST and the rules of the SGX ST so require.

Investing in the Securities involves certain risks. See "Risk Factors" beginning on page 22.

The Securities described in this Offering Circular have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States. For a description of these and certain further restrictions on offers and sales of the Securities and the distribution of this Offering Circular, see "*Subscription and Sale*".

The Securities are expected to be rated "Ba2" by Moody's Investors Service, Inc. ("**Moody's**") and "BB" by S&P Global Ratings, a division of S&P Global Inc. ("**S&P**"). Such ratings of the Securities do not constitute a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by either such rating organisation. Each such rating should be evaluated independently of any other rating of the Securities, the Issuer's other securities or of the Issuer.

The Securities will initially be represented by beneficial interests in a global certificate (the "**Global Certificate**") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Except as described in the Global Certificate, certificates for the Securities will not be issued in exchange for interests in the Global Certificate.

IMPORTANT – EEA AND UK RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Joint Global Coordinators and Joint Bookrunners

BofA Securities | **J.P. Morgan** | **MUFG**

Rabobank | **UBS**

Joint Bookrunners

ANZ | **Barclays** | **Citigroup Global Markets Limited**

DBS Bank Ltd. | **Société Générale Corporate & Investment Banking**

Offering Circular dated 20 February 2020

IMPORTANT NOTICE

This Offering Circular includes particulars given in compliance with the rules of the SGX-ST for the purpose of giving information with regard to the Issuer and its subsidiaries (together with the Issuer, the "**Group**"), its joint ventures and associates and the Securities. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Each person receiving this Offering Circular acknowledges that such person has not relied on the managers named in the section entitled "*Subscription and Sale*" (each a "**Joint Lead Manager**" or "**Joint Bookrunner**" and together, the "**Joint Lead Managers**" or "**Joint Bookrunners**"), any other person affiliated with the Joint Lead Managers, the Trustee (as defined in the section entitled "*Terms and Conditions of the Securities*" (the "**Terms and Conditions**" or "**Conditions**")) or the Agents (as defined in the Terms and Conditions) in connection with its investigation of the accuracy of such information or its investment decision.

No person has been or is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers. The delivery of this Offering Circular at any time does not imply that the information contained herein is correct as at any time subsequent to its date. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers to subscribe for or purchase, any of the Securities and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, and the Joint Lead Managers to inform themselves about and to observe any such restrictions. Distribution of this Offering Circular to any person other than the recipient is prohibited. For a description of certain further restrictions on offers and sales of Securities and the distribution of this Offering Circular, see "*Subscription and Sale*".

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers has independently verified the information contained in this Offering Circular. Accordingly, no representation or warranty, express or implied, is made or given by any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Issuer, any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers that any recipient of this Offering Circular should purchase the Securities. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the Group (as defined below) and the merits and risks involved in investing the Securities. See

"*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each potential purchaser of the Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Securities should be based upon such investigations with its own tax, legal and business advisors as it deems necessary.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers accepts any responsibility for the contents of this Offering Circular. Each of the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, officers, employees, representatives, agents or advisers accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers undertakes to review the results of operations, financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their affiliates, directors, officers, employees, representatives, agents or advisers.

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, MUFG SECURITIES EMEA PLC (THE "**STABILISATION MANAGER**") OR ANY PERSON ACTING ON ITS BEHALF MAY, SUBJECT TO APPLICABLE LAWS, OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE SECURITIES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

None of the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers is making any representation to any offeree or purchaser of the Securities offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. Each prospective purchaser of the Securities should consult with its own advisors as to legal, tax, business, financial and related aspects of a purchase of the Securities.

The distribution of this Offering Circular and the offer and sale of the Securities may, in certain jurisdictions, be restricted by law. Each purchaser of the Securities must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Securities or possesses or distributes this Offering Circular, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. There are restrictions on the offer and sale of the Securities, and the circulation of documents relating thereto, in certain jurisdictions, including the United States, the European Economic Area, the United Kingdom, Hong Kong, the PRC, the British Virgin Islands, Japan and Singapore, and to persons connected therewith. See "*Subscription and Sale*".

PRESENTATION OF FINANCIAL INFORMATION

Financial Information

This Offering Circular contains: (i) consolidated financial information as of 31 December 2019 and for the nine months ended 31 December 2019 and 31 December 2018, derived from the Issuer's unaudited reviewed condensed consolidated interim financial statements as of and for the nine months ended 31 December 2019, contained elsewhere in this Offering Circular, and (ii) the Issuer's consolidated financial information as of and for the years ended 31 March 2017, 2018 and 2019, derived from the Issuer's audited consolidated financial statements for the years ended 31 March 2017, 2018 and 2019, all of which have been prepared in accordance with International Financial Reporting Standards (the "**IFRS**") as issued by the International Accounting Standards Board and the requirements of the Companies Act 2001.

In this Offering Circular, references to "**FY**" prior to a year refer to the financial year ended 31 March of that year. For example, "**FY2017**, "**FY2018**" and "**FY2019**" refer to the financial years ended 31 March 2017, 2018 and 2019, respectively.

The Issuer has carried out certain reclassifications and corrections of errors ("**restatements**") in the Q3FY2020 Financial Statements. In particular, in relation to the acquisition of Arysta, as valuation was still ongoing during the preparation of the FY2019 financial statements, Arysta's assets and liabilities reflected in the FY2019 financial statements were provisional in nature. The Issuer has retrospectively revised the comparative balance sheet amounts of FY2019 to reflect the final acquisition-date fair values of the acquired assets and liabilities in the Issuer's reviewed condensed consolidated interim financial statements as of and for the nine months ended 31 December 2019 ("**Q3FY2020 Financial Statements**"). For more information, please refer to Note 36 of the interim condensed consolidated financial statements.

Such restatements have not been carried out for the audited financial statements of the Issuer as of and for FY2017, FY2018 and FY2019. As a result of such restatements, the Issuer's financial information discussed in this Offering Circular is not presented on a comparable basis for the nine months ended 31 December 2018 and 2019, and FY2017, FY2018 and FY2019. The Issuer's financial information as of FY2019 contained in the Issuer's Q3FY2020 Financial Statements have been restated. Unless otherwise specified, all references in this Offering Circular to the financial information of the Issuer as of FY2019 is derived from the FY2019 financial statements.

Non-GAAP measures

See "Selected Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a description of certain non-GAAP measures and ratios, including EBITDA and certain financial ratios, used in this Offering Circular. The non-GAAP measures presented in this Offering Circular are supplemental measures of the Issuer's performance that are not required by, or presented in accordance with, IFRS and should not be considered as an alternative to net profit, operating profit or any other performance measures derived in accordance with IFRS. They have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for, your own analysis of the Issuer's financial condition or results of operations, as reported under IFRS. These non-GAAP measures are not standardised terms, hence a direct comparison between companies using such terms may not be possible.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this Offering Circular, the Issuer relies on and refers to information regarding its business and the markets in which the Issuer operates and competes. The market data and certain economic and industry data and forecasts used in this Offering Circular were obtained from governmental and other publicly available information and industry publications, including industry and market data published by Phillips McDougall IHS Markit and other third-party sources. In particular, the Issuer bases its estimates on the growth of the markets in which the Issuer operates and its respective market share on a combination of internal market analysis, expert interviews and, to the extent available, external empirical analyses such as Phillips McDougall IHS Markit which allows the Issuer to also estimate its market position. The Issuer calculates its current market share across products by comparing its sales volume to the estimated total volume of the market, derived from external market analyses provided by Phillips McDougall IHS Markit.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that there can be no assurance as to the accuracy and completeness of such information. The Issuer believes that these industry publications, surveys and forecasts are reliable, but the Issuer has not independently verified any of the data from third party sources. The information from Phillips McDougall IHS Markit in this Offering Circular has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from such information, no facts have been omitted which would render the information reproduced herein inaccurate or misleading. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Offering Circular.

There can be no assurance that any of the assumptions underlying any statements regarding the crop protection products industry are accurate or correctly reflect the Issuer's position in the industry. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Offering Circular should be viewed with caution and no representation or warranty is given by any person, including the Issuer and the Joint Lead Managers, as to their accuracy.

Elsewhere in this Offering Circular, statements regarding the crop protection products industry are not based on published statistical data or information obtained from independent third parties, but are based solely on the Issuer's experience, its internal studies and estimates, and its own investigation of market conditions. There can be no assurance that any of these studies or estimates are accurate, and none of the Issuer's internal surveys or information have been verified by any independent sources. While the Issuer is not aware of any misstatements regarding the Issuer's estimates presented herein, the Issuer's estimates involve risks, assumptions and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this Offering Circular.

The IHS Markit (as defined below) reports, data and information referenced herein (the "**IHS Markit Materials**") are the copyrighted property of IHS Markit Ltd. and its subsidiaries ("**IHS Markit**") and represent data, research, opinions or viewpoints published by IHS Markit, and are not representations of fact. The IHS Markit Materials speak as of the original publication date thereof and not as of the date of this document. The information and opinions expressed in the IHS Markit Materials are subject to change without notice and IHS Markit has no duty or responsibility to update the IHS Markit Materials. Moreover, while the IHS Markit Materials reproduced herein are from sources considered reliable, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses which are based upon it. IHS Markit is a trademark of IHS Markit. Other trademarks appearing in the IHS Markit Materials are the property of IHS Markit or their respective owners.

CERTAIN DEFINITIONS

In this Offering Circular, references to "**India**" are to the Republic of India, references to "**Indian Government**" or the "**GoI**" are to the Government of India and references to the "**RBI**" are to the Reserve Bank of India as constituted under the Reserve Bank of India Act, 1934 of the Republic of India. References to specific data applicable to particular subsidiaries or other consolidated entities are made by reference to the name of that particular entity.

Unless otherwise specified or the context requires, references in this Offering Circular to the "**Issuer**" is to UPL Corporation Limited, and references to the "**Group**" are to the Issuer and its consolidated subsidiaries, as the context requires.

All references in this document to "**U.S. dollars**" and "**U.S.$**" refer to United States dollars; all references to "**Rupee**", "**Rupees**", "**INR**", "**Rs.**" and "**₹**" refer to Indian Rupees; all references to "**Singapore dollars**", "**S$**" and "**SGD**" refer to Singapore dollars; all references to "**Sterling**", "**GBP**" and "**£**" refer to pounds sterling; all references to "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Community, as amended.

In this Offering Circular, where information has been presented in millions or billions of units, amounts may have been rounded, in the case of information presented in millions, to the nearest ten thousand or one hundred thousand units or, in the case of information presented in billions, one, ten or one hundred million units. Accordingly, the totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is incorporated under the laws of Mauritius.

Some of the Issuer's directors, officers and other executives are neither residents nor citizens of the United Kingdom. Furthermore, most of the Issuer's assets are located outside the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United Kingdom upon such persons or the Issuer or to enforce against them or us, judgements of English courts predicated upon the civil liability provisions of English securities laws despite the fact that, pursuant to the terms of the Trust Deed, the Issuer has appointed, or will appoint, an agent for the service of process in England. It may be possible for investors to effect service of process within other jurisdictions upon those persons or the Issuer provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of 15 November 1965 is complied with.

Mauritius

The courts of Mauritius will recognise, enforce and give effect to any final and conclusive judgement of the courts of England for a definite sum (not being a sum payable in respect of taxes or other charges of a like nature, in respect of a fine or other penalty, or in respect of multiple damages) upon exequatur proceedings without a re-examination of the merits of the case, provided that: (i) the foreign judgement is still valid, final and capable of execution in the jurisdiction in which it was delivered, notwithstanding that an appeal may be pending against it or it may still be subject to an appeal in such country; (ii) the foreign judgement is not contrary to any principle affecting public policy in Mauritius; (iii) the foreign court which delivered the said judgement had jurisdiction to hear the claim; (iv) the Mauritian conflict of laws rules were respected; (v) there has not been any fraude à la loi, i.e. any malice, bad faith and fraud on and in the choice of law and jurisdiction clauses; (vi) the Company (as applicable) had been regularly summoned to attend the proceedings before the foreign court; and (vii) the foreign judgement is duly registered with the relevant authority in Mauritius, in circumstances in which its registration is not liable, thereafter, to be set aside.

NOTICE TO MAURITIAN INVESTORS

The Securities may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Offering Memorandum, nor any offering material or information contained herein relating to the offer of the Securities, may be released or issued to the public in Mauritius or used in connection with any such offer. This Offering Memorandum does not constitute an offer to sell the Securities to the public in Mauritius.

The Mauritius Financial Services Commission is not responsible for the contents of this Offering Memorandum and shall not be liable to any action in damages suffered in connection with this Offering Memorandum.

REQUIREMENTS OF THE COMPANIES ACT 2001 AS REGARDS THE ISSUE, TRANSFER AND SECURING SECURITIES UNDER MAURITIUS LAW

Where a Mauritius issuer issues securities, it must keep at its registered office a register of holders of the securities which must contain (a) the names and addresses of the holders of securities and (b) the amount of securities held by them. The register must, except when duly closed, be open to the inspection of a holder of securities.

A register will be deemed to be duly closed if closed in accordance with a provision contained in the terms and conditions of the securities, the agency deed or any other document relating to or securing the securities during such period not exceeding in the aggregate thirty (30) days in any year as is specified in such document. An "agency deed" means a deed executed by a company or the representative of holders of the securities in relation to the issue of securities and includes a supplemental document, resolution or scheme of arrangement modifying the terms of the deed and a deed substituted therefore.

FORWARD-LOOKING STATEMENTS

There are statements in this Offering Circular which contain words and phrases such as "aim", "anticipate", "assume", "believe", "contemplate", "continue", "estimate", "expect", "future", "goal", "intend", "may", "objective", "predict", "positioned", "project", "risk", "seek to", "shall", "should", "will likely result", "will pursue", "plan" and words and terms of similar substance used in connection with any discussion of future operating or financial performance or the Group's expectations, plans, projections or business prospects identify forward-looking statements. In particular, the statements under the headings "*Risk Factors*" and "*Description of the Issuer*" regarding the Group's financial condition and other future events or prospects are forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

In addition to the risks under "*Risk Factors*", other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to:

- unfavourable climate and weather conditions;
- economic developments;
- extensive regulation of crop protection products;
- volatility in the prices of raw materials and fuel on which the Issuer relies;
- carrying cost of inventory of raw materials, work in progress and finished goods;
- reliance on certain key distributors and customers;
- reliance on the Issuer's parent UPL Limited ("**UPL**");
- introduction of alternative crop protection measures;
- competition;
- rising sale of counterfeit products;
- changes in legislation or policies related to tax, customs, international trade and export;
- controls applicable to us;
- changes in agricultural policies;
- risks associated with the environmental and health and safety laws and other government;
- regulations to which the Issuer is subject;
- the Issuer's ability to obtain, protect and leverage intellectual property rights;
- legal claims against us;
- potential liabilities that may not be covered by insurance;
- security breaches of the Issuer's information systems;
- the Issuer's inability to recruit and retain skilled management personnel;
- risks associated with any labour unrest;
- risks associated with failure to comply with anti-bribery and anti-corruption laws;
- risks associated with foreign exchange rate fluctuations and hedging;

- other risks associated with the Issuer's financial profile and the Securities; and
- other factors discussed or referred to in this Offering Circular.

By their nature, certain disclosures relating to these and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on the Group's income or results of operations could materially differ from those that have been estimated. For example, turnover could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realised.

Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as at the date of this Offering Circular. Except as required by law, the Group is not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

All subsequent forward-looking statements attributable to the Group or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Offering Circular.

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THE OFFERING

This is a summary of the Terms and Conditions. Please refer to "Terms and Conditions of the Securities" for a detailed description of the Terms and Conditions. Capitalised terms used in this summary and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Securities".

Issuer	UPL Corporation Limited
Issue	U.S.$400,000,000 Perpetual Subordinated Capital Securities.
Status and Subordination of the Securities	The Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided for under applicable laws, at all times rank equally with all Parity Obligations of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as provided in Condition 3. The claims of the Holders in respect of the Securities, including any accrued and unpaid interest and any outstanding Arrears of Interest, will, in the event of a Winding-Up of the Issuer (except, in any such case, a solvent Winding-Up of the Issuer solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a "successor in business" (as defined in the Trust Deed) of the Issuer, (I)(x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved by an Extraordinary Resolution (as defined in the Trust Deed) or (y) which substitution will be effected in accordance with Condition 11(c) and (II) in each case the terms of which do not provide that the Securities shall thereby become redeemable or repayable in accordance with the Conditions) (subject to and to the extent permitted by applicable law), rank: (i) junior to all Senior Obligations of the Issuer; (ii) *pari passu* with each other and with any Parity Obligations of the Issuer; and (iii) senior only to Junior Obligations of the Issuer. Nothing in Condition 3(b) or Condition 8 of the Terms and Conditions shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof.
Issue Price	100.00 per cent.

Form and Denomination	The Securities are issued in registered form in denomination of U.S.$200,000 and higher multiples of U.S.$1,000 in excess thereof.
Interest Payments	Subject to Condition 4(d), each Security bear interest on their principal amount at the applicable interest rate ("**Interest Rate**") from and including the Issue Date.
Interest Rate	The Interest Rate applicable to the Securities will be: (i) in respect of the period from, and including, the Issue Date to, but excluding, 27 May 2025 (the "**First Reset Date**"), a fixed rate per annum of 5.250 per cent. per annum and, with respect to the First Interest Payment Date only, such interest will amount to U.S.$39.375 per Calculation Amount; (ii) in respect of the period from, and including, the First Reset Date to, but excluding, 27 May 2030 (the "**First Step-up Date**"), a fixed rate per annum (expressed as a percentage) equal to the sum of: (a) the then prevailing U.S. Treasury Rate; and (b) the Initial Spread; (iii) in respect of the period from, and including, the First Step-up Date to, but excluding, 27 May 2045 (the "**Second Step-up Date**"), a fixed rate per annum (expressed as a percentage) equal to the sum of: (a) the then-prevailing U.S. Treasury Rate; (b) the Initial Spread; and (c) the Initial Step-up Margin; (iv) in respect of the period from, and including, each Reset Date falling after the Second Step-up Date to, but excluding, the immediately following Reset Date, shall be a fixed rate per annum (expressed as a percentage) equal to the sum of: (a) the then-prevailing U.S. Treasury Rate; (b) the Initial Spread; (c) the Initial Step-up Margin; and (d) the Second Step-up Margin, where the: "**Initial Spread**" means 3.865 per cent. per annum. "**Initial Step-up Margin**" means 0.25 per cent. per annum. "**Second Step-up Margin**" means 0.75 per cent. per annum.

Interest Payment Date	27 May and 27 November of each year (each a "**Interest Payment Date**") commencing on 27 November 2020.
Interest Deferral	The Issuer may, at its sole discretion, elect to defer (in whole or in part) any interest which is otherwise scheduled to be paid on an Interest Payment Date to the next Interest Payment Date by giving notice to the Holders, the Trustee and the Principal Paying Agent not more than ten business days nor less than five business days prior to a scheduled Interest Payment Date unless a Compulsory Interest Payment Event has occurred.
Arrears of Interest	Any interest validly deferred pursuant to Condition 4(d) shall constitute "**Arrears of Interest**". The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 4(d)(i)) to defer further any Arrears of Interest by complying with the foregoing notice requirement applicable to any deferral of an accrued interest. The Issuer is not subject to any limit as to the number of times interest and Arrears of Interest can or shall be deferred pursuant to Condition 4(d) except that Condition 4(d)(v) shall be complied with until all outstanding Arrears of Interest have been paid in full.
Restrictions in the case of Deferral	If, on any Interest Payment Date, payment of all Interest payments scheduled to be made on such date is not made in full, the Issuer shall not, and each shall procure that none of its Subsidiaries will: (A) declare or pay any dividends or distributions or make any other payment, and will procure that no dividend, distribution or other payment is made, on any of the Junior Obligations or Parity Obligations of the Issuer save that such restriction shall not apply to payments in respect of: (1) any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants; or (2) any of the Parity Obligations of the Issuer made on a *pro rata* basis; or (3) any of the Parity Obligations of the Issuer that are Intra-Group Payments; or (B) redeem, reduce, cancel, buy-back or acquire for any consideration any of the Junior Obligations or Parity Obligations of the Issuer other than: (1) a repurchase or other acquisition of securities in respect of an employment benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(2) as a result of the exchange or conversion of the Parity Obligations of the Issuer for the Junior Obligations of the Issuer; or

(3) a repurchase or other acquisition of the Junior Obligations or Parity Obligations of the Issuer held by any member of the Group,

in each case, unless and until:

(X) the Issuer has satisfied in full all outstanding Arrears of Interest; or

(Y) the Issuer or the relevant Subsidiary of the Issuer is permitted to do so by an Extraordinary Resolution of the Holders.

Satisfaction of Arrears of Interest

The Issuer:

(A) may satisfy any Arrears of Interest (in whole or in part) at any time by giving notice of such election to the Holders (in accordance with Condition 14) and to the Trustee and the Principal Paying Agent not more than 20 business days nor less than five business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice); and

(B) in any event shall satisfy any outstanding Arrears of Interest (in whole but not in part) on the earliest of:

(i) the date of redemption of the Securities in accordance with the redemption events set out in Condition 5;

(ii) the next Interest Payment Date following the occurrence of a Compulsory Interest Payment Event;

(iii) the date on which an order is made or an effective resolution is passed for Winding-Up of the Issuer; and

(iv) the date of any substitution or variation in accordance with Condition 11(c).

Increase in Interest Rate following a Change of Control Triggering Event	Upon the occurrence of a Change of Control Triggering Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Holders (in accordance with Condition 14), the Trustee and the Principal Paying Agent pursuant to Condition 5(h) by the 30th day following the occurrence of the Change of Control Triggering Event or (y) the Change of Control Triggering Event is remedied by the 30th day following the occurrence of the Change of Control Triggering Event, the Interest Rate will increase by 5.00 per cent. per annum with effect from (A) the next Interest Payment Date immediately following the occurrence of the Change of Control Triggering Event or (B) if the date on which the Change of Control Triggering Event occurs is prior to the most recent preceding Interest Payment Date, such Interest Payment Date, provided that the maximum aggregate increase in the Interest Rate pursuant to Condition 4(e) shall be 5.00 per cent. per annum. If following an increase in the Interest Rate after a Change of Control Triggering Event, such Change of Control Triggering Event is cured or no longer exists, upon written notice of such facts being given to the Holders (in accordance with Condition 14), the Trustee and the Principal Paying Agent, the Interest Rate shall be decreased by 5.00 per cent. per annum with effect from (and including) the Interest Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice of the cure of the Change of Control Triggering Event provided that the maximum aggregate decrease in the Interest Rate pursuant to Condition 4(e) shall be 5.00 per cent. per annum.
Expected Issue Date	27 February 2020.
Maturity Date	There is no maturity date.
Redemption at the option of the Issuer	The Issuer may, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities on: (i) any date during the period commencing on (and including) 27 February 2025 up to (and including) the First Reset Date; or (ii) on any Interest Payment Date thereafter,

	(each such date being a "**Call Date**"). On expiry of such notice, the Issuer shall be bound to redeem the Securities on the relevant Call Date at their principal amount together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest).
Redemption for a Gross-up Event	The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14) at their principal amount (together with any Interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest)) if the Issuer satisfies the Trustee prior to the giving of such notice and in accordance with the Trust Deed that: (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 20 February 2020; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Upon the expiry of any such notice as is referred to in Condition 5(c), the Issuer shall be bound to redeem the Securities in accordance with Condition 5(c). No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then payable.
Redemption for Tax Deductibility Event	The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14) at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date); or (ii) their principal amount (where such redemption occurs on or after the First Call Date),

together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) if the Issuer satisfies the Trustee prior to the giving of such notice and in accordance with the Trust Deed that:

(i) the Issuer, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 17), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 20 February 2020, will not be entitled to claim a deduction with respect to the Issuer's obligation to pay any Interest Payment in computing its taxation liabilities in Mauritius, or such entitlement is materially reduced, or incurs a dividend distribution tax on any payments on the Securities; and

(ii) the Issuer cannot avoid the foregoing by taking measures reasonably available to it (a "**Tax Deductibility Event**").

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Securities in accordance with Condition 5(d). No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then payable.

Redemption upon an Equity Credit Classification

The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at:

(i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date); or

(ii) their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) if, immediately before giving such notice, the Issuer has received confirmation from any Rating Agency that, due to any amendment to, clarification of, or change in the assessment criteria under its hybrid capital methodology or in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, any or all of the Securities will no longer be eligible (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, any or all of the Securities would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed) for the same or a higher amount of "equity credit" as was attributed to the Securities as at the Issue Date (or, if equity credit is not assigned to the Securities by the relevant Rating Agency on the Issue Date, the date on which equity credit is assigned by such Rating Agency for the first time).

Redemption for Accounting Reasons

The Issuer may, at any time, on giving not more than 40 nor less than 10 days irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at:

(i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date); or

(ii) their principal amount (where such redemption occurs on or after the First Call Date),

together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest)) if, immediately before giving such notice, a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) which have been officially adopted after the Issue Date (such date, the "**Accounting Event Adoption Date**"), the Securities may not or may no longer be recorded as "equity" in full in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to the International Financial Reporting Standards ("**IFRS**") or any other internationally generally accepted accounting standards that the Issuer has adopted for the purposes of the Issuer's consolidated financial statements (an "**Accounting Event**").

Upon the expiry of any such notice as is referred to in Condition 5(f), the Issuer shall be bound to redeem the Securities in accordance with Condition 5(f), provided that such date for redemption shall be no earlier than the last day before the date on which the Securities are no longer permitted to be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standards.

Redemption in the case of Minimal Outstanding Amount

The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at their principal amount, together with any Interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest), if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than or equal to 25 per cent. of the aggregate principal amount of the Securities originally issued.

Redemption for Change of Control

The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at 101 per cent. of their principal amount (together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) if a Change of Control Triggering Event occurs.

Replacement Intention	The following paragraphs in italics do not form part of the Terms and Conditions of the Securities: *The Issuer intends (without thereby assuming a legal obligation), during the period from and including the Issue Date to but excluding the Reset Date falling on 27 May 2045, that in the event of a redemption of the Securities at the Issuer's option pursuant to Condition 5(b) or a repurchase of the Securities, if the Securities are assigned an "equity credit" (or such similar nomenclature then used by Standard & Poor's) by Standard & Poor's at the time of such redemption or repurchase, it will redeem or repurchase the Securities only to the extent the Aggregate Equity Credit of the Securities to be redeemed or repurchased does not exceed the Aggregate Equity Credit received by the Issuer or any Subsidiary from the sale or issuance by the Issuer or the relevant Subsidiary to third party purchasers (other than group entities of the Issuer) of replacement securities (but taking into account any changes in the assessment criteria under Standard & Poor's hybrid capital methodology or the interpretation thereof since the issuance of the Securities) (the "**Restrictions**").*
Limited right to institute proceedings	The right to institute proceedings for Winding-Up is limited to circumstances where payment in respect of the Securities has become due but has not been paid. In the case of payment of any interest, such interest will not be due if the Issuer has elected to defer that interest in accordance with Condition 4(d).
Proceedings for Winding-Up	If: (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer; or (ii) the Issuer has not made payment in respect of the Securities for a period of ten days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities, and the Trustee may, subject to the provisions of Condition 8(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Substitution or Variation	If a Special Event has occurred and is continuing, then the Issuer may, subject to Condition 4 (without any requirement for the consent or approval of the Holders) and subject to it having satisfied the Trustee immediately prior to the giving of any notice referred to in the Terms and Conditions that the provisions of Condition 11(c) have been complied with, and having given not less than 30 nor more than 60 days' irrevocable notice in writing to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), at any time either: (i) substitute all, but not some only, of the Securities for; or (ii) vary the terms of the Securities with the effect that they remain or become, Qualifying Securities, and the Trustee shall (subject to the following provisions of Condition 11(c) and subject to the receipt by it of the certificate of the directors of the Issuer (each of whom is an Authorised Signatory of the Issuer) referred to in the Trust Deed) agree to such substitution or variation. "**Special Event**" means a Gross-Up Event, a Tax Deductibility Event, an Accounting Event, an Equity Credit Classification Event or any combination of the foregoing.
Governing Law	The Trust Deed, the Securities and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law, except that Clause 5.2 of the Trust Deed and Condition 3(b) are governed by, and shall be construed in accordance with, the laws of Mauritius.
Rating	The Securities are expected to be rated "Ba2" by Moody's and "BB" by S&P. Such ratings of the Securities do not constitute a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by either such rating organisation.
Clearing systems	The Securities will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depositary for, Euroclear and Clearstream, Luxembourg.

	Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream, Luxembourg. Except as described in the Global Certificate, certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and settlement	The Securities have been accepted for clearance by Euroclear and Clearstream, Luxembourg under the following codes: ISIN: XS2125139464 Common Code: 212513946
Legal Entity Identifier	213800AQLATW4WEEH674
Trustee	Citicorp International Limited.
Registrar	Citigroup Global Markets Europe AG.
Principal Paying Agent, Transfer Agent and Calculation Agent	Citibank, N.A., London Branch.
Listing	Approval in-principle has been received from the SGX-ST for the listing of, and quotation for the Securities on the SGX-ST. The Securities will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require.
Use of Proceeds	See "*Use of Proceeds*".

RISK FACTORS

An investment in the Securities is subject to significant risks. Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Circular before making an investment in the Securities. The risks described below are not the only risks relating to or affecting the Issuer. The Issuer's business, financial condition and results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may materially adversely affect the Issuer's ability to make payments on the Securities. Additional risks not presently known to the Issuer or that the Issuer currently deems immaterial may also impair its business, financial condition and/or results of operations. The market price of the Securities could decline due to any of these risks and you may lose all or part of your investment. In this Offering Circular, the words "the Issuer" refers to UPL Corporation Limited together with its subsidiaries on a consolidated basis, except where otherwise specified or clear from the context.

Risks Relating to the Issuer's Business and Industry

Unfavourable climate and weather conditions may impact the demand for products of the Issuer.

The agriculture industry is seasonal and cyclical in nature and the Issuer's customers are subject to unfavourable climate and weather conditions, including low or excessive rainfall, frost or natural disasters. The Issuer's results of operations are significantly affected by weather conditions in the regions in which its products are used. The sale of the Issuer's products relates directly to the volume of crops planted. If climate and weather conditions are less favourable than expected, there may be reduced customer demand for the Issuer's crop protection products, which could severely impact the Issuer's business, results of operations, financial condition or prospects. Adverse conditions early in the season, especially drought conditions, can result in significantly lower than normal plantings of crops and therefore lower demand for crop protection products. This can result in the Issuer's sales in a particular region falling substantially from year to year. Weather conditions can also result in earlier or later plantings, which may affect both the timing and volume of the Issuer's sales or the product mix. The effects of adverse weather conditions in the later parts of the cropping cycle can still be material. For example, prolonged dry conditions post-planting tends to reduce the demand for fungicides. Adverse weather conditions can also cause the presence of diseases and pest infestations in the short term, which may affect the effectiveness of the Issuer's products. In addition, global warming and other changes in climate make it more difficult for the Issuer to rely on weather forecasts and its operations are relatively unpredictable and may be different from its projections. The effects of weather conditions on the Issuer's business cause its results of operations to become relatively unpredictable from period to period. While the Issuer's geographic diversification reduces its exposure to adverse conditions in any single region, there can be no assurance that a poor year in one of its key regions will be offset by better conditions in other regions. Adverse conditions in multiple markets in the same year could have a material adverse effect on the Issuer's results of operations and financial condition.

Global economic conditions affect the demand for the Issuer's products and its access to credit.

Global economic slowdown could adversely affect demand for the Issuer's products or reduce its access to credit, all of which could adversely impact its business, results of operations, financial condition and cash flows. General business and economic drivers that could affect the Issuer include short-term and long-term interest rates, unemployment, inflation and fluctuations in debt markets. Such conditions could also adversely affect its suppliers and its customers. While currently these conditions have not impaired the Issuer's ability to access credit markets and finance its operations, there can be no assurance that there will not be deterioration in these economic and financial conditions, which could in turn affect its ability to access the credit markets and finance its operations.

There could be a number of other negative effects from global economic slowdown on the Issuer's business, including the insolvency of its suppliers and customers, resulting in lack of raw material supply or increased provisions for credit losses, and reduced customer demand for its products, including order delays or cancellations and counterparty failures negatively impacting its operations. In addition, global economic slowdown and market instability could make it more difficult for the Issuer, its customers and its suppliers to accurately forecast future product demand trends, which could cause the Issuer to produce an excess amount of products that could in turn increase its inventory carrying costs. Alternatively, this difficulty to forecast future product demand trends accurately could cause a shortage of raw materials that could result in the Issuer's inability to satisfy the demand for its products.

The crop protection products industry is subject to a very stringent regulatory environment including extensive regulations for obtaining product registrations. The Issuer may not be able to obtain or maintain the necessary regulatory approvals for some of its products, which could restrict its ability to sell the products in some markets.

The Issuer is subject to strict norms governing registration of crop protection products. Crop protection products must receive regulatory approval before they can be sold, but the Issuer may not be able to obtain such approvals in a timely manner or at all. In all markets the Issuer operates in, including the United States and the European Union, crop protection products must be registered after being tested for safety, efficacy and environmental impact. In most of the Issuer's markets, crop protection products must also be re-registered after a period of time to show that they meet all current regulatory standards, which may have become more stringent since the initial registration of the product. Compliance with registration requirements, which vary from country to country and some of which are becoming stricter over time, involves significant investments of time and resources, and the Issuer may not be able to obtain such approvals. In most markets, including the United States and the European Union, crop protection and seed products must be registered after being tested for safety and environmental impact. Some markets also require products to be tested for efficacy prior to registration. The submission of an application to a regulatory authority does not guarantee that registration will be granted. Each authority may impose its own requirements and/or delay or refuse to grant registration, even when a product has already been approved in another country. In the Issuer's principal markets, the registration process increases the cost of developing new products and increases the risk that it will not succeed in selling them. In the past, there have been instances where the Issuer's products were found to have violated certain regulations relating to the environment.

Regulatory standards and trial procedures are continuously changing and responding to these changes and meeting existing and new requirements may be costly and burdensome for the Issuer. In addition, the changing regulatory standards may affect its ability to sell the products in the market. If the Issuer is unable to obtain all of the necessary approvals for its products, or if it is unable to register or re-register the products, its ability to sell products in some markets would be limited, which could have an adverse effect on its business, financial condition and results of operations. The Issuer also relies on third party service providers to conduct such trial procedures who may not complete such trials on schedule or in accordance with the regulatory requirements, which may lead to delays in the sale of its products. Any failure to obtain or maintain the necessary regulatory approvals for its products and changes to regulatory standards could severely impact the Issuer's business, results of operations, financial condition and prospects.

The Issuer is subject to risks associated with legal proceedings and governmental and tax investigations, including potential adverse publicity as a result thereof.

The Issuer is and may be involved from time to time in civil, labour, administrative or tax proceedings arising in the ordinary course of business. It is not possible to predict the potential for, or the ultimate outcomes of, such proceedings, some of which may be unfavourable to the Issuer. In such cases, it may incur costs and any mitigating measures (including provisions taken on its balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient.

On 22 January 2020, the Income Tax Department of the Indian government conducted a search at the offices and premises of UPL Limited. It was fully cooperative with the tax authorities in their search. UPL Limited has not heard back from the authorities since the searches. While it is not possible to anticipate the result of such searches, it is possible that tax authorities may challenge certain tax positions of the Group. The search by the Income Tax Department of the Indian government has also generated adverse publicity for the Issuer's business. Such adverse publicity or subsequent penalties, if any, by the tax authorities could have a material adverse effect on the Issuer's reputation, business, financial condition or prospects.

The transfer pricing agreements with the Issuer's subsidiaries may be subject to regulatory challenges, which may subject it to higher taxes.

The Issuer has entered into transfer pricing agreements with its subsidiaries as its products are transferred among its subsidiaries and affiliated corporations. In such agreements, the Issuer has determined transfer prices that it believes are at an arm's length basis and in compliance with all applicable transfer pricing laws in the relevant jurisdictions. However, there can be no assurance that it will continue to be found to be operating in compliance with transfer pricing laws, or that such laws, or their application or interpretation, will not be modified, any of which may require changes to its transfer pricing practises or operating procedures. Any modification of transfer pricing laws, or their application or interpretation, may result in a higher overall tax liability, including accrued interest and penalties and adversely affect the Issuer's earnings and results of operations.

Price fluctuations in the cost of raw materials and fuel, used to manufacture the Issuer's products, or disruptions in the supply of raw materials and fuel, may adversely affect its manufacturing costs.

The Issuer's manufacturing costs may be adversely affected by volatility in the cost of its raw materials and fuel, which are subject to global supply and demand and other factors beyond its control. As a significant portion of its cost of goods sold is represented by raw materials, its gross profit and margins could be adversely affected by changes in the cost of these raw materials if it is unable to pass any increased costs on to its customers. Although in the long-term changes in the prices of raw materials will be reflected in product prices, in the short term, raw material cost volatility poses a challenge as the Issuer may be unable to manage passing cost increases on to its customers in a timely manner by adjusting its prices. Rapid changes in pricing may also affect customer demand. In extraordinary cases, such as the notification of a force majeure event by a key supplier, the Issuer may find itself with insufficient raw materials to produce its products. Alternatively, if the availability of any of the Issuer's principal raw materials is limited, it may be unable to produce some of its products in the quantities demanded by its customers, which could have an adverse effect on plant utilisation and the sales of the products.

In addition, the Issuer's production process requires significant amounts of energy and fuel. It uses thermal coal and natural gas to generate electricity, operate its facilities and generate heat and steam for its various manufacturing processes. Thermal coal and natural gas prices have experienced significant volatility in the past several years and any disruptions in the thermal coal or natural gas supply to its production facilities could severely impact the Issuer's business, results of operations, financial condition or prospects.

The Issuer maintains inventories of raw materials, work in progress and finished goods.

The Issuer maintains inventories of raw materials, work in progress and finished goods. A high level of inventory increases its risk of loss and storage costs as well as the working capital needed to operate its business. As the Issuer's customers are not presently obliged to purchase its products or provide the Issuer with binding forecasts with respect to future production, there can be no assurance that its customers will require or purchase the goods it produces. If customer demand does not meet the Issuer's production levels due to unanticipated weather conditions or otherwise, this could have an adverse effect on its business, financial condition and results of operations.

The Issuer depends on certain key distributors and customers, and its business and financial conditions may be adversely affected if it is unable to retain these customers or distributors or keep its distributors sufficiently incentivised.

The Issuer relies to a significant extent on the relationships it has with its distributors, as they play a significant role in enhancing customer awareness of the Issuer's products and maintaining its brand name. However, the Issuer does not have any significant long-term contracts with any of these distributors. Furthermore, as its authorised distributors have day-to-day contact with customers, it is exposed to the risk of its distributors failing to adhere to the standards set for them in respect of sales and after-sales service, which in turn could affect the Issuer's customers' perception of its brand and products. In addition, the Issuer provides its distributors with incentives to sell its products by way of discounts. If its competitors provide better incentives to its distributors, such distributors may be persuaded to promote the products of the Issuer's competitors instead of the Issuer's products.

The Issuer's historical consolidated financial information may not be indicative of its current or future results of operations and no pro forma financial figures are being prepared for this offering to illustrate the impact of the acquisition of Arysta LifeScience Inc. ("Arysta").

In January 2019, the Issuer completed the acquisition of Arysta. Although Arysta's results of operations are partially reflected in its consolidated financial statements for the year ended 31 March 2019, Arysta's results of operations have not been reflected in its consolidated financial statements for an entire fiscal year and no pro forma financial statements are being prepared for the purposes of this offering to illustrate the impact of the acquisition of Arysta on its results of operations over an entire fiscal year. The Issuer's historical consolidated financial information will not be indicative of its future results of operations, especially due to the consummation of the acquisition of Arysta.

The Issuer may not realise the expected benefits of the acquisition of Arysta and other acquisitions (if any) because of integration difficulties and other challenges.

The success of the Arysta acquisition will depend, in part, on the Issuer's ability to realise all or some of the anticipated benefits from integrating Arysta's business with its existing businesses. The integration process may be complex, costly and time consuming. The difficulties of integrating the business include, among others:

- failure to implement its business plan for the combined business;
- unanticipated issues in integrating its logistics, information, accounting, communications and other systems;
- possible inconsistencies in standards, controls, procedures and policies between Arysta and its business;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- operating risks inherent in Arysta's business and in its business; and
- unanticipated issues, expenses and liabilities.

The Issuer may not be able to maintain the levels of revenue, earnings or operating efficiency that its business and Arysta, respectively, have achieved or might achieve separately. In addition, the Issuer may not accomplish the integration of Arysta's business smoothly, successfully or within the anticipated costs or timeframe. If it experiences difficulties with the integration process, the anticipated benefits of acquiring Arysta may not be realised fully, or at all, or may take longer to realise than expected.

Moreover, the Issuer may not achieve the projected revenue and cost synergies related to acquiring Arysta. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond its control. If it achieves the expected benefits, it may not be achieved within the anticipated timeframe. Also, the synergies from acquiring Arysta may be offset by costs incurred in consummating acquiring Arysta, increases in other expenses, operating losses or problems in the business unrelated to acquiring Arysta. As a result, there can be no assurance that such synergies will be achieved.

The Issuer may not be able to successfully identify, consummate and integrate future mergers or acquisitions.

The Issuer plans to strategically expand its product portfolio and the geographic scope of its operations, including through partnerships with local companies and strategic mergers or acquisitions of companies in key markets. It is actively seeking to identify potential targets that would help achieve one or more of these objectives. The merger or acquisition of any large target would require significant financial resources, resulting in significant cash outflow, increased debt financing, or all of the above. Mergers and acquisitions may also increase the Issuer indebtedness through existing indebtedness of the acquired company, which could significantly reduce or eliminate the headroom under existing bank loans or facilities and make it more difficult for the Issuer to incur additional indebtedness.

The merger or acquisition of companies involves other risks, including:

- the Issuer may not be able to identify suitable targets or acquire companies on favourable terms;
- it competes with other companies that may have stronger financial positions and are therefore better able to acquire product lines and companies;
- it may not be able to obtain the necessary financing, on favourable terms or at all, to finance any of its potential transactions;
- it may not be able to obtain the necessary regulatory approvals, including the approval of antitrust regulatory bodies, in any of the countries in which it may seek to consummate potential transactions;
- it may ultimately fail to complete a transaction after it announces its plan to acquire a product line or a company;
- transactions may require significant management resources and divert attention away from its daily operations, result in the loss of key customers and personnel, and exposure to unanticipated liabilities; and
- the intended benefits of a merger or acquisition may not materialise and the merger or acquisition may not be successful.

Any of the above may materially adversely affect the Issuer's business, financial condition and results of operation.

The Issuer has significant indebtedness and if the Issuer or any of its subsidiaries are unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could in turn cause repayment of their other debts to be accelerated.

The Issuer has significant indebtedness for which it would have to service interest. This is further exacerbated by the Issuer's acquisition of Arysta, for which the Issuer took out a loan of U.S.$3 billion, greatly increasing the Issuer's leverage. If the Issuer or any of its subsidiaries are unable to comply with the restrictions and covenants in their respective current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and/or declare all outstanding amounts due and payable, as the case may be. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debts and/or result in a default under the Issuer's or such subsidiary's other debt agreements. If any of these events occur, there is no assurance that the Issuer would have sufficient assets and/or cash flow to repay in full all of its indebtedness, or that it would be able to find alternative financing. Even if the Issuer could obtain alternative financing, it could not guarantee that it would be on favourable or acceptable terms.

A downgrade of the Issuer's rating or its rating outlook may have material and adverse effects on the Issuer and the Securities.

The Issuer has seen its rating outlooks being revised downwards, with Moody's downgrading the Issuer's rating outlook from positive to stable, S&P downgrading the Issuer's rating outlook from positive to stable and Fitch downgrading the Issuer's rating outlook from stable to negative. These downward revisions of the Issuer's rating outlooks stem from the increase in the Issuer's leverage arising from the debt-funding of the acquisition of Arysta. If the Issuer is unable to deleverage sufficiently within the rating window, the Issuer may face further declines in its rating or its rating outlook. This will affect the perceived creditworthiness of the Issuer and in turn, the value of the Securities and the Issuer's access to further credit, whether on favourable terms or at all.

The Issuer may have additional capital or funding requirements, which may have to be met by debt or equity financing. If the Issuer is unable to obtain such financing on acceptable terms, if at all, its growth plans may be adversely affected.

The Issuer may require more debt and equity funding to fund its operations, to expand its business, for capital expenditure purposes, to make strategic acquisitions and to service its indebtedness. The raising of additional debt funding, if required, would result in increased debt service obligations and could result in additional operating and financing covenants, or liens on its assets, that would restrict its operations. If the Issuer is unable to repay or refinance this debt on acceptable terms, or at all, its financial condition would be materially adversely affected. There can be no assurance that debt or equity financing or internal accruals will be available in amounts sufficient to meet its requirements, on terms acceptable to the Issuer, or at all. Without the necessary capital, the Issuer may not be able to fund its operations, expand its business, make strategic acquisitions and service its indebtedness.

Adverse developments in the credit markets globally or a reduced perception of the Issuer's creditworthiness, could increase its debt service costs and the overall cost of its funds. Furthermore, the Issuer's ability to obtain required capital on acceptable terms, if at all, is subject to a variety of uncertainties, including:

- limitations on its ability to incur additional debt, including, as a result of prospective lenders' evaluations of its creditworthiness and pursuant to restrictions on incurrence of debt in its existing and anticipated credit facilities;

- limitations on its ability to raise capital from the credit markets;

- investors' and lenders' perception of, and demand for, debt and equity securities of agricultural chemical companies, as well as the offerings of competing financing and investment opportunities;

- limitations on its ability to raise capital in the capital markets and conditions of the capital markets in which it may seek to raise funds;

- economic, political and other conditions in Latin America, North America and Europe, and other countries in which it has operations; and

- its future results of operations, financial condition and cash flows.

Furthermore, certain of the Issuer's debt instruments restrict its ability to incur or guarantee additional indebtedness and require the Issuer and its subsidiaries to maintain certain financial covenants that could limit its ability to incur debt or guarantee debt of other subsidiaries and affiliates.

In case of registrations applied for by the Issuer or its subsidiaries but held in the names of third parties including distributors, consultants or its subsidiaries, any default in complying with the terms of such registrations may restrict the Issuer's ability to market and distribute such generic crop protection products in those countries thereby affecting its business opportunity, business and results of operations.

The Issuer and its subsidiaries apply for and obtain registrations in the names of third parties including distributors, consultants in addition to its own name. In such instances, it incurs all and/or part of expenses in relation to tests, creating dossiers and seeking registrations. On receipt of registration, the Issuer derives beneficial interest from the sale of generic active ingredients and formulations pursuant to such third-party registrations. If the parties that hold such registrations default in complying with the terms of such registration and, as a result, the Issuer is unable to market and distribute generic active ingredients and formulations in those countries and therefore lose the existing business opportunity, this would have an adverse effect on the Issuer's business, financial condition, results of operations and cash flows.

Changes in the prices of key crop commodities may affect the Issuer's product sales.

The prices of crops are volatile and may fluctuate due to the below factors:

- the inventory levels of the crops;

- the expected and actual yield;

- the quality of the yield;

- government intervention in terms of price controls and procurements;

- the weather conditions; and

- the political situation; etc.

When the prices of key crop commodities fluctuate together with the above factors, farmers may change their cropping patters accordingly by switching to harvest crops which fetch more favourable prices. Farmers may not require the same products offered by the Issuer for such alternative crops and it may hence experience lower sales.

While the Issuer has sought to diversify its product offerings to reduce dependence on one or a few crops, it may not be able to cater to all types of crops and may hence experience lower sales and lost customers when farmers change their crop offerings.

UPL owns majority of the Issuer's equity share capital and accordingly has the ability to decide the outcome of matters submitted to shareholders for approval, and their interests may differ from those of the holders of the Securities.

As of 31 December 2019, UPL Limited ("**UPL**") owns 77.8 per cent. of the Issuer's equity share capital while Abu Dhabi Investment Authority ("**ADIA**") and TPG Capital hold the remaining minority share. Accordingly, UPL has the ability to decide the outcome of matters submitted to shareholders for approval, including matters relating to any sale of all or substantially all of the Issuer's assets, the timing and distribution of dividends and the election or termination of appointment of the Issuer's directors. This could delay, defer or prevent or impede a merger, consolidation, takeover or other business combination involving the Group, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Group even if it is in the Group's best interest. In addition, for so long as UPL continues to exercise substantial control over the Group, it may influence the material policies of the Group in a manner that could conflict with the interests of the Securityholders and UPL may have interests that are adverse to the interests of the holders of the Securities.

The Issuer's substantial shareholders may change.

There is no assurance that the Issuer's substantial shareholder will not sell all or part of their stake in the Issuer. There is no guarantee that any change in controlling ownership arising from such sale (if any) will not adversely affect the performance of the Group. See also "*Terms and Conditions of the Securities – Redemption and Purchase – Redemption for Change of Control*" and "*– Interest Payments – Increase in Interest Rate following a Change of Control Triggering Event*".

UPL products account for a significant portion of the Issuer's purchases and the Issuer relies on UPL's senior management and operations for the Issuer's business.

For FY2017, FY2018, FY2019, the purchase of UPL products accounted for 43.96 per cent., 36.03 per cent. and 32.67 per cent. of the Issuer's cost of goods sold, respectively. These transactions involve product purchases by the Issuer which are on-sold to the Issuer's customers. Should UPL encounter manufacturing issues and UPL's products become limited, this could affect the Issuer's sales and in turn its business, results of operations, financial condition and prospects. While the Issuer believes that these transactions have been carried out on an arm's length basis and on terms at least as favourable to the Issuer as would have been the case in a transaction with an unrelated party, there is no assurance that it could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

The senior management of UPL has influence on the Issuer's business and the Issuer relies on their expertise from an operational standpoint. Although it benefits from the combined experience of the senior management members of UPL, they may influence the material policies of the Group in a manner that could conflict with the interests of the Group and may have interests that are adverse to the interests of the holders of the Securities.

As such, any material disruptions in UPL's operations or manufacturing plants could have an adverse effect on its business, operations and financial position.

The Issuer's business could be adversely affected by the introduction of alternative crop protection measures such pest resistant seeds or genetically modified ("GM") crops or by increased weed and insect resistance.

The Issuer's business may be adversely affected by the increased use of pest resistant seeds, GM crops and other substitutes of its products. While the launch and wide commercial use of GM crops may take some time, GM crops are likely to have more resistance to insects, pests and diseases. The growth and acceptance of such alternative crop protection measures may have a material adverse effect on its business, financial condition and results of operations. Conversely, there have been instances of species of weeds and insects developing resistance to crop protection products designed to control or eradicate them. Such resistance may result in reduced demand for the affected product, which may not be offset by increased sales of alternative products. If the Issuer fails to adopt its product range to respond to such developments, demand for its products (or their price) may decline, adversely affecting its financial condition and results of operations.

In addition, restrictions on certain crop protection products use for environmental concerns could increase, which would adversely impact sales of the Issuer's products used for crop protection.

The crop protection products industry is highly competitive and the Issuer may struggle to maintain its current market position.

The Issuer's industry is highly competitive and it faces significant competition from large international producers, as well as from smaller regional competitors. Competition is based on a number of factors, such as product quality, the availability of substitute products, service and price. In many segments of the market, the number of products available to growers is steadily increasing as new products are introduced. The Issuer sells products that lack patent protection, and competition for commoditised products, such as basic formulations, is based primarily on price and to a lesser extent on product performance, product quality, product deliverability, reliability of supply and customer service. It may not be able to protect its market position for these products through product differentiation. In addition, intense competition in the post-patent product segment may limit the Issuer's ability to pass on cost increases to its customers and could have an adverse effect on its profit margins. The companies that operate in the patent-protected segment of the crop protection industry devote enormous resources to researching new compounds and technologies that may provide superior benefits when compared with the products currently on the market. If such companies are successful in commercialising and securing patent protection for such products, the Issuer's sales of competing products would likely be significantly reduced.

The Issuer's competitors may improve their competitive position in the Issuer's core end-use markets by successfully introducing new products, improving their manufacturing processes or expanding their capacity or manufacturing facilities. In addition, increased competition from existing or new products may reduce demand for the Issuer's products in the future and its customers may decide on alternative sources to meet their requirements. The long-term impact of competition for these products is unclear. Some competitors may be able to drive down prices for the Issuer's products if they have lower operating costs. Alternatively, other competitors may have greater financial, technological and other resources, enabling them to better withstand cost and demand changes in the market. Such competitors may be better able to withstand changes in market conditions than the Issuer. Its competitors may also be able to respond more quickly than the Issuer to new or emerging technologies or changes in customer requirements. If the Issuer is unable to keep pace with its competitors' product and manufacturing process innovations, it may be unable to maintain its current market position. In addition, consolidation of its competitors, including, for example, China National Chemical Corporation's acquisition of Syngenta, merger of Dow and Dupont and more recently, the acquisition of Monsanto by Bayer, may reduce the demand for the Issuer's products which could have an adverse effect on its business, operations and financial position.

If the Issuer is unable to develop new or commercially viable products, its business would be adversely affected.

Research and development ("**R&D**") is expensive and prolonged, and entails considerable uncertainty as to its returns and results. As part of the Issuer's growth strategy, it is involved in the R&D of crop protection products. There can be no assurance that its expenditure on R&D activities will yield results of substantial commercial value and no new or commercially viable products may be developed or launched. In addition, research undertaken by competitors may lead to the launch of competing or improved products which may adversely affect the sales of its new or existing products which could severely impact its business, results of operations, financial condition and prospects.

By developing differentiated products such as new formulations and delivery systems, the Issuer aims to move its product mix towards post-patent products with value-added characteristics that do not compete directly with generic formulations. However, this strategy depends on the Issuer's ability to continually develop and bring to market new products and formulations. Product development is inherently uncertain, and there can be no assurance that the Issuer will continue to be able to develop and bring to market new products that produce adequate sales volumes and margins.

The rising sale of counterfeit products, spurious pesticides and spiked bio-pesticides pose a threat to the growth of the Issuer's industry.

Counterfeit products, spurious pesticides or sub-standard products may be marketed and sold under the same or similar name of the Issuer's products in breach of registration requirements by other entities, which could damage its reputation and adversely affect its sales. Spurious pesticides result in by products which may significantly harm the soil and environment and pose a threat to the industry's growth. The rising sale of spurious pesticides and spiked bio-pesticides could severely impact the Issuer's business, results of operations, financial condition and prospects.

Any breaches of the Issuer's corporate social responsibility policies could harm the Issuer's reputation and business.

The Issuer is exposed to risks in relation to possible breaches of the Issuer's policies in its operations including in the seed business, some of which are labour-intensive. While the Issuer has stringent labour policies and standards, any breach of labour, including child labour, laws and regulations on the part of the Issuer's third party contractors or partners could damage the Issuer's reputation, and the Issuer could face enhanced scrutiny or be subjected to other adverse legal consequences.

The Issuer is subject to different tax regulations, customs laws, international trade laws, export control laws, antitrust laws, zoning and occupancy, health and safety and labour and employment laws that could require Issuer to modify its current business practises and incur increased costs.

The Issuer is subject to numerous regulations, including customs and international trade laws, export/import control laws, and associated regulations. These laws and regulations limit the countries in which the Issuer can carry out business, the persons or entities with whom it can carry out business, the products which it can buy or sell, and the terms under which it can carry out business, including exposure to anti-dumping restrictions and investigations. In addition, the Issuer is subject to antitrust laws, zoning and occupancy laws that regulate manufacturers generally and govern the importation, promotion and sale of its products, the operation of factories and warehouse facilities and relationship with its customers, suppliers and competitors. The Issuer is also subject to health and safety laws that regulate the working conditions of its employees and the handling of hazardous materials. If any of these laws or regulations were to change or were violated by its management, employees, suppliers, buying agents or trading companies, the costs of certain goods could increase, the Issuer could experience delays in shipments of its goods, be subject to fines or penalties, or suffer reputational harm, all of which could reduce demand for its products and hurt its business and negatively impact results of operations. The Issuer also faces the risk of dumping of products from China where the charges are below the prices charged in China, or below the cost of production, which may harm its competitive position and business. In addition, in some areas it benefits from certain trade protections, including anti-dumping protection. If the Issuer was to lose these protections, its results of operations could be adversely affected.

For example, in 2012, the U.S. Customs and Boarder Protection ("**CBP**") conducted a focus assessment procedure on the import records of the Issuer's U.S. subsidiary, UPI-US. During this assessment, CBP identified a few product classification, transaction values and Generalised System of Preference ("**GSP**") issues. As a result, UPI-US was required to complete a thorough checking of all of its imports into the United States for a certain period of time, after which UPI-US corrected the identified issues and paid all necessary additional custom duties as per corrected values. In 2015, CBP conducted a follow-up audit on

UPI-US and determined that UPI-US had effectively implemented changes to its internal control system per CBP's recommendation given in 2012.

There have also been incidents where the Issuer was fined for importing unregistered or misbranded products.

In addition, changes in statutory minimum wage laws and other laws relating to employee benefits could cause the Issuer to incur additional wage and benefits costs, which could negatively impact its profitability. It exercises significant judgement in calculating its worldwide provision for income taxes and other tax liabilities, and believes its tax estimates are reasonable. Despite the advice received by the Issuer, there is no assurance that such tax estimates will be correct. It may be subject to audits by tax authorities in the future and the tax authorities may disagree with its tax treatment of certain material items, including past or future acquisitions and/or dispositions, and thereby require recalculation and potentially increase its tax liability. In addition, changes in existing laws may also increase its effective tax rate. A substantial increase in its tax burden could have a material adverse effect on its business, results of operations, financial condition or prospects.

Legal requirements frequently change and are subject to interpretation, and the Issuer is unable to predict the ultimate cost of compliance with these requirements or their effects on its operations. The Issuer may be required to make significant expenditures or modify its business practises to comply with existing or future laws and regulations, which may increase its costs and materially limit its ability to operate its business.

Changes in the agricultural policies of governments and international organisations may prove unfavourable.

In subsidised markets such as the United States and the EU, the reduction of subsidies to farmers may inhibit the growth of crop protection markets. In each of these areas, there are various pressures to reduce subsidies. In addition, regulation and tariffs in jurisdictions may be changed in ways that support the Issuer's competitors, such as the imposition of import tariffs or price support for domestic producers in its key markets. However, it is difficult to predict accurately whether, and if so, when and the extent to which, such changes will occur. Any change in the policies of governments and international organisations that affect the income available to growers to purchase crop protection products will have a negative effect on the Issuer's results of operations, financial condition and business.

The Issuer could be held liable in connection with pollution.

A large number of the Issuer's current, past or discontinued production facilities have a long history of industrial use which may include chemical processing, hazardous substances and waste storage and related activities such as landfill activities. As a result, soil and groundwater contamination can occur due to releases of hazardous substances in the future and it is possible that such contamination could be discovered at its sites in the future.

Certain environmental laws, regulations and court decisions impose liability for contamination on present and former owners, operators or users of facilities and sites, whether on or from such facilities and sites without regard to causation, negligence or knowledge of contamination. At any time, the Issuer could be responsible for investigating and remediating contamination that originated at its facilities or was caused by operations at its facilities, which could result in substantial unanticipated costs. The occurrence of future releases of hazardous materials, the discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at the Issuer's facilities, could result in substantial unanticipated costs. It may also become obligated to pay fines or fees if its emissions and/or other activities are in excess of regulatory limits.

The Issuer's financial results may also be adversely affected if environmental liability arises for which it is not adequately indemnified. Although the Issuer believes the indemnities given by the selling parties from whom it has acquired assets or businesses will help to defray the cost associated with pre-acquisition environmental liabilities, its financial results may still be adversely affected to the extent the sellers do not fulfil their respective indemnification obligations, and/or the Issuer breaches its obligations not to undertake certain activities that may aggravate existing conditions or to mitigate associated losses.

Additionally, the Issuer could be required to establish or substantially increase financial reserves for obligations or liabilities in relation to remediation costs. If the Issuer fails to accurately predict the amount or timing of such costs, the related impact on its business, results of operations or financial condition, in any period in which such costs need to be incurred, may be material. In addition, in certain jurisdictions, authorities are empowered to impose liens on real estate and attach accounts of the property operator to cover remediation costs.

Provisions for environmental liabilities may be insufficient.

The Issuer regularly reviews all of its environmental risks and the provisions made for such risks. A provision is recorded when it has a present obligation as a result of a past event, the amount of the obligation can be reliably estimated, and it is probable that an outflow of resources of economic value will be required to settle the obligation. Provisions are determined based on, among other factors, known events, the type and scope of pollution, site rehabilitation techniques, applicable laws and regulations, and estimated risks, at each balance sheet date and adjusted as needed at subsequent balance sheet dates. Since such determinations are based on a range of factors, many of which may change and are subject to unforeseeable or unpredictable circumstances, the Issuer cannot assure you that such provisions will be sufficient. For example, from time to time it may incur remediation costs at its current facilities and newly acquired facilities. If environmental harm is found to have occurred as a result of its current or historical operations (as a successor), it may incur significant remediation costs and be required to pay substantial fines. Should provisions made for environmental liabilities fall short of any unforeseen environmental compliance costs and/or liabilities, the Issuer may have to make additional payments, which could have a material adverse effect on its business, financial condition and results of operations.

Production at the manufacturing facilities of the Issuer could be disrupted for a variety of reasons. The Issuer could be exposed to significant losses or liabilities by any such disruptions.

Due to the nature of the Issuer's business, it is exposed to the normal risks of industrial production and hazards associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes. These risks and hazards could lead to an interruption or suspension of the Issuer's operations and have an adverse effect on the productivity and profitability of a particular manufacturing facility or on the Issuer as a whole. These potential risks of disruption include, but are not necessarily limited to:

- storage tank leaks and ruptures;
- explosions and fires;
- inclement weather, including floods, and natural disasters;
- terrorist attacks;
- failure of mechanical, process safety and pollution control equipment;
- labour stoppages;
- government directives;
- contamination, chemical spills and other discharges or releases of toxic or hazardous substances or gases; and
- exposure to toxic chemicals.

In the course of the Issuer's operations, it has experienced similar hazards and disruptions, which are customarily associated with chemical manufacturing.

All of the above hazards could also expose employees, customers, the community and others to toxic chemicals and other hazards, contaminate the environment, damage property, result in personal injury or death, lead to an interruption or suspension of operations, damage its reputation and adversely affect the productivity and profitability of a particular manufacturing facility or the Issuer as a whole, and result in the need for remediation, governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties. Legal claims and regulatory actions could subject Issuer to both civil and criminal penalties, which could affect its product sales, reputation and profitability. The Issuer cannot be certain that its environmental, health and safety compliance, management and response systems currently in place will be sufficient to prevent such potential risks or to remedy any such disruption or incident.

Moreover, the type of activities performed by the Issuer's employees during the production process and resultant contact with harmful and hazardous substances could increase the risk of accidents. Although the Issuer promotes awareness through trainings and briefings and ensure safe working conditions for its employees, it cannot be certain that the implemented safety measures and programs will prevent accidents occurring onsite or employees contracting occupational diseases, which may have a negative impact on its operating activities and financial performance.

In the event that an individual successfully brings a claim against the Issuer, it may not have adequate insurance to cover such claims or may not have sufficient cash flow to pay for such claims. Such outcomes could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Issuer's manufacturing facilities may also be subject to power interruptions. While all of its plants have some back-up power generation capacity, it is only sufficient to maintain limited operations. As a result, any extended power supply interruption will result in reduced production at the affected plant.

Any interruption to production at any of these plants could materially reduce the Issuer's production, sales revenue and profit. This in turn could have a material adverse effect on its business, results of operations, financial condition and prospects. If any disruptions occur, alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant amount of time to start production. Each of these scenarios could negatively affect the business, results of operations, financial condition or prospects of the Issuer. If one of its key manufacturing facilities is unable to produce its products for an extended period of time, its sales may be reduced by the shortfall caused by the disruption and it may not be able to meet its customers' needs, which could cause them to seek out other suppliers. Furthermore, to the extent a production disruption occurs at a manufacturing facility that has been operating at or near full capacity, the resulting shortage of the Issuer's product could be particularly harmful because production at the manufacturing facility may not be able to reach levels achieved prior to the disruption.

While the hazards associated with chemical manufacturing have not resulted in incidents that have significantly disrupted its operations or exposed the Issuer to significant losses or liabilities to date, the Issuer cannot assure you that it will not suffer such losses in the future.

The Issuer's products may infringe on the intellectual property rights of others, which may cause the Issuer to incur unexpected costs or prevent it from selling its products.

The Issuer continually seeks to improve its business processes and develop new products and applications. Many of its competitors have a substantial amount of intellectual property that it must continually monitor to avoid infringement. Although it is the Issuer's policy and intention not to infringe valid patents, whether present or future and other intellectual property rights belonging to others, it cannot assure you that its processes and products do not and will not infringe issued patents. If patents belonging to others already exist that cover its products, processes, or technologies, or are subsequently issued, it is possible that the Issuer could be liable for infringement of such patents and it could be required to take remedial or curative actions to continue its manufacturing and sales activities with respect to products that are found to be infringing. Intellectual property litigation is often expensive and time-consuming, regardless of the merits of any claim, and the Issuer's involvement in such litigation could divert its management's attention away from operating its business. If the Issuer was to discover that any of its processes, technologies or products infringe the valid intellectual property rights of others, it might seek to obtain licenses from the owners of such rights or substantially re-engineer its products in order to avoid infringement. The Issuer may not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to re-engineer its products in a manner that is successful in avoiding infringement. Moreover, if the Issuer is sued for infringement and lose, it could be required to pay substantial damages or be prohibited from using and selling the infringing products or technology. Any of the foregoing could cause the Issuer to incur significant costs and prevent it from selling its products.

Legal proceedings filed by or against the Issuer and adverse outcomes may harm its business, including a current case pending in the United States.

The Issuer cannot predict with certainty the cost of prosecution, the cost of defence or the ultimate outcome of litigation and other proceedings filed by or against it, including remedies and damage awards. The Issuer has been, and in the future may be, involved in litigation and other proceedings relating to intellectual property, commercial arrangements, environmental, health and safety, labour and employment or other harms, including claims resulting from the actions of individuals or entities outside of the Issuer's control, such as the Issuer's sub-contractors. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in its business, damages and injunctions prohibiting the Issuer's use of business processes or technology that are subject to third party patents or other third-party intellectual property rights. Litigation based on environmental contamination or exposure to hazardous substances in the workplace or from the Issuer's products could result in material liability.

One such case involves Decco Post-Harvest, Inc., Cerexagri and Decco U.S Post Harvest, Inc. (collectively, the "**Decco Defendants**"), the Issuer's wholly-owned subsidiaries incorporated in the United States, which in June 2016 entered into a 50:50 joint venture with Dr. Nazir Mir ("**Dr. Mir**") and MirTech, Inc. ("**MirTech**"), a wholly-owned entity of Dr. Mir, to form Essentiv LLC ("**Essentiv**"). The primary purpose of forming Essentiv was to commercialise certain technology relating to the application of 1-MCP, a technology developed by Dr. Mir (the "**1-MCP Technology**"). As part of the joint venture arrangement, such technology was licensed by MirTech and Dr. Mir to Essentiv for a consideration. In August 2016, AgroFresh Inc. ("**AgroFresh**") filed a complaint against Dr. Mir, Essentiv and Decco Defendants in the federal court in Delaware, United States, and brought several claims (the "**AgroFresh Litigation**"). AgroFresh and the defendants, in the interest of time, agreed to divide the litigation in two phases: Phase 1 which was against Dr. Mir and Mirtech had two counts alleging, first, that AgroFresh had an existing consultancy arrangement with Dr. Mir which gave it ownership interest over the 1-MCP Technology, and, second, that Dr. Mir fraudulently induced AgroFresh to amend the consulting agreement that he had with AgroFresh by which a carve out was created with respect to the ownership of the 1-MCP Technology in favour of Dr. Mir. In June 2017, the federal court gave an opinion in favour of AgroFresh on two counts in Phase 1. Phase 2 related to several other counts against the Decco Defendants, including those relating to patent infringement and misappropriation of trade secrets. On 11 October 2019, the federal court gave an opinion in favour of AgroFresh on certain counts of misappropriation of trade secrets, tortious interference with existing contracts, unfair competition, conversion and civil conspiracy, with damages awarded to AgroFresh totalling more than U.S.$31 million. UPL has filed a motion to reduce the damages, while AgroFresh has filed a motion to restrict UPL from entering the 1-MCP market and to increase the quantum of damages.

While the quantum of damages are still being contested, the Issuer is unable to ascertain the total liability under the AgroFresh Litigation. Therefore, there can be no assurance that the results of such legal proceedings will not materially harm the Issuer's business, reputation or standing in the marketplace. See "*Business – Legal and Regulatory Proceedings*".

Any adverse outcomes in any litigation or other proceeding, including the AgroFresh Litigation could have a material adverse effect on the Issuer's business, results of operations, financial condition or prospects.

The business of the Issuer involves risk of exposure to product liability claims.

The development, manufacture and sales of the Issuer's products involve inherent risks of exposure to product liability claims, product recalls and related adverse publicity. While it attempts to protect itself from such claims and exposures in its adherence to standards and specifications and contractual negotiations, the Issuer cannot assure you that its efforts in this regard will ultimately protect it from any such claims. For instance, a customer may attempt to seek contribution from the Issuer due to a product liability claim brought against them by a consumer, or a consumer may bring a product liability claim directly against the Issuer. A product liability claim or judgement against the Issuer could result in substantial and unexpected expenditures, affect consumer or customer confidence in its products, and divert management's attention from other responsibilities. A successful product liability claim or series of claims against the Issuer that are not covered under its existing insurance policies or in excess of the Issuer's insurance coverage payments, for which it is not otherwise indemnified, could have a material adverse effect on the business, results of operations, financial condition or prospects of the Issuer.

All products of the Issuer include directions for use, including the correct dosage. However, crops may be damaged should the end user fail to follow such directions. While this may not be under the Issuer's control, any such damage could result in potential litigation instituted by the end users and may consequently damage its reputation. The Issuer may also incur significant costs defending such suits which may have a material adverse effect on its business, results of operations, financial condition or prospects.

The insurance that the Issuer maintains may not fully cover all potential exposures.

Although the Issuer maintains insurance typical of similarly situated companies in its industry, such insurance may not cover all risks associated with the operation of its business or its manufacturing process and the related use, storage and transportation of raw materials, products and wastes in or from its manufacturing sites or its distribution centres. While the Issuer has purchased what it deems to be adequate limits of coverage and broadly worded policies, its coverage is subject to limitations, including higher self-insured retentions or deductibles and maximum limits and liabilities covered.

The Issuer may incur losses beyond the limits or outside the terms of coverage of its insurance policies, including liabilities for environmental remediation. In addition, from time to time, various types of insurance for companies in the specialty chemicals industry have not been available on commercially acceptable terms or, in some cases, at all. The Issuer is potentially at additional risk if one or more of its insurance carriers fail. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers. Future downgrades in the ratings of enough insurers could adversely impact both the availability of appropriate insurance coverage and its cost. In the future, the Issuer may not be able to obtain coverage at current levels, if at all, and its premiums may increase significantly on coverage that it maintains.

Courts have levied substantial damages in the United States and elsewhere against a number of crop protection companies in past years based upon claims for injuries allegedly caused by the use of their products, and may do so in connection with the aforementioned claims or in connection with any future litigation. A substantial product liability or environmental claim that is not covered fully or at all by insurance could have a material adverse effect on the Issuer's results of operations or financial condition. In addition, regardless of their prospects or actual results, product liability lawsuits might involve considerable costs to defend against and may adversely impact the Issuer's reputation in the market.

Security breaches could compromise sensitive information belonging to the Issuer and could harm its business (including its intellectual property) and reputation.

The safeguarding of the Issuer's information technology infrastructure is important to its business. A cyber-attack that bypasses its information technology ("**IT**") security systems causing an IT security breach may lead to a material disruption of its IT business systems and/or the loss of business information, resulting in adverse business impact. Adverse effects could include:

- the theft, destruction, loss, misappropriation or release of the Issuer's confidential data or intellectual property;

- operational or business delays resulting from the disruption of IT systems and subsequent clean-up and mitigation activities; and

- negative publicity resulting in reputation or brand damage with the Issuer's customers, partners or industry peers.

Any of the above may materially adversely affect the Issuer's business, financial condition and results of operation.

The Issuer's future success depends on its continued ability to attract and retain key personnel.

The crop protection products industry is science-based and it is therefore imperative that the Issuer attracts and retains qualified personnel in order to develop new products and compete effectively. The Issuer's ability to operate its business and implement its strategies depends, in part, on the continued contributions of its executive officers and other key employees. The loss of any of the Issuer's key senior executives could have an adverse effect on its business unless and until a replacement is found and it may not be able to locate or employ qualified executives on acceptable terms. In addition, the Issuer believes that its future success will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. Competition for these persons is intense, and it may not be able to successfully recruit, train or retain qualified managerial personnel. If the Issuer fails to attract and retain key scientific, technical or management personnel, its business could be affected adversely. If the Issuer is unsuccessful in retaining or replacing key employees, this in turn could materially adversely affect its business, financial position, results of operations and prospects.

Any labour unrest or difficulties managing the Issuer's employees may significantly reduce its profitability and affect its results of operations.

As of 31 December 2019, the Issuer had a total work force of 5,617, some of which was unionised. Although the Issuer believes that its relationships with its employees is generally good, it cannot guarantee that additional employees will not further unionize or that it will not experience strikes, work stoppages or other industrial actions in the future. If the Issuer experiences any labour unrest or otherwise encounter any difficulties managing its employees, its costs may increase, its profitability may be reduced or its business operations may otherwise be affected. Any such event could disrupt the Issuer's operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have a material adverse effect on the Issuer's business, financial condition or results of operations.

A failure of the Issuer's internal controls over financial reporting may have an adverse effect on its business and results of operations.

The Issuer's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorisation. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Issuer's financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit the Issuer's ability to report its financial results accurately and in a timely manner, or to detect and prevent fraud.

The Issuer is exposed to risks of failing to comply with anti-bribery and anti-corruption laws.

There is an increasing focus globally on the implementation and enforcement of anti-bribery and anti-corruption legislation, and doing business on a worldwide basis requires Issuer to comply with the laws and regulations of various jurisdictions. In particular, the Issuer's international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practises Act of 1977 (the "**FCPA**") and the United Kingdom Bribery Act of 2010 (the "**Bribery Act**", and, together with the FCPA, the Prevention of Corruption Act, 1988 and other similar regulations, "**Anti-Corruption Laws**"). The FCPA, together with similar statutes in other jurisdictions, prohibits providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. In the context of the Issuer's business, government officials interact with the Issuer in a variety of roles that are important to its operations, such as in the capacity of a regulator, partner, reimburser or prescriber, among others. The provisions of the Bribery Act extend beyond the bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties.

The Issuer is exposed to a potential compliance risk with respect to Anti-Corruption Laws applicable in those countries in which it operates. In addition, some of the international locations in which the Issuer conducts business lacks a developed legal system and have high-perceived levels of corruption. Its continued expansion and worldwide operations, including in developing countries, increase the potential compliance risk with respect to Anti-Corruption Laws.

Violations of Anti-Corruption Laws by the Issuer, its subsidiaries or its local agents are punishable by civil, criminal and administrative penalties, including fines, injunctions, asset seizures, revocations or restrictions of licences, monitoring or self-reporting obligations and exclusion from government reimbursement programmes, as well as possible imprisonment, any of which could materially adversely affect the Issuer's reputation, business or results of operations.

The Issuer has operations in countries subject to sanctions and sales to certain entities in or related to several countries subject to various sanctions.

The Issuer has operations in countries subject to various sanctions, including Russia. It also has sales to certain entities in or related to Ukraine, Iran, Libya, Myanmar, Sudan, Cuba and Syria which in the aggregate were less than 1 per cent. of its revenue from operations in each of FY2017, FY2018 and FY2019. The Issuer believes that its entities and employees responsible for these operations and sales are not the target of any sanctions, and its operations with respect to these countries comply with all applicable sanctions, including the avoidance of dealings with persons and entities that are the target of sanctions. Non-compliance with sanctions could result in, among other things, significant fines, negative publicity and reputational damage, debarment from the ability to contract with governments or agencies and limitation on its ability to raise funding from international financial institutions or the international capital markets. The Issuer cannot assure you that it would remain compliant with sanctions. Furthermore, there can be no assurance that other persons and entities with whom the Issuer now, or in the future, may engage in transactions will not become the target of sanctions.

Customers of the Issuer may be unable to pay their debts due to local economic conditions.

The majority of the Issuer's deliveries are against future payment and the credit terms vary according to local market practice. As the customers of the Issuer are exposed to downturns in their local economy which may impact their ability to satisfy their debts, including payment for its delivered products, this may have an adverse effect on its business, financial position, results of operations and prospects. As of the date of this Offering Circular, the majority of the Issuer's sales are insured against credit risk, but should economic conditions worsen, there can be no assurance that the Issuer's credit risk insurance coverage will be sufficient.

The Issuer may suffer losses due to adverse foreign exchange fluctuations.

A substantial portion of revenue and expense items are incurred in currencies other than U.S. dollars. As a result, fluctuations in foreign currencies may have an impact on the Issuer's business and financial results, including due to translation effects of exchange rates. Some of its prices are fixed by contract and may not be changed prior to the expiration of such contracts. Further, local markets may not support price increases and any proposed price increase may erode market support and demand for the Issuer's products and services. The Issuer's economic results are particularly affected by difference between the value of the currencies in which it buys raw materials and other inputs and the value of the currencies in which the Issuer sells its products, as well as by the timing of exchange rate movements relative to its annual cycles of inventory build-up and sales. The Issuer denominates its consolidated financial statements in U.S. dollars. Since a considerable portion of the Issuer's operations, sales and raw material purchases are carried out in a variety of other currencies, its reported results are subject to fluctuations in the value of those currencies against the U.S. dollar, as well as fluctuations in cross-rates between those currencies. These currency fluctuations have had and may continue to have a material impact on the Issuer's reported results. In the course of normal business, the Issuer may hedge against foreign exchange risks using standard market instruments, and such hedging may adversely affect the Issuer's financial performance and results of operations depending on the movement of foreign exchange markets.

The value of the Issuer's intangible assets, including goodwill, may become impaired.

The Issuer has a significant amount of intangible assets, including goodwill arising from acquisitions, on its consolidated statement of financial position and, if it acquires businesses in the future, may record significant additional intangible assets and goodwill. As of 31 December 2019, the Issuer had intangible assets of U.S.$1,560.46 million (including intangible assets under development). It regularly tests its intangible assets for impairment. There can be no assurance that adverse operating conditions in its businesses generally will not result in revisions to its estimates of the value of those businesses. As a consequence, its intangible assets could become impaired and the resulting impairment losses could have a material adverse non-cash impact on its financial position and results of operations.

The Issuer is exposed to fluctuations in foreign exchange and interest rates.

The Issuer is exposed to exchange rate risk in its foreign exchange transactions which arise from its businesses in different countries. While it recorded an exchange gain of U.S.$0.16 million in FY2018, it recorded an exchange loss of U.S.$34.89 million in FY2019. The Issuer recorded exchange losses of U.S.$22.94 million and U.S.$10.44 million for the nine months ended 31 December 2018 and 2019, respectively.

The Issuer is also exposed to interest rate risk mainly arising from floating rate loans denominated in various currencies.

The Issuer hedges its foreign currency exchange and interest rate risks by entering into a cross currency interest rate swap, establishing a hedge ratio of one to one for all its foreign currency hedging relationships. It also leverages foreign exchange forward contracts to manage foreign exchange risk of expected sales and purchases.

Volatility in foreign exchange rates may be further accentuated due to other global and domestic macroeconomic developments and may materially and adversely affect the Issuer's business, financial condition and results of operations.

The Issuer is exposed to liquidity risk.

While the Issuer aims to manage its liquidity by ensuring it has 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 Issuer may not be able to meet its financial obligations as they fall due. The Issuer's total liabilities (comprising bonds, borrowings, lease obligations, other long term liabilities, trade and other payables) due within one year increased from U.S.$774.49 million as at 31 March 2018 to U.S.$1,658.07 million as at 31 March 2019, while the Issuer's total liabilities with maturity longer than a year increased from U.S.$939.52 million to U.S.$3,767.91 million. The Issuer's total liabilities due within one year increased from U.S.$1,658.07 million as at 31 March 2019 to U.S.$1,797.34 million as at 31 December 2019, while its total liabilities with maturity longer than a year increased from U.S.$3,767.91 million to U.S.$3,812.83 million. The Issuer manages its liquidity by maintaining adequate reserves, continuously monitoring its forecast and actual cash flows, and matching the maturity profiles of its financial assets and liabilities. Its liquidity risk may be exacerbated by several factors not within its control, including the deterioration of overall market conditions and severe disturbance to the financial market which may limit its access to alternative sources of funds. These factors could result in adverse effects on the Issuer's liquidity, business, financial position and results of operations, which in turn may negatively affect its ability to service the Securities and to satisfy its other obligations under the Securities.

There can be no assurance as to the accuracy or comparability of facts and statistics contained in this Offering Circular with respect to the economy or the relevant industry.

Facts, forecasts and other statistics in this Offering Circular relating to the economy or the relevant industry in which the Issuer operates have been directly or indirectly derived from certain public industry sources and although the Issuer believes such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers, and, therefore the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers make no representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

The outbreak, or threatened outbreak, of any severe communicable disease could materially and adversely affect the Issuer's business, financial condition and results of operations.

The outbreak, or threatened outbreak, of any severe communicable disease (such as the COVID-19) could materially and adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also affect the operations of the Issuer's customers and suppliers, which could materially and adversely affect the supply and demand of the Issuer's products, respectively. If any of the Issuer's employees or employees of the Issuer's suppliers are suspected of contracting an epidemic disease, this could require Issuer or the Issuer's suppliers to quarantine some or all of these employees or disinfect the facilities used for the Issuer's operations. Further, countries may impose travel bans to contain any outbreak. These would in turn result in delays and/or additional costs. In addition, the Issuer's revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

Risks Relating to Mauritius

The Issuer may become subject to unanticipated tax liabilities that may have a material adverse effect on its results of operations.

The Issuer is a Mauritius Category 1 Global Business Company ("**GBC1**") and is tax resident in Mauritius. As of 1 January 2019, the GBL1 has been renamed as Global Business License and existing companies holding the GBL1, where the licenses were issued on or before 16 October 2017, will be grandfathered until 30 June 2021 and licenses issued after 16 October 2017 were grandfathered until 31 December 2018.

Under the current provisions of the Income Tax Act 1995 ("**ITA 1995**"), the Issuer, as a Mauritius company, is taxed on its chargeable income at the rate of 15 per cent. in Mauritius. However, as a holder of a GBL1, it is entitled to a foreign tax credit on foreign source income at a rate which is the higher of (a) a deemed foreign tax credit representing 80 per cent. of the Mauritius tax chargeable on such income or (b) the actual tax suffered abroad in respect of foreign sourced income (including if the Mauritius company holds more than 5 per cent. of the issued capital of a company effecting a dividend distribution, the proportionate share of the foreign tax paid by such company), thus reducing its maximum effective tax rate to 3 per cent..

Section 2 of the ITA 1995 defines the term "foreign source income" as income which is not derived from Mauritius. This includes, in the case of a corporation holding a GBL1 License, income derived from its transactions with "non-residents". The ITA 1995 has an extensive definition of non-residents.

However, as from 1 January 2019, the Deemed Foreign Tax Credit was abolished and Global Business Companies are now taxed at the rate of 15 per cent.. A partial exemption regime has been introduced with 80 per cent. of the following income streams being exempted from tax:

- Foreign dividend (subject to such an amount not being treated as an allowable deduction in the source country)

- Foreign source interest income

- Profit attributable to a permanent establishment of a resident company in a foreign company

- Foreign source income derived by a collective investment scheme (CIS), closed end fund, CIS manager, CIS administrator, investment adviser or asset manager licensed or approved by the Mauritius Financial Services Commission

- Income derived by companies engaged in ship and aircraft leasing.

The Deemed Foreign Tax credit will continue to apply until the relevant grandfathering dates.

Under ITA 1995, interest paid by a GBC1 to a non-resident not carrying on any business in Mauritius out of its "foreign source income" is not subject to withholding tax in Mauritius. To the extent that the Issuer holds a GBL1, interest paid under the Securities issued to non-residents not carrying on any business in Mauritius out of its 'foreign source income' will therefore not be subject to withholding tax in Mauritius.

There is currently no capital duties levied in Mauritius on the issue, transfer, conversion or redemption of the Securities. To the extent that the Issuer does not hold any immovable properties in Mauritius, any transfer of Securities will be registered free of registration duties. Capital gains derived from the sale of the Securities will not be subject to tax in Mauritius.

The Issuer holds tax residence certificates issued by the Mauritius Revenue Authority. These certificates are required for the avoidance of double taxation under the Agreements for the Avoidance of Double Taxation signed between Mauritius and other jurisdictions, including India.

Prospective purchasers of the Securities are urged to consult their own tax advisers in order to fully understand the tax consequences of purchasing the Securities.

Risks Relating to the Securities

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or distribution payments is different from the potential investor's currency;

- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex investment securities. Sophisticated institutional investors generally do not purchase complex investment securities as stand-alone investments. They purchase complex investment securities as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The Securities are perpetual securities and investors have no right to require redemption

The Securities are perpetual and have no maturity date. The Issuer is under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Holders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities.

The obligations of the Issuer under the Securities are unsecured and subordinated.

The obligations of the Issuer under the Securities will be unsecured and subordinated. If an order is made, or an effective resolution is passed, for the winding-up or liquidation of the Issuer (otherwise than for the purposes of a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a "successor in business" (as defined in the Trust Deed) of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or substitution do not provide that the Securities shall thereby become redeemable or repayable in accordance with the terms of the Securities), the claims of the Holders will rank junior to the claims of holders of all senior obligations of the Issuer and *pari passu* with the claims of holders of all parity obligations of the Issuer. See "*Terms and Conditions of Securities – Status and Ranking of Claims – Ranking of claims on Winding-Up*".

A Holder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer. Furthermore, the terms of the Securities will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date. The Securities will also be structurally subordinated to all obligations of the Issuer's subsidiaries including claims with respect to trade payables (and the terms of the Securities also do not limit the amount of debt or other obligations that may be incurred by the Issuer's subsidiaries). The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up or administration of the Issuer or its subsidiaries and/or may increase the likelihood of a deferral of interest payments under the Securities.

In addition, subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities and each Holder shall, by virtue of holding any Security, be deemed to have waived all such rights of set-off, compensation or retention.

Accordingly, an investor in subordinated securities such as the Securities may lose all or some of its investment if the Issuer becomes insolvent.

Holders may not receive interest payments if the Issuer elects to defer interest payments

Holders should be aware the interest may not be due and payable on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any obligations under the Securities or for any other purposes. While the deferral of interest payment continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Securities. Holders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

The Issuer is subject to certain restrictions in relation to the declaration and payment of dividends, distributions or other payments on its Junior Obligations and its Parity Obligations and to the redemption, reduction, cancellation, buy-back or acquisition for any consideration of its Parity Obligations or Junior Obligations, in each case until any outstanding Arrears of Interest is satisfied or save in certain specified situations as further described in the Terms and Conditions.

Any deferral of interest will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Group's financial condition.

The Securities may be redeemed at the option of the Issuer on a date falling between five calendar years and five calendar years and three months from the date of issue of the Securities and every six months from the latter date or upon the occurrence of certain other events

The Securities are redeemable at the option of the Issuer on any date during the period commencing on a date falling five calendar years from the Issue Date up to the First Reset Date and on every Interest Payment Date thereafter at their principal amount together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest).

In addition, upon the occurrence of a Tax Deductibility Event, Equity Credit Classification Event or an Accounting Event, the Issuer also has the right to redeem the Securities at 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date), or their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest). Upon the occurrence of a Gross Up Event, the Issuer has the right to redeem the Securities at their principal amount, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest). Upon the occurrence of a Change of Control Triggering Event, the Issuer has the right to redeem the Securities at 101 per cent. of their principal amount, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest).

The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Holders. This may be disadvantageous to the Holders in light of market conditions or the individual circumstances of the Holder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective interest rate at the same level as that of the Securities.

There are limited remedies for default under the Securities

Any scheduled interest will not be due if the Issuer elects to defer that interest pursuant to the Terms and Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due and the Issuer has not made payment in respect of the Securities for a period of ten days or more after the date on which such payment is due. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Terms and Conditions) any Holder of Securities for recovery of amounts in respect of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities will be instituting Winding-Up proceedings against the Issuer and/or proving in the Winding-Up of the Issuer and/or claiming in the liquidation of the Issuer in respect of such payment. No remedy against the Issuer, other than as referred to in Condition 8, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or under the Trust Deed.

The Securities contain provisions regarding meetings of Holders, modification, waivers and substitution which may affect the rights of Holders

The Terms and Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. In addition, an Extraordinary Resolution in writing signed by or on behalf of the Holders of not less than 90 per cent. of the aggregate principal amount of Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

The Terms and Conditions also provide that the Trustee may agree, without the consent of Holders, to:

- any modification of any of the Terms and Conditions or any of the provisions of the Trust Deed, that in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; and

- any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Terms and Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders.

The Terms and Conditions also provide that if a Special Event has occurred and is continuing, then the Issuer may, without the consent of Holders, subject to having satisfied the Trustee that Condition 11(c) has been satisfied as to certain matters and giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14) (which notice shall be irrevocable):

- substitute all, but not some only, of the Securities for; or

- vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities (as defined in the Terms and Conditions).

The Trustee may request that Holders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including, without limitation, as referred to in Conditions 8(b) and 8(c) of the Terms and Conditions), the Trustee may (at its sole discretion) request the Holders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or action and/or institutes proceedings on behalf of the Holders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or action can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings notwithstanding the provision of an indemnity and/or security or prefunding to it, in breach of the terms of the Trust Deed constituting the Securities and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Holders to take such steps and/or actions and/or institute such proceedings directly.

The insolvency laws of Mauritius and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Securities are familiar

As the Issuer is incorporated in Mauritius, any insolvency proceeding relating the Issuer would likely involve Mauritius insolvency laws, respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Securities are familiar. The Issuer cannot give any assurance that any deferred interest would constitute a claim under applicable insolvency laws of Mauritius with the same ranking as would be afforded to such deferred interest in other jurisdictions.

An active trading market for the Securities may not develop or be sustained.

There has been no prior trading market for the Securities. The Issuer has been advised that the Joint Lead Managers intend to make a market in the Securities, but that they are not obligated to do so and may discontinue such market making activity at any time without notice. An active trading market for the Securities might not develop or be sustained. The Securities could trade at prices that may be lower than the initial offering price for the Securities.

The price at which the Securities trade depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- general economic conditions; and
- the Issuer's financial condition, financial performance and prospects.

Approval-in-principle has been received for the listing and quotation of the Securities on the SGX-ST. No assurance can be given that the application will be approved or that the Issuer will be able to maintain a listing for the Securities or that a liquid trading market for the Securities will develop or continue. If an active market for the Securities fails to develop or be sustained, the trading price of the Securities could be materially and adversely affected. Lack of a liquid or active trading market for the Securities may adversely affect the price of the Securities or may otherwise impede a Holder's ability to dispose of the Securities.

Corporate disclosure standards for debt securities listed on the SGX-ST differ from those of other exchanges.

The Issuer will be subject to the reporting obligations of the SGX-ST, if and for as long as the Securities are listed on the SGX-ST. The disclosure standards imposed by the SGX-ST on issuers and guarantors of debt securities listed on the SGX-ST are different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Securities are accustomed to.

Certain initial investors or a single initial investor may purchase a significant portion of the Securities and may potentially be able to exercise certain rights and powers on their own

Certain initial investors or a single initial investor may purchase a significant portion of the aggregate principal amount of the Securities in this offering. Any Holder of a significant percentage of the aggregate principal amount of the Securities will be able to exercise certain rights and powers and will have significant influence on matters voted on by Holders. For example, Holders of at least 50 per cent. (or at adjourned meetings no minimum per cent.) of the aggregate principal amount of the Securities would form quorum for the purposes of passing an Extraordinary Resolution, while Holders of at least 66 2/3 per cent. (or at adjourned meetings at least 33 1/3 per cent.) of the aggregate principal amount of the Securities would form quorum for the purposes of voting on reserved matters, including the modification of the dates for redemption of the Securities or the reduction or cancellation of the principal amount of Distributions.

In addition, as the passing of Extraordinary Resolutions at meetings of Holders requires a majority of 75 per cent. of votes cast, any holder of a significant percentage of the Securities, even if less than a majority, will on its own be able to take certain actions that would be binding on all Holders. For example, holders of at least 25 per cent. of the principal amount of Securities represented at a meeting of Holders is able to block the passing of Extraordinary Resolutions, while holders of at least 25 per cent. of the aggregate principal amount of the Securities outstanding may, subject to the provisions of the Trust Deed, direct the Trustee to institute proceedings for the winding-up of the Issuer where payment in respect of the Securities has become due but has not been paid prior to expiration of the applicable grace period.

Additionally, the existence of any such significant Holder may reduce the liquidity of the Securities in the secondary trading market.

The liquidity and price of the Securities following the offering may be volatile

The price and trading volume of the Securities may be highly volatile. Factors such as variations in the Issuer's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Securities to change. Any such developments may result in large and sudden changes in the volume and price at which the Securities will trade. There is no assurance that these developments will not occur in the future.

The Securities will be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s)

The Securities will be represented by a Global Certificate. Such Global Certificate will be deposited with a nominee of a common depositary for Euroclear and Clearstream, Luxembourg (each of Euroclear and Clearstream, Luxembourg, a "**Clearing System**")). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates in respect of the Securities. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificate. While the Securities are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Securities are represented by a Global Certificate, the Issuer will discharge its payment obligations under the Securities by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the Securities. None of the Issuer, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Investors in the Securities may be subject to foreign exchange risk

The Securities are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars will be subject to foreign exchange risks by virtue of an investment in the Securities, due to, among other things, economic, political and other factors over which the Issuer has any control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Securities for an investor and could result in a loss when the return on the Securities is translated into such currency. Conversely, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Securities in the event of an appreciation.

The ratings assigned to the Securities may be lowered or withdrawn in the future

The Securities are expected to be rated "Ba2" by Moody's and "BB" by S&P. The ratings address the Issuer's ability to perform its obligations under the Terms and Conditions and credit risks in determining the likelihood that payments will be made when due under the Securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. The Group cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. The Issuer does not have any obligation to inform Holders of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Securities may adversely affect the market price of the Securities.

Securities which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade

The specified denomination of the Securities is U.S.$200,000 and higher integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Securities may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of Securities (should definitive certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more denominations. If definitive certificates are issued, Holders should be aware that Securities with aggregate principal amounts that are not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

USE OF PROCEEDS

The gross proceeds from issue of the Securities will be U.S.$400,000,000. The Issuer intends to use the gross proceeds towards repayment of long-term borrowings, short-term borrowings and issuance-related expenses. Certain of the Joint Lead Managers participating in this issuance are lenders under the debt obligations that will be refinanced with the proceeds of this issuance.

CAPITALISATION

The following table sets forth the Issuer's consolidated debt and capitalisation as of 31 December 2019 and as adjusted to give effect to the issuance of the Securities offered, as if such issuance had occurred as at such date, and the repayment of approximately U.S.$300.0 million of long-term borrowings and U.S.$100.00 million of short term borrowings as described under "Use of Proceeds". The "as adjusted" data set forth below gives effect to the issuance of the Securities. The "as adjusted" data set forth below does not give effect to changes of short-term bank loans and long-term bank loans between 31 December 2019 and the date of this Offering Circular.

This table should be read in conjunction with "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and the accompanying notes appearing elsewhere in this Offering Circular. Except as set forth below, there have been no other material changes to the Issuer's capitalisation since 31 December 2019.

	As of 31 December 2019	
	Actual	**As Adjusted[(1)]**
	(U.S. dollars millions)	
Borrowings[(4)]		
Short-term borrowings	309.40	209.40
Long-term borrowings	3,796.84	3,496.84
Total borrowings	**4,106.24**	**3,706.24**
Equity		
Stated capital	18.10	18.10
Securities to be issued[(2)]	–	400.00
Share premium	1,314.62	1,314.62
Reserves and surplus	736.46	736.46
Non-controlling interests	40.37	40.37
Total equity	**2,109.55**	**2,509.55**
Total capitalisation[(3)]	**6,215.79**	**6,215.79**

Notes:

(1) Figures for the respective financial statements line items under the "As Adjusted" column are derived after considering the impact due to the issuance of the Securities and not considering any other transactions or movements for such financial statement line items after 31 December 2019.

(2) Securities to be issued represent the aggregate principal amount of the Securities, without taking into account, and before deduction of underwriting fees and commissions and other estimated transaction expenses payable.

(3) Total capitalisation equals total borrowings plus total equity.

(4) Borrowings include lease obligations.

SELECTED FINANCIAL INFORMATION

The selected consolidated income statement information and consolidated statement of financial position information as of and for FY2017, FY2018 and FY2019 of the Group, have been derived from the Issuer's audited consolidated financial statements for FY2017, FY2018 and FY2019 prepared in accordance with IFRS and audited by Crowe Horwath ATA in accordance with International Standards on Auditing which are included elsewhere in this Offering Circular.

The selected consolidated financial information as of and for the nine months ended 31 December 2018 and 2019, and as of FY2019 of the Group, have been derived from the Issuer's reviewed condensed consolidated interim financial statements as of and for the nine months ended 31 December 2019 ("**Q3FY2020 Financial Statements**"), prepared in accordance with IFRS and reviewed by KPMG Mauritius in accordance with International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, which are included elsewhere in this Offering Circular. Results for the interim periods are not indicative of results for the full fiscal years.

The Issuer's financial information has been prepared in accordance with IFRS. Prospective investors below should read the selected financial data presented below in conjunction with "*Use of Proceeds*," "*Capitalisation*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Issuer's consolidated financial statements and the related notes thereto, included elsewhere in this Offering Circular.

The Issuer has carried out certain reclassifications and corrections of errors ("**restatements**") in the Q3FY2020 Financial Statements. In particular, in relation to the acquisition of Arysta, as valuation was still ongoing during the preparation of the FY2019 financial statements, Arysta's assets and liabilities reflected in the FY2019 financial statements were provisional in nature. The Issuer has retrospectively revised the comparative balance sheet amounts of FY2019 to reflect the final acquisition-date fair values of the acquired assets and liabilities in the Q3FY2020 Financial Statements. For more information, please refer to Note 36 of the interim condensed consolidated financial statements.

Such restatements have not been carried out for the audited financial statements of the Issuer as of and for FY2017, FY2018 and FY2019. As a result of such restatements, the Issuer's financial information discussed in this Offering Circular is not presented on a comparable basis for the nine months ended 31 December 2018 and 2019, and FY2017, FY2018 and FY2019. The Issuer's financial information as of FY2019 contained in the Issuer's Q3FY2020 Financial Statements have been restated. Unless otherwise specified, all references in this Offering Circular to the financial information of the Issuer as of FY2019 is derived from the FY2019 financial statements.

Consolidated Income Statement of the Group

The consolidated income statement of the Group for FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019 are presented in the table below.

	For the year ended 31 March			**For the nine months ended 31 December**	
	2017[(1)]	**2018**	**2019**	**2018**[(1)]	**2019**[(1)]
	(U.S. dollars thousands)				
	(audited, restated)	**(audited)**	**(audited)**		
Income					
Revenue from operation	1,793,027	2,139,904	2,602,822	1,464,431	3,033,351
Cost of sales	(1,036,966)	(1,194,975)	(1,522,732)	–	–
Direct costs	(131,268)	(187,060)	(199,450)	(914,655)	(1,935,184)
Gross profit	**624,793**	**757,869**	**880,640**	**549,776**	**1,098,167**
Other income	22,585	14,507	18,389	530	519
	647,378	772,376	899,029	550,306	1,098,686

	For the year ended 31 March			For the nine months ended 31 December	
	2017[1]	2018	2019	2018[1]	2019[1]
	(U.S. dollars thousands)				
	(audited, restated)	(audited)	(audited)		
Expenses					
Administrative expenses	(48,903)	(66,650)	(88,820)	–	–
Other expenses	(266,258)	(298,563)	(341,472)	(294,951)	(554,888)
Exchange (loss)/gain	–	156	(34,890)	–	–
Impairment loss on trade receivables	–	–	–	(2,339)	(5,055)
Depreciation and impairment	(21,140)	(18,505)	(23,329)	(13,678)	(35,332)
Amortization	(31,790)	(37,163)	(62,895)	(26,089)	(111,776)
Finance costs	(75,886)	(93,829)	(142,325)	(90,825)	(157,160)
Finance income	–	–	–	11,024	5,514
Net finance cost	**–**	**–**	**–**	**(79,801)**	**(151,646)**
Profit from operations	**203,401**	**257,822**	**205,298**	**133,448**	**239,989**
Provision/(reversal) of diminution of investment	3,700	1,998	(1,846)	–	–
Arysta acquisition/integration cost	–	–	(52,918)	–	–
(Loss)/gain on disposal of investment	(238)	–	–	–	–
Fair value gain/(loss) on financial assets at FVTPL	–	–	–	(2,421)	(882)
Restructuring cost	(2,387)	(4,535)	(2)	(5,085)	(19,831)
Share of (loss)/profit from associates	(2,932)	(16,389)	366	(576)	(681)
Share of (loss)/profit from joint ventures	215	1,048	1,622	(1,532)	(2,149)
Litigation cost	–	–	–	–	(40,872)
Product contamination and counterfeiting	(1,040)	(2,008)	(11,272)	(3,310)	–
Fine on due amount of ICMS	–	(776)	–	–	–
Others	–	(88)	–	(13,450)	(3,595)
Customer compensation claim	–	(1,208)	–	–	–
Profit before taxation[2]	**200,718**	**235,864**	**141,248**	**107,074**	**171,979**
Taxation	(6,809)	(29,013)	(7,726)	(5,290)	(33,756)
Profit for the year/period	**193,909**	**206,851**	**133,522**	**101,784**	**138,223**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Foreign operations – foreign currency translation differences	10,211	(527)	(105,931)	(87,284)	(14,435)
Cash flow from hedging – effective portion of changes in fair value	–	–	(11,531)	–	(2,388)
Fair Value of investment	–	–	(7,430)	–	–
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain/(loss) on Financial assets at fair valued through OCI	–	–	–	(6,583)	(1,711)
Remeasurement of defined benefit liability (asset)	–	–	–	–	310
Other Comprehensive income for the year/period, net of tax	–	–	–	(93,867)	(18,224)
Total Comprehensive income for the year/period	**204,120**	**206,324**	**8,630**	**7,917**	**119,999**
Profit for the year/period attributable to:					
Owners of the Company	191,911	205,285	130,518	98,366	132,009
Non-controlling interests	1,998	1,566	3,004	3,418	6,214
	193,909	**206,851**	**133,522**	**101,784**	**138,223**

Note:

(1) Reviewed.

Consolidated Statement of Financial Position of the Group

The consolidated statement of financial position of the Group as of FY2017, FY2018, FY2019 are presented in the table below.

	As of 31 March		
	2017	2018	2019
	(U.S. dollars thousands)		
	(audited, restated)	(audited)	(audited)
ASSETS			
Non-current assets			
Goodwill	155,591	159,718	2,264,253
Intangible assets	110,631	115,338	1,718,351
Intangible assets under development	20,944	29,129	79,167
Property, plant and equipment	101,919	128,886	308,421
Capital work in progress	58,329	71,224	49,684
Aircraft	7,232	6,053	4,788
Investments stated at fair value through profit and loss	11,781	79,278	22,610
Investment in associates	17,269	47,568	45,902
Investment in joint ventures	6,679	7,899	10,581
Deferred tax assets	85,054	72,194	103,288
Trade and other receivables	138	225	491
Non-current assets held for sale	6,092	3,057	3,730
Loans and advances	32,529	22,653	62,149
Non current investments	–	1,091	1,063
Convertible loan notes	5,000	5,000	5,000
Total non-current assets	**619,188**	**749,313**	**4,679,478**
Current assets			
Current investments	49	–	283
Inventories	440,732	460,992	1,058,381
Trade and other receivables	756,490	779,813	1,579,696
Loans and advances	71,731	79,683	376,597
Cash and cash equivalents	423,906	416,600	379,970
Total current assets	**1,692,908**	**1,737,088**	**3,394,927**
TOTAL ASSETS	**2,312,096**	**2,486,401**	**8,074,405**

	As of 31 March		
	2017	**2018**	**2019**
	(U.S. dollars thousands)		
	(audited, restated)	**(audited)**	**(audited)**
EQUITY AND LIABILITIES			
Equity			
Stated capital	13,600	13,600	18,102
Share premium	–	–	1,314,670
Retained earnings	618,398	743,987	853,860
Cash flow hedge reserve	–	–	(11,531)
Investment revaluation reserve	–	–	(7,430)
Translation reserves	(111,727)	(112,254)	(218,185)
Equity attributable to equity holders of the parent	**520,271**	**645,333**	**1,949,486**
Non-controlling interests	70,751	97,747	83,193
Total equity	**591,022**	**743,080**	**2,032,679**
Non-current liabilities			
Bonds	494,992	792,713	792,730
Borrowings	346,502	132,419	2,956,080
Deferred tax liabilities	4,713	6,672	419,727
Provisions	8,857	10,723	22,937
Other long term liabilities	35,841	14,384	19,103
Total non-current liabilities	**890,905**	**956,911**	**4,210,577**
Current liabilities			
Borrowings	156,819	59,904	240,846
Trade and other payables	572,150	625,578	1,196,112
Other payables	91,794	89,005	221,114
Provisions	9,406	11,923	173,077
Total current liabilities	**830,169**	**786,410**	**1,831,149**
Total liabilities	**1,721,074**	**1,743,321**	**6,041,726**
Total Equity and Liabilities	**2,312,096**	**2,486,401**	**8,074,405**

The restated consolidated statement of financial position of the Group as of 31 March 2019 and the consolidated statement of financial position of the Group as of 31 December 2019 are presented in the table below.

	As of 31 March 2019	As of 31 December 2019[2]
	(U.S. dollars thousands)	
	(restated and revised[1])	
ASSETS		
Non-current assets		
Goodwill	2,492,285	2,501,135
Intangible assets	1,521,040	1,437,755
Intangible assets under development	89,497	122,703
Right of use assets	–	49,257
Property, plant and equipment	318,301	325,932
Capital work in progress	49,684	36,552
Financial assets at fair value through profit or loss	16,273	16,206
Financial assets at fair value through other comprehensive income	6,337	4,918
Investment in associates	45,902	44,793
Investment in joint ventures	10,581	8,050
Trade receivables	491	1,820
Other receivables	39,121	41,770
Other investments at amortised cost	1,063	799
Advances to related parties	8,360	8,265
Convertible loan notes	5,000	
Deferred tax assets	172,664	219,260
Advance tax	24,567	13,319
Total non-current assets	**4,801,166**	**4,832,534**
Current assets		
Other Investments at amortised cost	283	13
Inventories	1,038,643	1,232,695
Loans	2,024	2,455
Other receivables	154,138	155,756
Advance tax	900	12,456
Convertible loan notes	–	5,000
Trade receivables	1,560,467	1,565,909
Advances to related parties	150,160	147,226
Cash and cash equivalents	379,970	259,506
Assets classified as held for sale	3,745	8,609
Total current assets	**3,290,330**	**3,389,625**
TOTAL ASSETS	**8,091,496**	**8,222,159**

Notes:

(1) Please refer to paragraph 4 of the section entitled "*Selected Financial Information*".

(2) Reviewed.

	As of 31 March	As of 31 December
	2019	2019[2]
	(U.S. dollars thousands)	
	(restated and revised[1])	
EQUITY AND LIABILITIES		
Equity		
Stated capital	18,102	18,102
Share premium	1,314,670	1,314,616
Retained earnings	861,898	988,537
Cash flow hedge reserve	(11,531)	(13,918)
Fair value reserve	(7,430)	(9,141)
Translation reserves	(213,270)	(229,017)
Equity attributable to equity holders of the parent	**1,962,439**	**2,069,179**
Non-Controlling interest (NCI)	94,157	40,368
Total equity	**2,056,596**	**2,109,547**
Non-current liabilities		
Bonds	792,730	793,526
Borrowings	2,956,080	2,959,240
Long term lease obligation		44,078
Deferred tax liabilities	311,969	333,669
Provisions	22,937	24,989
Other long term liabilities	19,103	15,981
Total non-current liabilities	**4,102,819**	**4,171,483**
Current liabilities		
Borrowings	240,846	300,552
Current maturity of lease obligation		8,851
Trade payables	1,257,400	1,229,709
Other payables	251,051	258,225
Current tax liabilities	86,251	61,794
Provisions	96,533	81,998
Total current liabilities	**1,932,081**	**1,941,129**
Total liabilities	**6,034,900**	**6,112,612**
Total Equity and Liabilities	**8,091,496**	**8,222,159**

Notes:

(1) Please refer to paragraph 4 of the section entitled "*Selected Financial Information*".

(2) Reviewed.

Consolidated Statement of Cash Flows of the Group

The consolidated statement of cash flows of the Group for FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019 are presented in the table below.

	For the year ended 31 March			For the nine months ended 31 December	
	2017	**2018**	**2019**	**2018**(1)	**2019**(1)
	(U.S.$ thousands)				
	(audited, restated)	(audited)	(audited)		
Net cash from operating activities	**314,148**	**356,672**	**424,079**	**11,612**	**227,000**
Net cash used in investing activities	**(91,094)**	**(193,432)**	**(4,494,426)**	**(63,780)**	**(188,751)**
Net cash (used in)/from financing activities	**48,575**	**(164,263)**	**3,961,902**	**(138,934)**	**(155,261)**
Net (decrease)/increase in cash and cash equivalents	271,629	(1,023)	(108,445)	(191,102)	(117,012)
Cash and cash equivalents at start of the year/period	147,332	423,906	416,600	416,600	379,970
Cash and cash equivalent on acquisition of subsidiaries	–	–	147,488	–	3,528
Effect of exchange rate difference	4,945	(6,284)	(75,673)	(52,241)	(6,980)
Cash and cash equivalents at end of the year/period	423,906	416,600	379,970	173,257	259,506

Note:

(1) Reviewed.

Other Financial Data of the Group

The consolidated operating data of the Group for FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2019 are presented in the table below.

	For the year ended 31 March			For the nine months ended 31 December
Other Financial Data	**2017**	**2018**	**2019**	**2019**
	(U.S.$ thousands, except ratios and percentages where indicated)			
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
EBITDA(1)	309,632	392,812	415,458	538,224
EBITDA Margin(1)(2)	17.27%	18.36%	15.96%	17.74%

Other Financial Data	For the year ended 31 March			For the last nine months ended 31 December
	2017	2018	2019	2019
	(U.S.$ thousands, except ratios and percentages where indicated)			
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net debt/EBITDA[(1)(3)]	1.86x	1.45x	8.69x	5.36x
EBITDA/Interest expense[(1)(5)]	4.08x	4.19x	2.92x	3.42x
Cash flow from operations/Debt[(6)(7)]	31.47%	36.21%	10.63%	7.37%

Notes:

(1) EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation, excluding finance income and other income. EBITDA, as presented in this Offering Circular, is a supplemental measure of the Issuer's performance and liquidity that is not required by or presented in accordance with IFRS. EBITDA is not a measurement of the Issuer's financial performance or liquidity under IFRS and should not be considered as an alternative to profit for the year, results from operating activities or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of the Issuer's liquidity. EBITDA facilitates operating performance comparisons from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of change in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affective relative depreciation expense). The EBITDA information is presented also as it is frequently used by securities analysts, investors and other interested parties in the evaluation of similar issuers, the vast majority of which present EBITDA when reporting their results. Finally, EBITDA is as an indication of the Issuer's ability to service the Issuer's debt. For a discussion of the limitations of EBITDA as an analytical tool, see "*Presentation of Financial and Other Information.*"

The following table provides a reconciliation of EBITDA to consolidated profit (loss):

	For the year ended 31 March			For the nine months ended 31 December
	2017 (restated)	2018	2019	2019[(4)]
	(U.S.$ thousands)			
Profit from operations	203,401	257,822	205,298	239,989
Finance income	–	–	–	(5,514)
Other income[(8)]	(22,585)	(14,507)	(18,389)	(519)
Finance costs	75,886	93,829	142,325	157,160
Depreciation and Impairment	21,140	18,505	23,329	35,332
Amortisation	31,790	37,163	62,895	111,776
EBITDA	**309,632**	**392,812**	**415,458**	**538,224**

(2) EBITDA Margin is defined as EBITDA divided by revenue.

(3) Total Debt is defined as short term borrowings plus long term borrowings and lease obligations. Net debt is defined as total debt minus cash and cash equivalents.

(4) Each of net debt and debt are as of 31 December 2019, whereas each of EBITDA, interest expenses and cash flow from operations (collectively, "**profit and loss line items**") are for the nine months ended 31 December 2019.

(5) Interest expenses is defined as finance cost as reflected in the Issuer's audited consolidated financial statements and limited reviewed financial statements.

(6) Cash flow from operation is defined as net cash from/(used in) operating activities as reflected in the Issuer's audited consolidated financial statements and limited reviewed financial statements.

(7) Debt is defined as gross debt which includes bonds, non-current borrowings, current Borrowings and lease obligations as reflected in the Issuer's audited consolidated financial statements and limited reviewed financial statements.

(8) Includes finance income for all financial years save for 31 December 2019.

(9) EBITDA and cashflow from operations have been annualized for the nine months ended 31 December 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You are encouraged to read the following discussion in conjunction with the section entitled "Selected Financial Information" as well as with the Issuer's Financial Statements and the related notes thereto included elsewhere in this Offering Circular. The following discussion includes forward-looking statements which, although based on assumptions that the Issuer considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of some of those risks and uncertainties please refer to the sections entitled "Forward-Looking Statements" and "Risk Factors".

The Issuer has carried out certain reclassifications and corrections of errors ("**restatements**") in the Q3FY2020 Financial Statements. In particular, in relation to the acquisition of Arysta, as valuation was still ongoing during the preparation of the FY2019 financial statements, Arysta's assets and liabilities reflected in the FY2019 financial statements were provisional in nature. The Issuer has retrospectively revised the comparative balance sheet amounts of FY2019 to reflect the final acquisition-date fair values of the acquired assets and liabilities in the Q3FY2020 Financial Statements. For more information, please refer to Note 36 of the interim condensed consolidated financial statements.

Such restatements have not been carried out for the audited financial statements of the Issuer as of and for FY2017, FY2018 and FY2019. As a result of such restatements, the Issuer's financial information discussed in this Offering Circular is not presented on a comparable basis for the nine months ended 31 December 2018 and 2019, and FY2017, FY2018 and FY2019. The Issuer's financial information as of FY2019 contained in the Issuer's Q3FY2020 Financial Statements have been restated. Unless otherwise specified, all references in this Offering Circular to the financial information of the Issuer as of FY2019 is derived from the FY2019 financial statements.

Overview

The Issuer is a subsidiary of UPL, one of the leading global crop protection products companies based in India which is listed on both the National Stock Exchange of India Limited and BSE Limited. UPL was the fifth largest agrochemical company globally by revenue (on a consolidated basis with Arysta for 2019, according to Phillips McDougall IHS Markit. It is an operating company that leads the international operations of UPL through its subsidiaries across the world. The Issuer is the holding company of UPL's international operations.

Since its inception in 1993, the Issuer has expanded its production and distribution footprint through its subsidiaries internationally and now have a diversified crop protection and post-harvest solution business with an established presence and leading market position in major agricultural regions throughout the world. As of the date of this Offering Circular, the Issuer had 222 subsidiaries, 16 associates and three joint ventures located in countries including Argentina, Australia, Brazil, China, Colombia, France, Germany, Indonesia, Italy, Japan, Mexico, the Netherlands, Spain, Thailand, the United States and the United Kingdom. For FY2019, the Issuer's operating revenue was U.S.$2.60 billion.

The Issuer believes it has the ability to offer a full range of solutions to its customers across the agricultural value and process chain resulting from the vertical integration of UPL's and its operations. The Issuer operates primarily in the post-patent segment of the crop protection market, which consists of products using technical active ingredients for which the patent has expired. The Issuer's recent acquisition of Arysta complements its offerings by offering customised and niche products. As opposed to operating in the post-patent segment of the crop protection market, Arysta differentiates itself by adapting its offerings to allow farmers to meet distinct local needs and by providing crop protection solutions for niche and specialty crops, products for underserved or hard-to-control pests affecting commodity grain crops, alternative application methods like seed and soil applied technologies, and bio-based products that are used as alternatives or in addition to conventional chemical applications. The Issuer's acquisition of

Arysta also allows it to leverage economies of scale by increasing its procurement and R&D efficiencies, as well as consolidating its support functions, while optimizing its manufacturing footprint.

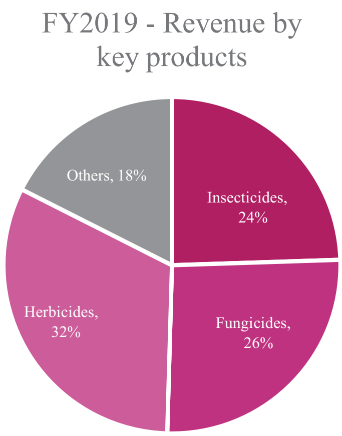
The Issuer's R&D and manufacturing centres are interconnected across its global network, each located at strategic locations, enabling it to efficiently improve its products and deliver value-added solutions on a global scale and in a cost-efficient manner. As of 31 December 2019, the Issuer has more than 12,300 products registered in more than 145 countries across 6 continents in which it operates. As of 31 December 2019, the Issuer had 25 manufacturing facilities and 11 R&D centres.

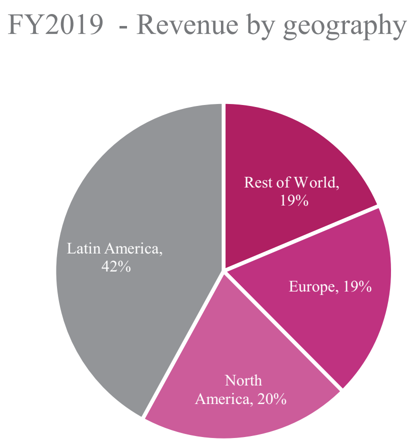
The comprehensive product portfolio of the Issuer covers the entire agricultural value chain, including seeds, seeds treatment, crop protection, storage of agricultural products as well as post-harvest solutions. The Issuer has also developed extensive in-house capabilities across its process value chain, such as in R&D, product development, registration, manufacture of active ingredients, formulation and packaging to marketing and distribution, with the objective of creating innovative, differentiated and compelling product mixes. The Issuer offers a comprehensive product portfolio of crop protection chemicals from fungicides, herbicides, insecticides and other related products. Since its inception, the Issuer has expanded its business beyond crop protection to post-harvest solutions and animal health products such as honey bee protective miticides and veterinary vaccines, among others. The Issuer believes that its products are viewed as premium products in the market and enjoy strong brand recognition.

In addition, the Issuer markets and distributes products purchased from UPL in over 130 countries through its extensive sales and marketing team, which is bolstered by its robust relationships with its distributors. In providing tailored local solutions, Arysta has also established dedicated local marketing and commercial teams and distributes the Issuer's products through multiple sales channels consistent with local market dynamics. This "close-to-farmer" approach is critical to establishing strong customer relationships, understanding unmet needs and strengthening brand loyalty. As of 31 December 2019, the Issuer had 5,617 employees globally and had dedicated sales and marketing teams across North America, Latin America, Europe and the rest of the world (excluding India).

For FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019, the Issuer's total consolidated revenue from operation was U.S.$1,793.03 million, U.S.$2,139.90 million, U.S.$2,602.82 million, U.S.$1,464.43 million and U.S.$3,033.35 million, respectively. For FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019, its profit after tax was U.S.$193.91 million, U.S.$206.85 million, U.S.$133.52 million, U.S.$101.78 million and U.S.$138.22 million respectively.

The following charts illustrate the Issuer's product and geographic diversity.





Significant factors affecting results of operations and financial condition

The Issuer believes that the following factors have significantly affected its results of operations and financial condition during the periods under review, and may continue to affect its results of operations and financial condition in the future.

Acquisition of Arysta

On 1st February 2019, the Issuer completed the acquisition of Arysta. Arysta is a global provider of innovative crop protection solutions, including BioSolutions and seed treatments, and specialises in the development, formulation, registration, marketing and distribution of differentiated crop protection products for a variety of crops and applications. Arysta's products are utilised by farmers through the entire growing cycle, from burn-down through pre-emergence to pre-harvest, and allow the Issuer to partner with growers to address the ever-increasing need for higher crop yield and food quality.

As a result of this acquisition, the Group obtained control of Arysta and its subsidiaries. For the two months ended 31 March 2019, the Group recorded a revenue of U.S.$279.86 million and a profit of U.S.$18.63 million without fair valuation adjustments pertaining to the business combination of Arysta and its subsidiaries. As the acquisition occurred towards the end of the financial year and considering the size and spread of business and different GAAP followed by the Arysta Group, it was impracticable to calculate the estimated full year revenue and profit if the acquisition had occurred on 1 April 2018.

Accordingly, the Group's historical financial results presented in this offering circular are not necessarily indicative of the results the Group will achieve for future fiscal years. The Issuer anticipates that Arysta's financial results will have a significant impact on the Issuer's financial results in future periods.

For more details on the accounting impact of the acquisition of Arysta, please refer to Notes 49 and 55 of the consolidated financial statements of the Group for FY2019. Demand for the Issuer's products is driven by macroeconomic factors, weather and market cyclicality.

The demand for the Issuer's products is affected by macroeconomic conditions in general. Its revenue growth is dependent on the global economic environments as well as the overall condition of Latin America, North America, Europe and the rest of the world. In the past, the Issuer's results of operations were affected by, and it is expected that the financial results of the Issuer will continue to be affected by, key macroeconomic factors such as GDP growth, inflation, interest rates, currency exchange rates, unemployment rates, rate of corporate insolvencies and financial condition of its competitors. While the Issuer believes that its diversification across products, markets, geographies and customers reduces, in part, its sensitivity to economic cycles in certain geographies and markets, the Issuer is particularly affected by factors affecting the agricultural industry in Latin America, North America and Europe.

Substantially all of the Issuer's business is dependent on the sales of its crop protection products, which are used in a variety of crops at different stages. As such, soft commodity prices, variable weather patterns, floods and droughts that impact the agricultural industry affect the demand for its products. Weather conditions, for example, can affect the timing of crop planting and the acreage planted on a regional and local basis. Weather can also affect crop yields and commodity prices, which can affect farmer behaviour. In addition, weather conditions can affect the presence of disease and pests and therefore can influence the demand for crop protection products and the mix of products used during the growing cycle. For example, a warm and humid growing season is generally associated with an increased incidence of fungal diseases, which increases demand for fungicides. Weather conditions and outlook are particularly important at the start of the planting season when farmers are making planting decisions and purchasing many of their crop protection products. However, the Issuer believes that its geographic diversity, with a balanced mix of revenue from Latin America, North America and Europe, in addition to other regions, helps to mitigate the overall effects of weather on its business. See "*Description of the Issuer – Competitive Strengths – Diversified geographical footprint with strategically located manufacturing facilities*".

The Issuer's operations are also subject to the cyclical and, more importantly, variable nature of the supply and demand balance in the agricultural industry, and its future results of operations may continue to be affected by this cyclicality and variability. Prospects for GDP growth globally and in particular in Latin America, North America and Europe, as well as other macroeconomic factors are by their nature uncertain and strongly dependent upon, among other factors, the general economic environment. A deterioration in economic conditions in any of the Issuer's key markets that is widespread, pronounced and/or long-lasting, such as the global financial crisis in 2008 and 2009, could have a significant impact on its results of operations and financial condition. The Issuer's markets can also be affected by the rate of economic development in other countries.

Fluctuations in the prices of raw materials

The costs of raw materials constitute a significant component of the Issuer's operating costs. For FY2019 and for the nine months ended 31 December 2019, the purchase of agrochemical, bio solution and other products constituted 58.50 per cent. and 57.95 per cent. of its total revenue from sales, respectively. The Issuer's contracts with suppliers are typically of a specified duration and subject to renegotiation upon renewal. The Issuer attempts to align its supplier requirements with the projected demand from its customers, and provisions relating to volume estimates may impact its ability to effectively increase or decrease its raw material in accordance with its actual production requirements under the Issuer's contracts. The Issuer's results of operations are directly affected by any volatility in the cost of its raw materials, which are subject to global supply and demand and other factors beyond its control. The Issuer generally seek to pass on to its customers increases in raw material prices. However, due to pricing and other competitive or market pressures the Issuer may be unable to do so completely or at all. Furthermore, volatility in the cost of these raw materials makes it more challenging to manage pricing and the Issuer may experience a time lag between an increase in raw material prices and any increase in its prices to its customers. Although changes in the prices of raw materials usually translate to changes in product prices in the long run, prices of the Issuer's products may not immediately reflect changes in the prices of raw materials as a result of its pricing mechanisms or delays in updating its product prices. This impacts the Issuer's ability to pass the increases on to its customers in a timely manner. Accordingly, fluctuations in the prices of raw materials can have a significant impact on its gross profits, gross margins and other operating results. The Issuer also aims to minimise the price fluctuations in its long-term contracts for supplies of raw materials through appropriate price formulas. The formulas reduce the risk of large deviations of contracted purchase prices from market prices. Changes in the prices of raw materials have a direct impact on the Issuer's working capital levels. In general, increases in prices lead to an increase in its working capital requirements and decreases lead to a decrease in its working capital requirements. See "*Risk Factors – Price fluctuations in the cost of raw materials and fuel, used to manufacture products of the Issuer, or disruptions in the supply of raw materials and fuel, may adversely affect its manufacturing costs*".

Fluctuations in margins and supply and demand for products of the Issuer

The margins in the Issuer's markets are strongly influenced by input cost of raw materials and crop commodity prices. Overall growth in certain markets, such as those for agricultural products, tends to correlate closely with global GDP growth. As demand for products increases and approaches available supply, utilisation rates rise, and prices and margins typically increase. Supply in the Issuer's markets tends to be cyclical, generally characterised by periods of limited supply, resulting in higher operating rates and margins, followed by periods of oversupply, typically stimulated by the creation of additional capacity, resulting in lower operating rates and margins. In addition to being cyclical, the Issuer's margins are also susceptible to potentially significant swings in the short term due to various factors, including planned or unplanned plant outages, political or economic conditions affecting prices and changes in inventory management policies by customers (such as inventory building or de-stocking in periods of expected price increases). Fluctuations in farmer income can also affect demand for products of the Issuer. The level of usage for crop protection products can be directly associated with farmer income. Healthy income for farmers results in higher discretionary spending which in turn can encourage growers to seek the best crop protection solutions available, including products of the Issuer.

Current and future environmental regulatory considerations

The Issuer is subject to extensive environmental, health and safety regulations at both the local and national levels, including those governing air emissions; water supply, water use and discharge into water, the construction and operation of sites, the use, management, storage and disposal of waste and other hazardous materials, the health and safety of the Issuer's employees, the investigation and remediation of contaminated land and the health and safety impact of the Issuer's products. The Issuer is required to obtain and periodically renew permits or licenses for industrial operations that result in discharge into the soil, air or water, as well as the use and handling of waste and other hazardous materials. Such permits and licenses establish limitations and standards with respect to its operations that require compliance. The Issuer maintains the highest standard of care and employ adequate staffing to properly dispose of waste. Its sites are regularly audited and inspected by governmental bodies in the respective jurisdiction for each of its subsidiaries. Each of the Issuer's plant comprises a state-of-the art effluent treatment plant. It has also installed superior scrubbers to minimise the emission of harmful chemicals, fumes and dust particles from its manufacturing facilities. There are numerous laws that affect the Issuer's business, and it has incurred, and expects to continue to incur, substantial on-going capital expenditures to ensure compliance with current and future laws and regulations. The Issuer may also incur remediation, decommissioning and on-going upgrade or compliance costs in connection with its production facilities and other properties. However, the Issuer believes that the potential remediation costs would not be high, and it does not anticipate that they could influence its results of operations.

Foreign currency exchange rate fluctuations

The Issuer operates internationally and as a result, is exposed to various currency risks and exposures, including in particular, in relation to the U.S. Dollar, Euro and Brazil Real. Although the Issuer's reporting currency is the U.S. dollars, a substantial part of its revenues and costs are in a currency other than U.S. dollar. The Issuer is therefore affected by both the transaction effects and translation effects of foreign currency exchange rate fluctuations. A depreciation of these currencies against the U.S. dollar will decrease the U.S. dollar equivalent of the amounts derived from these operations reported in its consolidated financial statements. An appreciation of these currencies will result in a corresponding increase in such amounts. Fluctuations in exchange rates have an impact on the volume of revenue from sales and purchase costs of raw materials. An increase in the relative strength of the U.S. dollar against other currencies may have a negative impact on the profitability of the Issuer's sales in different geographies. As a result of its purchases of raw materials, product sales, loans and borrowings and cash in foreign currencies, it has been, and expects to continue to be, exposed to foreign exchange rate fluctuations, which could materially affect its results of operations, assets and liabilities, and cash flows as reported in U.S. dollar. Variability in exchange rates could also significantly impact the comparability of the Issuer's results of operations between periods.

Hazards and risks of disruption associated with chemical manufacturing

The Issuer is exposed to the typical hazards and risks of disruption associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes. These potential risks of disruption include, among others, explosions and fires, inclement weather and natural disasters, and failure of mechanical, process safety and pollution control equipment. When such disruptions occur, alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, which could negatively affect the Issuer's business and financial performance. Although these kinds of events are standard, they occur infrequently and are typically short-lived.

Seasonality

The agricultural industry is subject to seasonal fluctuations in demand. Typically, farmers traditionally purchase crop protection products in the spring and fall in connection with the main planting and harvesting seasons. Therefore, the Issuer's net sales and results of operations have historically been the highest in the fourth quarter, which is during spring season in the northern hemisphere, and lowest in the second quarter. This seasonality may cause the Issuer's net sales to vary across different calendar quarters from year to year.

Variation in costs, including direct costs, cost of sales and employee benefits expense

Direct costs and cost of sales

These costs have a significant effect on the Issuer's results of operations. Such expenses are comprised primarily of material purchases, power and fuel costs, processing charges, transport charges, rebate, commission and discount costs. Increases in sales typically result in a corresponding increase in such variable costs while semi-variable/fixed costs do not increase in the same proportion, which leads to improvement in overall margin. The following tables set forth the Issuer's direct costs for FY2017, FY2018 and FY2019, and for the nine months ended 31 December 2018 and 2019.

	For the year ended 31 March			For the nine months ended 31 December	
	2017 (restated)	2018	2019	2018	2019
	(U.S. dollar thousands except percentages)				
Purchases of agro-chemical, bio solution and other products	–	–	–	785,937	1,757,966
Cost of sales	1,036,966	1,194,975	1,522,732	–	–
Power and fuel	6,418	7,770	8,542	5,840	6,796
Processing charges	54,231	80,983	100,550	63,145	77,981
Rebate, commission and discount	12,627	29,723	14,543	10,978	12,209
Effluent disposal charges	3,697	4,440	5,006	3,126	5,617
Water charges	454	527	523	353	574
Non Recoverable tax-variable cost	2,303	2,324	2,274	1,753	2,246
Transport charges	51,907	58,380	61,099	38,011	64,360
Royalty charges	(369)	2,913	6,913	5,512	7,435
Total direct costs	1,168,234	1,382,035	1,722,182	914,655	1,935,184
Direct costs as a percentage of revenue from operations (%)	65.2	64.6	66.2	62.46	63.80

Employee benefits expense

The Issuer's consolidated employee benefits expense costs comprise its largest fixed cost and have a significant effect on its results of operations. Its consolidated employee benefits expense costs generally comprise of salaries and compensations given to permanent employees. As of 31 December 2019, the Issuer had a total of 5,617 full-time employees. The following table sets forth the Issuer's employee benefits expense costs for FY2017, FY2018 and FY2019, and for the nine months ended 31 December 2018 and 2019.

	For the year ended 31 March			For the nine months ended 31 December	
	2017 (restated)	2018	2019	2018	2019
	(U.S. dollar thousands except percentages)				
Employee benefits expense	144,848	185,655	216,491	142,637	276,857
Personnel expenses as a percentage of revenue (%)	8.08	8.68	8.32	9.74	9.13

Results of operations

The following table sets forth certain of the Issuer's historical revenue and expense items for FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019.

	For the year ended 31 March			For the nine months ended 31 December	
	2017 (restated)	2018	2019	2018	2019
	(U.S. dollar thousands)				
Income					
Revenue from operation	1,793,027	2,139,904	2,602,822	1,464,431	3,033,351
Cost of sales	(1,036,966)	(1,194,975)	(1,522,732)	–	–
Direct costs	(131,268)	(187,060)	(199,450)	(914,655)	(1,935,184)
Gross profit	**624,793**	**757,869**	**880,640**	**549,776**	**1,098,167**
Other income	22,585	14,507	18,389	530	519
	647,378	772,376	899,029	550,307	1,098,686
Expenses					
Administrative expenses	(48,903)	(66,650)	(88,820)	–	–
Other expenses	(266,258)	(298,563)	(341,472)	(294,951)	(554,888)
Exchange (loss)/gain	–	156	(34,890)	–	–
Impairment loss on trade receivables	–	–	–	(2,339)	(5,055)
Depreciation and impairment	(21,140)	(18,505)	(23,329)	(13,678)	(35,332)
Amortisation	(31,790)	(37,163)	(62,895)	(26,089)	(111,776)
Finance costs	(75,886)	(93,829)	(142,325)	(90,825)	(157,160)
Finance income	–	–	–	11,024	5,514
Net finance cost	–	–	–	(79,801)	(151,646)
Profit from operations	**203,401**	**257,822**	**205,298**	**133,448**	**239,989**
Reversal of provision for diminution	3,700	1,998	(1,846)	–	–
Arysta acquisition/integration cost	–	–	(52,918)	–	–
Loss on disposal of investment	(238)	–	–	–	–
Fair value gain/(loss) on financial assets at FVTPL	–	–	–	(2,421)	(882)
Restructuring cost	(2,387)	(4,535)	(2)	(5,085)	(19,831)
Share of (loss)/profit from associates	(2,932)	(16,389)	366	(576)	(681)
Share of (loss)/profit from joint ventures	215	1,048	1,622	(1,532)	(2,149)
Litigation cost	–	–	–	–	(40,872)
Product contamination and counterfeiting	(1,040)	(2,008)	(11,272)	(3,310)	–
Fine on due amount of ICMS	–	(776)	–	–	–
Others	–	(88)	–	(13,450)	(3,595)
Customer compensation claim payments	–	(1,208)	–	–	–
Profit before taxation	**200,718**	**235,864**	**141,248**	**107,074**	**171,979**
Taxation	(6,809)	(29,013)	(7,726)	(5,290)	(33,756)
Profit for the year/period	**193,909**	**206,851**	**133,522**	**101,784**	**138,223**

	For the year ended 31 March			For the nine months ended 31 December	
	2017 (restated)	2018	2019	2018	2019
	(U.S. dollar thousands)				
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain/(loss) on financial assets at fair valued through OCI	–	–	–	(6,583)	(1,711)
Remeasurement of defined benefit liability (asset)	–	–	–	–	310
Items that may be reclassified subsequently to profit or loss:					
Foreign operations – foreign currency translation differences	10,211	(527)	(105,931)	(87,284)	(14,435)
Cash from hedging – effective position of changes in fair value.	–	–	(11,531)	–	(2,388)
Fair value of investment	–	–	(7,430)	–	–
Other Comprehensive income for the year/period, net of tax	–	–	–	(93,867)	(18,224)
Total Comprehensive income for the year/period.	**204,120**	**206,324**	**8,630**	**7,917**	**119,999**
Profit for the year/period attributable to:					
Owners of the Company.	191,911	205,285	130,518	98,366	132,009
Non-controlling interests	1,998	1,566	3,004	3,418	6,214
	193,909	**206,851**	**133,522**	**101,784**	**138,223**

Explanation of certain income statement items

Revenue from operations

Revenue from operations includes sale of products, sale of products to holding company and other income from operations. Revenue from sale of products constitutes substantially all of the Issuer's revenue and is generated from sales of the Issuer's products to its customers, while revenue from sale of products to holding company is generated from sales of the Issuer's products to its parent company, UPL Limited. Other income from operations consist of job work/service income, discount received, commission received at the Group level and other operating income, among others.

Cost of sales

The Issuer's cost of sales consists of cost of goods sold including purchases of raw materials, purchases of goods and tools for resale, purchase returns and similar transactions, volume discounts, changes to inventories and consumption of other supplies.

Direct costs

The Issuer's direct costs consist of power and fuel, processing charges, rebate, commission and discount, effluent disposal charges, water charges, non-recoverable taxes-variable cost, transport charges and royalty charges. Direct costs are primarily driven by the size of the Issuer's operations, its geographical reach and customer requirements.

Other income

Other income consists of income from long term investments, interest on loan deposits, rent, profit on sale of investments, miscellaneous receipts, profit on sale of fixed assets and sundry credit balances written back.

Administration expenses

Administrative expenses include rent, travelling and conveyance, subscription/membership, service costs, entertainment, security services, training and seminar, office supplies, sundry expenses, registration charges and labour charges.

Other expenses

Other expenses primarily consist of employee benefits expense, exchange difference, advertisement and sales promotion, legal and professional fees, warehousing costs, general repairs, general insurance charges and rates and taxes.

Depreciation and impairment

Refers to the amount recognised in the income statement of the Issuer reflecting the amortised value of the tangible assets on a straight-line basis over the estimated useful life of the asset.

Amortisation

Refers to the amount recognised in the income statement of the Issuer reflecting the amortised value of the intangible assets on a straight-line basis over the estimated useful life of the asset.

Finance costs

Finance costs primarily comprise interest charges determined on the basis of the effective interest rate and a surplus of foreign exchange rate differences over the positive exchange rate differences on cash assets, loans and borrowings as well as other assets and liabilities.

Share of (loss)/profit from associates

Share of (loss)/profit from associates relate to the Issuer's proportionate share in (losses)/profit recorded by its associate companies.

Share of profit from joint ventures

Share of profit from joint ventures relate to the Issuer's proportionate share in profits recorded by its joint ventures.

Taxation

Income tax represents the sum of tax currently payable and deferred tax under the laws of each jurisdiction in which the Issuer carries out its business.

Comparison of results of operations for the nine months ended 31 December 2018 and 2019

Revenue from operations

	Nine months ended 31 December	
	2018	**2019**
	(U.S. dollars thousands)	
Sale of products (net)	1,428,840	3,001,817
Sale of products to holding company	22,071	23,119
Other income from operations	13,520	8,415
Total revenue from operations	**1,464,431**	**3,033,351**

Sale of products

Sale of products increased by U.S.$1,572.98 million, or 110.09 per cent., to U.S.$3,001.82 million for the nine months ended 31 December 2019 from U.S.$1,428.84 million for the nine months ended 31 December 2018, primarily due to the growth in sales in Latin America and the acquisition of Arysta. As a percentage of revenue, sale of products increased by 1.39 per cent. for the nine months ended 31 December 2019, from 97.57 per cent. for the nine months ended 31 December 2018.

Sale of products to holding company

Sale of products to holding company increased by U.S.$1.048 million, or 4.75 per cent., to U.S.$23.12 million for the nine months ended 31 December 2019 from U.S.$22.07 million for the nine months ended 31 December 2018, primarily due to the increase in demand in the Indian market. As a percentage of revenue, sale of products to holding company decreased to 0.76 per cent. for the nine months ended 31 December 2019, from 1.51 per cent. for the nine months ended 31 December 2018.

Other income from operations

Other income from operations decreased by U.S.$5.11 million, or 37.76 per cent., to U.S.$8.42 million for the nine months ended 31 December 2019 from U.S.$13.52 million for the nine months ended 31 December 2018. As a percentage of revenue, other income from operations decreased to 0.28 per cent. for the nine months ended 31 December 2019, from 0.92 per cent. for the nine months ended December 2018.

Comparison of results of operations for FY2018 and FY2019

Revenue from operations

	For the year ended 31 March	
	2018	**2019**
	(U.S. dollars thousands)	
Sale of products	2,105,364	2,559,799
Sale of products to holding company	32,988	27,208
Other income from operations		
Job work/service income	722	2,099
Discount received	129	237

	For the year ended 31 March	
	2018	**2019**
	(U.S. dollars thousands)	
Commission received – Group	4,819	9,382
Other operating income	6,509	7,336
Excess provision in respect of earlier year written back	1,355	3,456
Export incentives	47	52
Cash discount	(12,235)	(6,454)
NPV on sales	–	(1,184)
Royalty income	206	891
Total revenue from operations	**2,139,904**	**2,602,822**

Sale of products

Sale of products increased by U.S.$454.44 million, or 21.58 per cent., to U.S.$2,559.80 million for FY2019 from U.S.$2,105.36 million for FY2018, primarily due to the growth in sales in Latin America and the acquisition of Arysta.

Sale of products to holding company

Sale of products to holding company decreased by U.S.$5.78 million, or 17.52 per cent., to U.S.$27.21 million for FY2019 from U.S.$32.99 million for FY2018, primarily due to the decrease in demand in the Indian market. As a percentage of revenue, sale of products to holding company decreased to 1.05 per cent. for FY2019, from 1.54 per cent. for FY2018.

Other income from operations

Job work/service income

Job work/service income increased by U.S.$1.38 million, or 190.72 per cent., to U.S.$2.10 million for FY2019 from U.S.$0.72 million for FY2018, primarily due to the increased volume of contract manufacturing at the Issuer's manufacturing plants for its customers' products and services. As a percentage of revenue, job work/service income increased to 0.08 per cent. for FY2019, from 0.03 per cent. for FY2018.

Discount received

Discount received increased by U.S.$0.11 million, or 83.72 per cent., to U.S.$0.24 million for FY2019 from U.S.$0.13 million for FY2018, primarily due to the increased volume of the Issuer's supplies orders and resulting discount received from its third-party suppliers. As a percentage of revenue, discount received remained at a negligible level.

Commission received – Group

Commission received – Group increased by U.S.$4.56 million, or 94.69 per cent., to U.S.$9.38 million for FY2019 from U.S.$4.82 million for FY2018. As a percentage of revenue, commission received – Group increased to 0.36 per cent. for FY2019, from 0.23 per cent. for FY2018.

Other operating income

Other operating income increased by U.S.$0.83 million, or 12.71 per cent., to U.S.$7.34 million for FY2019 from U.S.$6.51 million for FY2018. As a percentage of revenue, other operating income decreased to 0.28 per cent. for FY2019, from 0.30 per cent. for FY2018.

Cost of sales

Cost of sales increased by U.S.$327.76 million, or 27.43 per cent., to U.S.$1,522.73 million for FY2019 from U.S.$1,194.98 million for FY2018, primarily due to the increase in sales volume and the acquisition of Arysta. As a percentage of revenue, cost of sales increased to 58.50 per cent. for FY2019, from 55.84 per cent. for FY2018.

Direct costs

Direct costs increased by U.S.$12.39 million, or 6.62 per cent., to U.S.$199.45 million for FY2019 from U.S.$187.06 million for FY2018, primarily due to the increase in processing charges and transportation costs. As a percentage of revenue, direct costs decreased to 7.66 per cent. for FY2019, from 8.74 per cent. for FY2018.

Other income

Other income increased by U.S.$3.88 million, or 26.76 per cent., to U.S.$18.39 million for FY2019 from U.S.$14.51 million for FY2018, primarily due to the decrease in interest on loans and deposits given. As a percentage of revenue, other income increased to 0.71 per cent. for FY2019, from 0.68 per cent. for FY2018.

Administrative expenses

Administrative expenses increased by U.S.$22.17 million, or 33.26 per cent., to U.S.$88.82 million for FY2019 from U.S.$66.65 million for FY2018. As a percentage of revenue, administrative expenses increased to 3.41 per cent. for FY2019, from 3.11 per cent. for FY2018.

Other expenses

Other expenses increased by U.S.$43.07 million, or 14.43 per cent., to U.S.$341.47 million for FY2019 from U.S.$298.41 million for FY2018, primarily due to the increase in employee costs, and advertisement and sales promotion expenses. As a percentage of revenue, other expenses decreased to 13.12 per cent. for FY2019, from 13.94 per cent. for FY2018.

Finance costs

Finance costs increased by U.S.$48.50 million, or 51.69 per cent., to U.S.$142.33 million for FY2019 from U.S.$93.83 million for FY2018, primarily due to an increase in interest cost on loans. As a percentage of revenue, finance costs increased to 5.47 per cent. for FY2019, from 4.38 per cent. for FY2018.

Taxation

Taxation decreased by U.S.$21.29 million, or 73.37 per cent., to U.S.$7.73 million for FY2019 from U.S.$29.01 million for FY2018, primarily due to the reduction in tax incidence in higher tax jurisdictions.

Comparison of results of operations for FY2017 and FY2018

Revenue from operations

	For the year ended 31 March	
	2017 (Restated)	**2018**
	(U.S. dollars thousands)	
Sale of products	1,755,960	2,105,364
Sale of products to holding company	24,297	32,988
Cash discount	(8,660)	(12,235)
Other income from operations		
Job work/service income	715	722
Discount received	90	129
Commission received – Group	15,743	4,819
Other operating income	2,118	6,509
Excess provision in respect of earlier year written back	1,668	1,355
Export incentives	1	47
Royalty income	1,095	206
Total revenue from operations	**1,793,027**	**2,139,904**

Sale of products

Sale of products increased by U.S.$349.40 million, or 19.90 per cent., to U.S.$2,105.36 million for FY2018 from U.S.$1,755.96 million for FY2017, primarily due to the increase in global demand and the introduction of new products.

Sale of products to holding company

Sale of products to holding company increased by U.S.$8.69 million, or 35.77 per cent., to U.S.$32.99 million for FY2018 from U.S.$24.30 million for FY2017, primarily due to the increase in demand in the Indian market. As a percentage of revenue, sale of products to holding company increased to 1.54 per cent. for FY2018, from 1.36 per cent. for FY2017.

Other income from operations

Job work/service income

Job work/service income increased by U.S.$0.007 million, or 0.98 per cent., to U.S.$0.722 million for FY2018 from U.S.$0.715 million for FY2017, primarily due to the stagnancy in volumes of contract manufacturing at the Issuer's manufacturing plants for its customers' products and services. As a percentage of revenue, job work/service income decreased to 0.03 per cent. for FY2018, from 0.04 per cent. for FY2017.

Discount received

Discount received increased by U.S.$0.04 million, or 43.33 per cent., to U.S.$0.13 million for FY2018 from U.S.$0.09 million for FY2017, primarily due to the increased volume of the Issuer's supplies orders and resulting discount received from its third-party suppliers. As a percentage of revenue, discount received remained at a negligible level.

Commission received – Group

Commission received – Group decreased by U.S.$10.92 million, or 69.39 per cent., to U.S.$4.82 million for FY2018 from U.S.$15.74 million for FY2017. As a percentage of revenue, commission received – Group decreased to 0.23 per cent. for FY2018, from 0.88 per cent. for FY2017.

Other operating income

Other operating income increased by U.S.$4.39 million, or 207.32 per cent., to U.S.$6.51 million for FY2018 from U.S.$2.12 million for FY2017. As a percentage of revenue, other operating income increased to 0.30 per cent. for FY2018, from 0.12 per cent. for FY2017.

Cost of sales

Cost of sales increased by U.S.$158.01 million, or 15.24 per cent., to U.S.$1,194.98 million for FY2018 from U.S.$1,036.97 million for FY2017, primarily due to the increase in global sales volume. As a percentage of revenue, cost of sales decreased to 55.84 per cent. for FY2018, from 57.83 per cent. for FY2017.

Direct costs

Direct costs increased by U.S.$55.79 million, or 42.50 per cent., to U.S.$187.06 million for FY2018 from U.S.$131.27 million for FY2017, primarily due to the increase in processing charges, rebates commissions and discounts, and transportation costs. As a percentage of revenue, direct costs increased to 8.74 per cent. for FY2018, from 7.32 per cent. for FY2017.

Other income

Other income decreased by U.S.$8.08 million, or 35.77 per cent., to U.S.$14.51 million for FY2018 from U.S.$22.59 million for FY2017, primarily due to the increase in interest on loans and deposits given. As a percentage of revenue, other income decreased to 0.68 per cent. for FY2018, from 1.26 per cent. for FY2017.

Administrative expenses

Administrative expenses increased by U.S.$17.75 million, or 36.29 per cent., to U.S.$66.65 million for FY2018 from U.S.$48.90 million for FY2017. As a percentage of revenue, administrative expenses increased to 3.11 per cent. for FY2018, from 2.73 per cent. for FY2017.

Other expenses

Other expenses increased by U.S.$32.15 million, or 12.07 per cent., to U.S.$298.41 million for FY2018 from U.S.$266.26 million for FY2017, primarily due to an increase in employee costs, and legal and professional charges. As a percentage of revenue, other expenses decreased to 13.94 per cent. for FY2018, from 14.85 per cent. for FY2017.

Finance costs

Finance costs increased by U.S.$17.94 million, or 23.64 per cent., to U.S.$93.83 million for FY2018 from U.S.$75.89 million for FY2017, primarily due to an increase in interest on loans. As a percentage of revenue, finance costs increased to 4.38 per cent. for FY2018, from 4.23 per cent. for FY2017.

Taxation

Taxation increased by U.S.$22.20 million, or 326.10 per cent., to U.S.$29.01 million for FY2018 from U.S.$6.81 million for FY2017, primarily due to an increase in tax incidence in higher tax jurisdictions.

Liquidity

The Issuer's liquidity requirements arise principally from its operating activities, capital expenditures, the repayment of borrowings and debt service obligations.

The Issuer's principal sources of funding include cash from operations, short-and long-term committed and uncommitted loan facilities, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by its parent. The Issuer's treasury function reviews the liquidity of its all operations. Cash generated by its operating subsidiaries is utilised to finance growth within the operations of such subsidiary or is transferred to holding companies through the payment of dividends or repayment of intercompany loans. In most cases, the Issuer does not believe there are significant obstacles or barriers to transferring funds from its local operating subsidiaries to the Issuer that may affect its ability to meet or fulfil its financial or other obligations.

The Issuer held cash and cash equivalents of U.S.$379.97 million and U.S.$259.51 million as of 31 March 2019 and 31 December 2019, respectively. It held cash and cash equivalents of U.S.$423.91 million, U.S.$416.60 million and U.S.$379.97 million as of 31 March 2017, 31 March 2018 and 31 March 2019, respectively. Its total cash as a percentage of total debt was 42.46 per cent., 42.29 per cent., 9.52 per cent. and 6.32 per cent. as of March 31, 2017, March 31, 2018 and March 31, 2019, and as of December 31, 2019 respectively.

Cash flow

The following tables set forth combined cash flow information for FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 31 December 2019.

	For the year ended 31 March		
	2017 (restated)	**2018**	**2019**
	(U.S. dollar thousands)		
Cash flows from operating activities	314,148	356,672	424,079
Cash flows from investing activities	(91,094)	(193,432)	(4,494,426)
Cash flows from financing activities	48,575	(164,263)	3,961,902
Net increase in cash and cash equivalents	271,629	(1,023)	(108,445)
Cash and cash equivalents at the start of the period	147,332	423,906	416,600
Cash and cash equivalents on acquisition on Subsidiaries	0	0	147,488
Effect of exchange rate difference	4,945	(6,284)	(75,673)
Cash and cash equivalents at end of the period	423,906	416,600	379,970

	For the nine months ended 31 December	
	2018	**2019**
	(U.S. dollar thousands)	
Net cash from operating activities	11,612	227,000
Net cash used in investing activities	(63,780)	(188,751)
Net cash used in financing activities	(138,934)	(155,261)
Net (decrease) in cash and cash equivalents	**(191,102)**	**(117,012)**
Cash and cash equivalents at the start of the period	416,600	379,970
Cash and cash equivalents on acquisition of subsidiaries	–	3,528
Effect of exchange rate difference	(52,241)	(6,980)
Cash and cash equivalents at end of the period	**173,257**	**259,506**

Net cash generated from operating activities

Net cash generated from operating activities was U.S.$11.61 million for the nine months ended 31 December 2018 and U.S.$227.00 million for the nine months ended 31 December 2019. Cash from operating activities was higher for the nine months ended 31 December 2019, mainly reflecting increase in profitability and the acquisition of Arysta.

Net cash generated from operating activities was U.S.$424.08 million for FY2019, U.S.$356.67 million for FY2018 and U.S.$314.15 million for FY2017. Cash from operating activities was higher in 2019 compared to 2018 mainly due to the decrease in working capital resulting from an improvement in the collection of trade receivables and an increase in trade payables. Cash from operating activities was higher in 2018 compared to 2017 mainly due to the increase in profits.

Net cash used in investing activities

Net cash used in investing activities was U.S.$188.75 million for the nine months ended 31 December 2019 and U.S.$63.78 million for the nine months ended 31 December 2018. Net cash used in investing activities was higher for the nine months ended 31 December 2019, mainly reflecting the consideration paid for the Arysta acquisition on account of working capital adjustments as per the share purchase agreement.

Net cash used in investing activities was U.S.$4,494.43 million for FY2019 and U.S.$193.43 million for FY2018. Cash used in investing activities was higher in FY2019 compared to FY2018 mainly due to the acquisition of Arysta.

Net cash used from investing activities was U.S.$193.43 million for FY2018 compared to net cash used in investing activities of U.S.$91.10 million for FY2017. Net cash used in investing activities was higher in FY2018 compared to FY2017 mainly due to higher capital expenditure and investments.

Net cash used in financing activities

Net cash used in financing activities was U.S.$155.26 million for the nine months ended 31 December 2019 compared to U.S.$138.94 million for the nine months ended 31 December 2018. Cash used in financing activities was higher in 31 December 2019 mainly due to increase in interest payments.

Net cash used in/from financing activities was U.S.$3,961.90 million for FY2019, (U.S.$164.26 million) in FY2018 and U.S.$48.58 million for FY2017. Cash used in financing activities was lower in FY2019 compared to FY2018 mainly due to the fundraising for the acquisition of Arysta. Cash used in financing activities was higher in FY2018 compared to FY2017 mainly due to higher interest and dividend payments.

Cash outflow on account of Capital Expenditure

The Issuer's cash outflow in relation to capital expenditures includes expenditure on tangible and intangible assets. Tangible assets of the Issuer include, among others, new manufacturing plants and expansion of existing plant capacity for new production lines and its intangible assets mainly includes product registration cost incurred from the registration of its products in various jurisdictions. Intangible assets of the Issuer include goodwill, customer lists, product registrations and software. The Issuer plans its capital expenditures at the start of a fiscal year through its wide budgeting process.

Cash outflow on capital expenditure for the nine months ended 31 December 2019 was U.S.$85.27 million, compared with U.S.$41.36 million for the nine months ended 31 December 2018, an increase of U.S.$43.91 million. Capital expenditures for the nine months ended 31 December 2019 primarily related to product registration in North America and Europe.

Capital expenditure for FY2019 was U.S.$69.13 million, compared with U.S.$97.26 million in FY2018, a decrease of U.S.$28.13 million. Capital expenditures for FY2019 primarily related to the expansion of the Issuer's manufacturing plants and machinery as well as costs incurred from the registration of its products.

Capital expenditure for FY2018 was U.S.$97.26 million, compared with U.S.$116.29 million in FY2017, a decrease of U.S.$19.03 million. Capital expenditures for FY2018 primarily related to the expansion of the Issuer's manufacturing plants and machinery as well as costs incurred from the registration of its products.

The capital expenditures are expected to be incurred to enable the Issuer to expand its global footprint further in line with its expectations regarding the planned expansion of its customers. For instance, such capital expenditures will be used towards the improvement and expansion of the Issuer's manufacturing plants as well as addition of product registrations in different regions for its new products.

Contractual Obligations and Contingent Liabilities

The following table sets forth the Issuer's remaining contractual maturity for its non-derivative financial liabilities with contractual repayment periods as of 31 March 2019. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Issuer could be required to pay.

	Payments due by period		
	Less than 1 year	**More than 1 year**	**Total**
	(U.S. dollars thousands)		
Borrowings	240,846	3,748,810	3,989,656
Other long-term liabilities	–	19,103	19,103
Capital commitment	895	–	895
Lease	5,616	9,071	14,687
Total	**247,357**	**3,776,984**	**4,024,341**

The Issuer's ability to make scheduled payments of principal of, or to pay the interest on, or to refinance, the Issuer's indebtedness (including the Securities), or to fund planned capital expenditure and working capital, will depend on its future performance and its ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors that are beyond its control, as well as to other factors discussed under "*Risk Factors*".

Working Capital

	For the year ended 31 March		
	2017 (Restated)	**2018**	**2019**
	(U.S. dollars thousands)		
Increase/(Decrease) in provisions	(1,467)	1,162	(1,443)
(Increase)/decrease in inventories, trade receivables, and other non-investing assets			
Change in inventories	(84,951)	(20,260)	(12,405)
Change in trade receivables	(19,113)	(24,654)	78,847
Change in other assets	158,606	2,490	28,441
Increase/(decrease) in trade payables and other non-investing liabilities			
Change in trade payables	(9,593)	48,488	84,768
Change in other liabilities	(14,454)	(19,726)	(59,027)
Change in working capital	29,028	(12,500)	119,181

	For the nine months ended 31 December	
	2018	**2019**
	(U.S. dollar thousands)	
Change in long term and short term provisions	(1,505)	(12,173)
(Increase)/decrease in inventories, trade receivables, and other non-investing assets		
Change in inventories	(190,398)	(183,692)
Change in trade receivables	94,149	(1,381)
Change in advances	(32,409)	(3,996)
Increase/(decrease) in trade payables and other non-investing liabilities		
Change in trade and other payables	(116,883)	(46,073)
Change in other liabilities	42,881	75,017
Change in working capital	(204,165)	(172,298)

For FY2017, the Issuer's net change in working capital totalled U.S.$29.03 million, which included a U.S.$158.61 million decrease in other assets, which was primarily due to the decrease in long term and short term loans and advances. The decrease in working capital was partly offset by an increase in inventories of U.S.$84.95 million and an increase in trade receivables of U.S.$19.11 million.

For FY2018, the Issuer's net change in working capital totalled an increase of U.S.$12.50 million, which was primarily due to increases in inventories and receivables. The increase in current assets was partly offset by an increase in payables.

For FY2019, its net change in working capital totalled a decrease of U.S.$119.18 million, which was primarily due to the decrease in receivables and increase in payables. The decrease was partly offset by the increase in inventories.

For the nine months ended 31 December 2018, the Issuer's net change in working capital totalled an increase of U.S.$204.17 million, which was primarily due to an increase in inventory and a decrease in payables. The increase in working capital was partly offset by the decrease in receivables.

For the nine months ended 31 December 2019, its net change in working capital totalled a decrease of U.S.$172.30 million, which was primarily due to a U.S.$183.69 million increase in inventories, which is due to the seasonal nature of the business. The decrease was partly offset by a decrease in other liabilities of U.S.$75.02 million.

The Issuer believes that its current working capital would be sufficient for its current working capital requirements.

Off-Balance Sheet Arrangements

Other than non-recourse receivables facilities, the Issuer does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

As of 31 March 2018 and 31 March 2019, the total amount received from the sale of receivables was U.S.$457.10 million and U.S.$712.14 million, respectively.

Qualitative and Quantitative Disclosures about 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 prices are subject to currency rate risk and interest rate risk. The financial instruments that are affected by these risks include loans, bonds and borrowing, deposits, available-for-sale investments and derivative financial instruments. The Issuer uses derivative financial instruments such as foreign exchange contracts to manage its exposures to such foreign exchange fluctuations.

Currency risk

The Issuer typically receives revenue in the same currency in which it incurs costs in the majority of jurisdictions in which it operates. As such, it has a natural hedge against currency exchange risk. The Issuer also manages its gross or net currency exposures through forward cover on a 12-month or rolling basis, where possible. However, the Issuer faces some currency exchange risk in respect of (i) currency mismatches between its income and expenditures, which it seeks to manage by matching income currency to expenditure currency at the operating entity level, and (ii) currency translation for the purpose of preparing its combined financial statements, on account of its global operations.

Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations as they fall due. The Issuer'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 its reputation. The Issuer manages its 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.

Credit risk

The Issuer is subject to the risk that its counterparties under various finance and customer agreements will not meet their obligations. The Issuer's credit risk exposure relates to its operating activities and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. See "*Risk Factors – Risks Relating to the Issuer's Business and Industry – Customers of the Issuer may be unable to pay their debts due to local economic conditions.*" In relation to credit risk arising from financing activities, the Issuer allocates transactions to counterparties reflecting the credit worthiness of the financial institution. As of 31 March 2019 and 31 December 2019, the total trade receivables of the Issuer outstanding were U.S.$1,560.96 million and U.S.$1,567.73 million, respectively. The Issuer's provision for expected credit loss as of 31 March 2019 was U.S.$153.36 million and U.S.$142.19 million as of 31 December 2019.

Interest rate risk

The Issuer's financial assets and liabilities are either interest bearing or non-interest bearing. It is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Issuer manages its interest rate risk by using floating-to-fixed interest rate swaps by swapping the floating interest rates of some of its bank loans to fixed interest rates. It has entered into interest rate risk swap agreements for some of its bank loans to hedge against interest rate fluctuations. As of 31 March 2019 and 31 December 2019, the notional amount for which the Issuer had entered into interest swap agreements amounted to U.S.$1,900.00 million and U.S.$1,900.00 million, respectively.

Commodity price risk

While the Issuer believes its commodity price risk is low, such risk is the possibility of impact from changes in the prices of inputs. While it seeks to pass on input cost increases to its customers, it may not be able to fully achieve this in all situations or at all times or may be exposed during a time lag. See "*Risk Factors – Risks Relating to the Issuer's Business and Industry – Price fluctuations in the cost of raw materials and fuel, used to manufacture products of the Issuer, or disruptions in the supply of raw materials and fuel, may adversely affect its manufacturing costs.*"

Critical accounting estimates and judgements

Preparation of financial statements in accordance with IFRS requires management of the Issuer to make judgements, estimates and assumptions that affect the reported amounts of its assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgements, assumptions and estimates are reflected in the accounting policies of the Issuer, which are more fully described in the notes to the reviewed combined financial statements for the nine months ended 31 December 2018 and 31 December 2019, and audited combined financial statements for the years ended 31 March 2017, 31 March 2018 and 31 March 2019, which have been included elsewhere in this Offering Circular.

Certain of the Issuer's accounting policies are particularly important to the presentation of its combined financial position and combined results of operations and require the application of significant assumptions and estimates of its management. The Issuer refers to these accounting policies as its "critical accounting policies." The Issuer's management uses its historical experience and analyses the terms of existing contracts, historical cost conventions, global industry practises and information provided by outside sources, as appropriate, when forming its assumptions and estimates. Although the estimates are based upon management's best knowledge of current events and actions, actual results may materially differ from estimates.

While the Issuer believes that all aspects of its consolidated financial statements for the fiscal years ended 31 March 2017, 31 March 2018 and 31 March 2019 should be studied and understood in assessing its current and expected combined financial condition and combined results of operations, the following critical accounting policies warrant particular attention.

Basis of Preparation

The Issuer's consolidated financial statements as of for the fiscal years ended 31 March 2017, 2018 and 2019, have been prepared in accordance with IFRS as modified by the exemption from non-consolidation provided by the Mauritius Companies Act 2001. Its interim condensed consolidated financial statements as of and for the nine months ended 31 December 2018 and 2019 that have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with its last consolidated financial statements for the fiscal year ended 31 March 2019.

Determination of functional currency

The determination of functional currency of the Issuer is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. Its directors have considered factors described in Note 1 of its consolidated financial statements as of and for the year ended 31 March 2019 which have been included elsewhere in this Offering Circular, and have determined that the functional currency of the Group is the U.S. dollar.

Impairment of financial assets

IFRS 9 effectively incorporates an impairment review for financial assets that are measured at fair value, as any fall in fair value is taken to profit or loss or other comprehensive income for the year, depending upon the classification of the financial asset.

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.

Translation reserve

The Issuer has granted a quasi-equity long term foreign currency loan for some investment activities by its subsidiaries. As settlement date of the loan was not determined as of the reporting date, exchange differences arising on translation of the loan has been recognised in other comprehensive income and under translation reserve in equity. The translation reserve amounting to U.S.$229.02 million as of 31 December 2019 as compared to U.S.$213.27 million as of 31 March 2019 appearing under equity includes those translation differences on the conversion of the quasi-equity loan to U.S. dollar.

Share of results of associates

The associate's financial statements cover a 12 months period up to 31 December and also to 31 March and that of the group ends on 31 March. As the result of the amount for the 3 months to 31 March is not significant.

INDUSTRY AND MARKET DATA

Unless stated otherwise, the statements relating to markets and competition provided below are based on the Issuer's belief and estimates and Phillips McDougall IHS Markit's various reports on the agrochemical industry, both of which were, in turn, derived from various sources it believes to be reliable, including industry publications and from surveys conducted by third-party sources. Additional factors, which should be considered in assessing the usefulness of the market and competitive data and, in particular, the projected growth rates, are described elsewhere in this Offering Circular, including those set out in the section entitled "Risk Factors".

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Global Agribusiness Overview

The inputs required by a farmer to cultivate crops include fertiliser, fuel, seed and crop protection products. Of these, crop protection products and seeds are the R&D driven sectors of the agribusiness market. Crop protection products include herbicides, insecticides and fungicides for the control of weeds, insects and plant diseases, and also plant growth regulators and fumigants (which are mostly soil sterilants). Farmers need these to control damage to their crops and protect yields. The key factors that affect the crop protection market are crop prices and farmer wealth. Furthermore, other factors that affect the crop protection market are limited arable land, an increasing population, changes in dietary habits in developing countries and limited labour.

Non-crop agrochemical products comprise many of the same chemicals used for crop protection products but used instead in different markets, including home and garden, turf and ornamentals, pasture, public health, stored grains, post-harvest protection of produce and termite control in buildings. These products cater for specialised markets that use different distribution systems and with a much greater price mark up from the manufacturer to the end user. However, the costs needed to achieve such sales are also high. The key drivers in the non-crop markets are the performance of the general economy and the wealth of the end user affecting such end user's purchasing capability and decisions.

The seed market is divided between varieties that include GM traits and conventional seeds. GM seeds have only been accepted in certain countries and only for certain crops, predominantly maize, soybean, cotton and canola in the larger markets in the Americas, and cotton in India and China. Australia and South Africa also cultivate certain GM crops.

Set out below is a table prepared by Phillips McDougall IHS Markit setting forth aggregated revenues in each of the crop protection, non-crop agrochemicals and GM seed sectors of the global agrochemical industry for the years indicated. The data presented below only reflects the traded seed market. In developing markets, there is still a significant level of re-planting by farmers of some of the previous year's crops (for example, farmer saved seeds), or the planting of seeds supplied by governments. As neither of these have any commercial value, they have not been included in the table below.

Year	Crop Protection (U.S.$m)	Non-Crop Agrochemicals (U.S.$m)	GM Seed (U.S.$m)
2013	54,075	6,481	20,100
2014	58,746	6,515	21,054
2015	56,160	6,882	19,789
2016	52,882	7,106	20,039
2017	54,319	7,311	22,206
2018	57,561	7,538	21,970
2019P (preliminary estimates)	57,790	7,800	NA
2019/2018%	**+0.4**	**+3.5**	**NA**

Agrochemicals = U.S.$65,590 million;
2019/2018: 0.8%

Crop Protection Market

The underlying trend in the crop protection market since 2004 has been improvement, underpinned by rising crop commodity prices and farm incomes, particularly in the advanced developing markets of Brazil, Russia, India and China (the "**BRIC countries**") and also in Eastern and Central Europe.

The key influences on the growth of the crop protection market are crop prices and farmer wealth. Significant growth in the industry is also driven by developing markets, where there is an opportunity for an increase in the intensity of agrochemical usage, such as increased sprays of crop protection products being applied per hectare or volume growth.

The non-crop market features the use of agrochemicals in non-crop situations, such as home and garden, turf and ornamentals, industrial uses of herbicides, and also public health, termiticides (particularly in new construction), materials preservation and post-harvest protection of crops. This market is driven by the performance of the general economy, with economic weakness in major markets since 2009 resulting in reduced growth for this sector. Weak economic conditions result in reduced spending by individuals and companies on non-essential non-crop agrochemicals. If it had not been for currency factors and growth in the BRIC countries, the non-crop agrochemical market would have declined from 2011 through to 2014.

The global market for conventional crop protection products (excluding sales of herbicides-tolerant and insect-resistant seed, as well as non-crop agrochemicals) is estimated to have increased by 6.0 per cent. in 2018 to $57,561 million and preliminary estimates indicate a marginal growth of 0.4 per cent. to $57,790 in 2019 (Source: Phillips McDougall IHS Markit). When the impact of trade-weighted inflation and currency factors are taken into account, the overall market in real terms was static in comparison to the previous year.

Please note that for southern hemisphere countries, the data included is for the 2017/18 agricultural year. Please also be aware that market sizes relate to the value of products used on the ground but converted at ex manufacturer prices.

Key Factors Affecting Global Crop Protection Market Performance in 2019:

- Hike in prices in 2018 due to the Chinese manufacturing situation having largely levelled off, resulting in only modest price growth

- Continued growth in Latin America, particularly so in Brazil, with a rebound also experienced in Argentina following drought in recent years

- Strength of U.S.$ impacting dollar term growth – local currency terms performance more positive

- Excessive flooding impacted market in North America during the first half of the year

- Hot, dry weather experienced in Northern and Eastern Europe reduced pest/disease pressure and hence demand

- Market in Asia Pacific impacted by severe drought in Australia and key Southeast Asian nations

- US-China trade war shifting global trade patterns

Key Regional Factors Affecting Crop Protection Market Performance in 2019 based on preliminary reports:

NAFTA

- The North American market has been negatively impacted by detrimental weather in the US Midwest during the first quarter with severe cold temperatures and snowstorms followed by significant flooding delaying pre-season crop protection applications and spring planting.

- In addition, the unfavourable weather has reduced crop potential and hence limited expectations for farmer income which has already been impacted by the trade wars with China.

- The country is the most significant destination for US soybeans and so the reduction of demand, bolstered by strong production in 2018, has led to inflated stocks and suppressed prices.

- Reduced US soybean acreage (-13.9 per cent.) in 2019, with reduced yield prospects in key growing regions of the Midwest, is estimated to have had a significant effect on the market.

Latin America

- Expected to show significant growth driven by strong sales being recorded, particularly Brazil.

- Argentina is also estimated to have experienced strong growth following severe drought which capped market growth in recent years. Growth was, however, limited by continued hyper-inflation, impacting performance in dollar terms.

Europe

- Sales are expected to be affected by unfavourable weather, with hot, dry conditions in Northern and Eastern Europe impacting pest and disease pressure.

- Much of the growth in recent years has been driven by growth in the Former Soviet Union, however, liquidity remains an issue in Ukraine, limiting market potential.

- The region has also faced regulatory issues with key products being banned or phased out in recent years.

- In addition, political uncertainty amid Brexit has impacted the market in the UK, bolstered by weakness in the Pound versus the U.S.$.

Asia

- Estimated to have grown in local currency terms, however, unfavourable currency effects have impacted $ term performance.

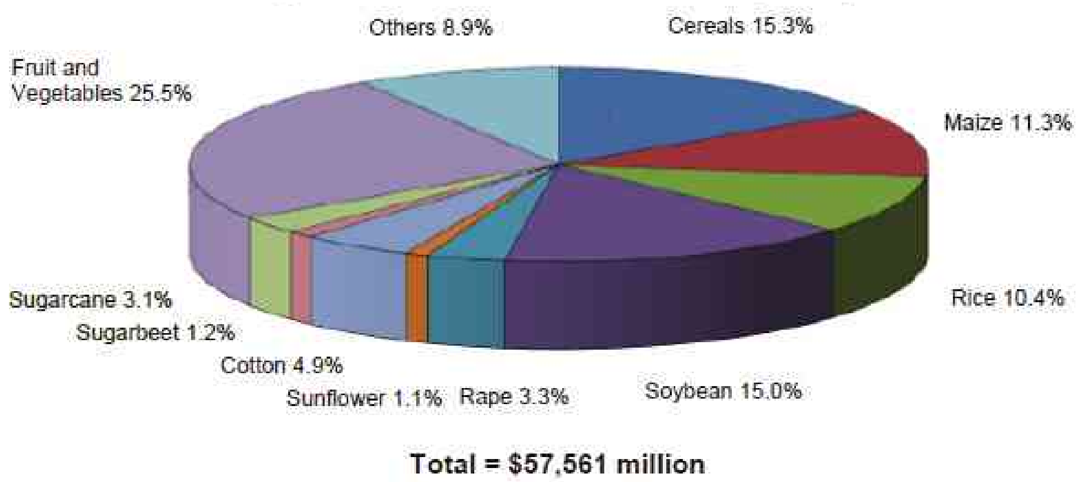
- Unfavourable weather has also impacted key country markets, with drought followed by flooding impeding potential in India, and continued severe drought in Australia and dry conditions in Southeast Asian nations reducing market expectations.

- On a more positive note, the Japanese Crop Protection Association has estimated that agrochemical sales in the country increased slightly during the year, boosted by increased demand for herbicides.

- In China, acreages of soybean and oilseed rape increased, with the government looking to expand agriculture and reduce the country's reliance on imports in line with the trade tensions.

Crop Type

Set out below is a chart prepared by Phillips McDougall IHS Markit setting forth a breakdown of the conventional agrochemical market by crop type for the global agrochemical industry for 2018 (2017/18 agricultural year).



The leading crop sectors of the global market are the GM seed sectors for maize and soybean, followed by cereal, maize and soybean herbicides. The largest market overall was the conglomerate fruit & vegetables sector, followed by cereals, soybean, maize and rice.

Most of the major crop sectors in the crop protection market show a similar trend in development to that of the demand for the relevant crop in the world market, with increased sales of agrochemicals on maize, soybean, cotton and canola/oilseed rape positively correlated to the increased demand for the GM varieties of these crops.

Real growth is where the impacts of currency exchange and inflation have been deducted from the value growth of the industry in dollar terms. In effect, this reflects volume growth of the industry. The forecast has taken place on the same basis, with no account of currency or inflation fluctuation.

It is estimated that in 2018, the market for agrochemical products in all major crop sectors increased. The greatest increases have been achieved by sugarcane (+11.4 per cent.), soybean (+9.6 per cent.) and cotton (+9.6 per cent.) with the market rebound in Brazil being a major driving factor.

With regards to the other key row crops, the rice, maize and cereals agrochemical markets are estimated to have experienced growth of 7.8 per cent., 6.3 per cent. and 0.3 per cent. respectively, despite lower planted areas of the former two. The agrochemical pricing has been a major driving factor for these crops.

The conglomerate Fruit and Vegetables segment has historically been the most significant global crop sector and following an estimated 5.3 per cent. increase to reach approximately $14,663 million in 2018, it remains the leading category. Of this segment, vine and potato are the leading crops ($2,013 million and $1,956 million respectively) followed by pome fruit (approximately $1,515 million). For these crops, fungicide sales are of greatest significance and sales of the respective products benefitted from prices arising from increased planting of hybrid varieties, introduction of new fungicide products and higher import prices from Chinese suppliers as well as favourable weather in Asia following the El Niño event and respite from drought in California.

For the 2018/19 agricultural year, crop acreage and production trends show a mixed bag with declines for maize, rice, soybean and oilseed rape offsetting expanded areas of wheat and cotton. With regards to soybean, the decline is largely attributed to the trade war between the USA/Canada and China. Growers in the US have cut acreages, shifting to more profitable crops owing to import tariffs imposed by China on US soybeans. Imports from Latin America are gaining in importance and so growers are boosting acreages in Brazil and Argentina. A similar situation has happened with import tariffs being added to Canadian canola, resulting in rapeseed areas in the country declining in 2019, as farmers shift to more profitable crops. Global output for the major crops (wheat, maize, cotton, oilseed rape) is more positive with only soybean and rice experiencing reduced expectations for yields. Unfavourable weather in the USA has impacted soybean production on the already depleted areas, impacting global output. Global rice production has been impacted by reduced yields in key Asian country markets, notably China, as well as the USA.

Agrochemical sales for soybeans increased by 9.6 per cent. in 2018. Soybean protection products market share was 15.0 per cent. – the second-largest single crop sector behind cereals. The increase in 2018 was primarily attributed to increases in soybean insecticides globally, with the most significant improvements seen in the USA and Brazil. Over the last five years, agrochemical sales increased at a CAGR of 2.0 per cent.. By 2023, the global soybean agrochemical market is expected to have grown at a CAGR of 4.1 per cent.. A significant factor influencing the global soybean market from 2019 onwards is the current trade war between the USA and China. In response to tariffs imposed on imports from the USA, Brazil has become one of the largest exporters to China, and acreages are estimated to have increased during 2019. Some of this difference is also being made up by increased Chinese production. Aside from the trade situation, the anticipation of strong levels of pest pressure, likelihood of future outbreaks of Asian soybean rust, growing resistance issues, an improving economic climate in key country markets and strong agrochemical prices are expected to boost the soybean agrochemical market in the greater Latin America region. Since the introduction of GM soybean in the late-90s, the adoption of new biotechnologies has had a significant impact on the soybean agrochemical market – this trend can be expected to continue in the future, as new GM crops are being launched to manage the ongoing resistance issues.

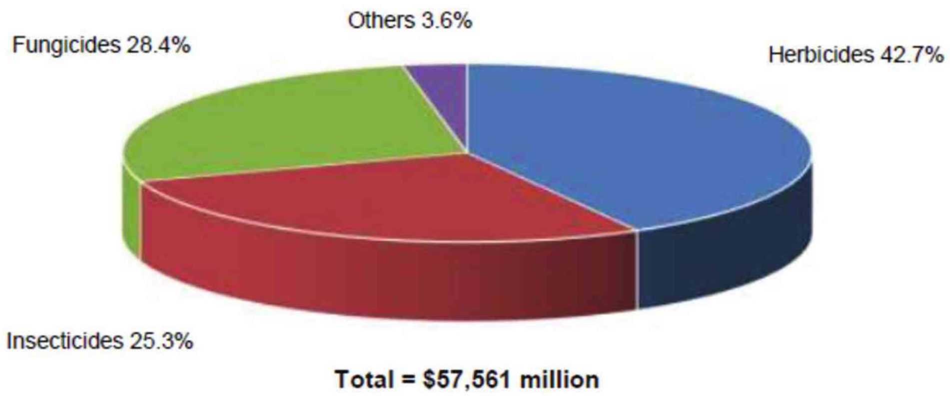
The agrochemical market for rice increased by 7.8 per cent. in 2018. Rice protection products market share was 10.4 per cent. – the fifth largest crop sector for agrochemicals. The sector grew despite global acreages being relatively flat, with agrochemical sales benefitting from higher commodity prices due to growing consumption as well as improved product prices. Over the last five years, sales have increased at an average annual rate of 2.7 per cent. p.a. Sales in Asia Pacific are estimated to have increased by

7.0 per cent., largely attributed to increasing demand in India. For the 2019 season, global acreage and production are forecast to be down marginally. Benefitting from higher commodity prices for the crop, as well as continued high prices for generic pesticides, the agrochemical market is expected to show growth during the year. Looking further ahead, the outlook for the agrochemical market remains positive, with the global crop protection sales in 2023 expected to increase by 2.4 per cent. p.a., driven by adoption by advanced agricultural practises and strong government support of the agricultural sector in a number of Asian countries, where rice is primarily grown. Much of the growth is anticipated to be derived from China and India. Growing instances of fall armyworm infestation in Asia will significantly boost the demand for insecticide products across the region.

Chemicals Sector

Set out below is a graph prepared by Phillips McDougall IHS Markit setting forth the breakdown of revenues in each of herbicides, insecticides, fungicides and others of the global agrochemical industry for 2018.

CONVENTIONAL CROP PROTECTION MARKET 2018



Set out below is a table of real and forecast growth of the global crop protection market by sector.

	Herbicides	Insecticides	Fungicides	Others	Total CCP	GM Seed
2018/2017 (%)	+5.9	+7.6	+4.7	+5.4	+6.0	-1.1
2018/2013 (% p.a.)	+0.9	+0.2	+2.5	+4.3	+1.3	+1.8
2023F/2018 (% p.a.)	+3.1	+3.1	+2.7	+2.6	+3.0	NA

Note – does not include non crop applications (CCP: conventional crop protection; NA not available)

The crop protection market went through a period of significant growth in 2011, 2012 and 2013. Real growth is where the impacts of currency exchange and inflation have been deducted from the value growth of the industry in dollar terms. In effect, this reflects volume growth of the industry. The forecast has taken place on the same basis, with no account of currency or inflation fluctuation.

The agrochemical industry enjoyed a period of steady growth from 2006 through to 2011. While the industry has declined in the recent past as demonstrated in the table above, the forecasted growth through to 2021 reflects a rebound.

Volume growth is driven by developing markets, mostly led by rice, wheat, fruit & vegetables. A key factor in developing markets is the rising demand for food, dietary change and for improved quality, these factors driving demand for fungicides. In both the herbicide and insecticide sectors there is a negative impact from the adoption of GM technology, which has also led to the dominance of glyphosate in the herbicide market. Oversupply of this product has had and is expected to continue to have, a negative impact on the value of the herbicide market.

Phillips McDougall IHS Markit's preliminary analysis of country market and company performances in 2019 estimates that the global market for agrochemicals, used in both crop and non-crop situations, has been essentially flat, rising by a marginal 0.4 per cent. to $65,590 million at the ex-manufacturer level. Based on this analysis, the global crop protection market is estimated to have increased by 0.4 per cent. to a total value of $57,790 million during 2019. The main factor which has led to this growth is continued recovery in the Brazilian market, the largest in the world, after the significant decline experienced between 2014 and 2017, mitigated by weaker market conditions elsewhere with unfavourable weather taking its toll in North America, Europe, Southeast Asia and Australia. In addition, growth in U.S.$ terms has been impacted by negative currency effects, with the strength of the dollar offsetting growth. One further impact cancelling out growth in Latin America has been a levelling out of global pricing following the spike in generic product pricing coming out of China, which drove market growth in 2018.

In 2018 the value of the herbicide sector increased by 5.9 per cent. to reach an estimated $24,608 million, equating to 42.7 per cent. of the crop protection market. The performance of the herbicide segment during the year was boosted by improved glyphosate prices, reduced channel inventories and improved market conditions in Latin America following year-on-year declines in the region. Adverse weather conditions in Europe did, however, slightly offset growth.

In 2018 fungicide sales increased by 4.7 per cent. to $16,319 million, representing a 28.4 per cent. share of the global crop protection market. Similar market drivers to herbicides contributed to growth in the sector, however, this growth was somewhat offset by dry conditions in Europe leading to reduced disease pressure. In addition, the significant Brazilian soybean fungicide market has been impacted by reduced Asian soybean rust pressure in the country, partly attributed to several Brazilian states having implemented a strategy of not planting soybeans in the Safrinha season in an effort to reduce losses to the disease.

The insecticide market is estimated to have experienced the greatest growth over the previous year, with sales increasing by 7.6 per cent. to reach $14,549 million in 2018, representing a 25.3 per cent. share of the crop protection market. Despite the strong growth during the year, the market is less positive over the last five-year period, rising by a marginal 0.2 per cent. per annum since 2013.

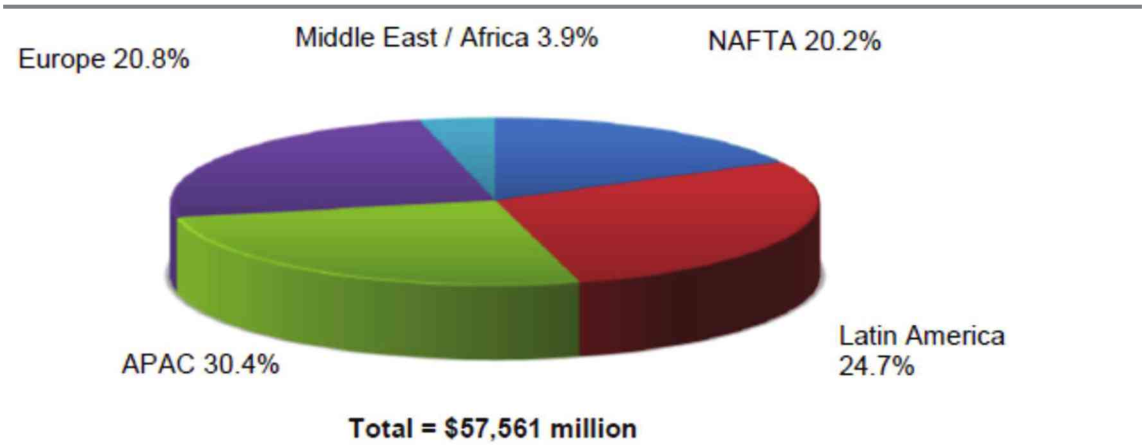
Sales during 2018 were boosted by improved prices and reduced channel inventories. The market also benefitted from increased demand in India, particularly for use on cotton where infestations of pink bollworm (*Pectinophora gossypiella*) were experienced.

In addition, sales of agrochemicals used in non-crop situations are estimated to have increased by 3.1 per cent. to $7,538 million.

Regions

Set out below is a graph prepared by Phillips McDougall IHS Markit setting forth the breakdown of revenues in each of Latin America, Asia, Europe, the North American Free Trade Area ("**NAFTA**") and others for the global agrochemical industry for 2018.

CONVENTIONAL CROP PROTECTION MARKET BY REGION 2018



In Asia Pacific, the leading regional market for agrochemicals, sales are estimated to have increased by 7.2 per cent. in the year to reach $17,489 million. Drivers of this growth include favourable monsoon conditions in key growing areas of India and Southeast Asia. In India, infestations of pink bollworm boosted the cotton insecticide market. Improved prices from product manufacturers in China through new government legislation also boosted sales. Indonesia has benefitted in recent years from an import ban on rice and corn causing domestic crop prices to increase. Growth was somewhat offset by drought in Australia which impacted demand in the country.

The Latin American market is estimated to have increased by 11.1 per cent. to reach $14,181 million in 2018. The growth is largely attributed to rebound in the Brazilian market, reduced inventory stocks and improved product prices of products from China. Insecticide sales in recent years have, however, been impacted by increased adoption of Intacta RR soybeans and hyper-inflation in Argentina.

European crop protection sales decreased by 3.0 per cent. in 2018 to an estimated $12,001 million. The region was impacted by hot, dry weather in key central and western markets, reducing pest pressure. The decline was, however, somewhat offset by strength in Eastern markets, notably Russia, where the agricultural economy continues to boom in response to sanctions imposed from the EU.

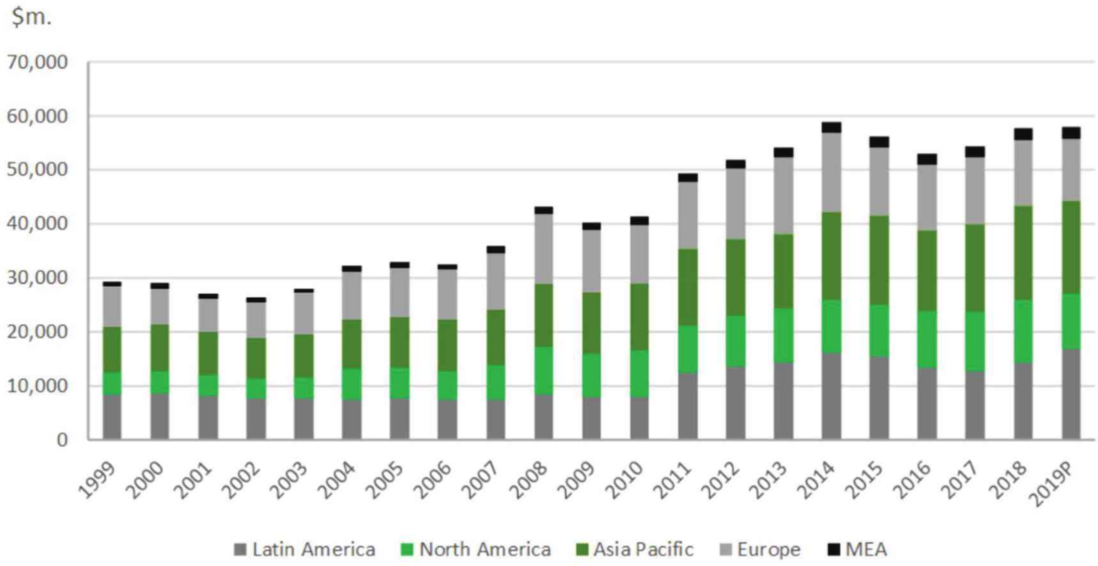
In North America the market is estimated to have increased by 8.0 per cent. to reach $11,623 million. The market benefitted from improved generic product prices, increasing adoption of GM technologies driving demand for more expensive agrochemicals, reduced distribution inventories and strong cereal acreages in both the USA and Canada. Also contributing to growth has been strong demand for ethanol fuel with production being sustained at record levels.

The Middle East and African market is of minor significance compared to the other regions with sales in 2018 at an estimated $2,267 million; this does, however, reflect a rise of 7.4 per cent. over the previous year. The region has benefitted from improved political stability in north and west Africa as well as favourable rainfall in key Middle Eastern markets.

Long-term factors which have affected the crop protection market in recent years include the uptake of GM technologies, the increased development of herbicide resistant weeds, the economic performance of developing markets, as well as new product introductions and regulations.

Over the last five years the greatest growth in dollar terms has been recorded in Asia Pacific (+4.7 per cent. p.a.), followed by MEA and North America (both +3.0 per cent. p.a.); in contrast Latin America has been essentially flat while Europe is estimated to have declined over the period (-3.1 per cent. p.a.).

THE GLOBAL AGROCHEMICAL MARKET GROWTH ($M) – 1999 TO 2019*



* 2019 market values are preliminary estimates – pending Q4 2019 evaluation

As can be seen in the chart above, the global agrochemical market has been in a general trend of growth since 1999, rising at an average rate of 3.6 per cent. per annum from approximately $29.2 billion to nearly $57.8 billion in 2019. At the regional level, all markets are estimated to have shown strong nominal growth; however, the greatest rise has been achieved by North America (+4.9 per cent. p.a.), followed by the Middle East & Africa (+4.3 per cent. p.a.), Asia Pacific (+3.6 per cent. p.a.), Latin America (+3.5 per cent. p.a.) and Europe (+2.1 per cent. p.a.).

Due to such growth, Asia Pacific (29.8 per cent.) has become the most significant region on a value basis with Latin America (28.9 per cent.) being relegated to second. In 1999, Europe equated to a quarter of industry sales, however, this has since dropped to a market share of 19.5 per cent.. The greatest growth in market share has been for North America, rising from 13.7 per cent. in 1999 to 18.0 per cent. in 2019.

In all regions, inflation will clearly have driven much of this nominal growth, however, other key factors impacting the performance of the industry are discussed below.

Asia Pacific:

- China has become the factory of the world for crop protection supply. Supplies over 50 per cent. of the volume for many older products

- Adoption of government plans aimed at reducing number of domestic manufacturers and forcing companies to invest in expensive equipment to reduce environmental impact. In addition, more companies, particularly in China, are going public and have the need to improve profit. These factors have boosted generic prices

- Climate change is resulting in more unpredictable and extreme weather. Notably, long-term drought is being experienced in Australia while monsoon in India and SE Asia is becoming more sporadic

- Maturity of the Japanese market limiting growth potential. Country has been impacted by declining rice areas and an ageing farmer demographic as young people move to the cities for work

- Increased social and economic growth in key developing markets, notably China, has driven a significant increase in the demand for meat production. This, in turn, has boosted the requirement for animal feed which has been sourced through expanded acreages and more reliance on international trade partners

- Increasing demand for high-quality fruit and vegetable crops has driven expansion of insecticide and fungicide usage; changing consumer trends has led to increasing demand for viticulture, a particular driver for copper and EBDC fungicides and rising labour costs in India leading to growth in herbicide usage as well as a rise in low/no-till practises

- Increasing weed resistance in Australia, currently standing at 93 identified species and in China, currently standing at 45 species

- There is still an absence of any significant domestic GM cultivation in China, despite significant research efforts in academia, as well as other major markets such as the US, Brazil and Argentina choosing to technify their production with novel trait systems.

Americas:

- Brazil has overtaken the US to become the leading crop protection market globally

- Introduction of the major digital agriculture systems such as variable rate prescriptions

- High adoption levels of GM technologies, particularly those conferring herbicide tolerance, driving demand for active ingredients such as glyphosate and glufosinate. Intacta soybeans have also gained a foothold, particularly in Latin America, impacting the demand for conventional insecticides. Strong uptake of seed treatment products has also been experienced to protect more expensive GM seeds

- Rates of deforestation in the Amazon have increased in the last 20 years as farmers clear space to expand acreages

- Increased consumption of crops, notably maize and soybean, has largely been driven by greater demand for animal feed

- The increased adoption of ethanol fuel has boosted demand for sugarcane production

- The Brazilian soybean market has expanded significantly since 2004/5 when Asian soybean rust infected the crop for the first time. Pressure is, however, reported to be declining in the country, partly as a result of a ban on second (Safrinha) season cultivation, limiting the sector going forward

- Increasing weed resistance in the USA currently standing at 165 species – by far the most significant by volume globally. This has led to significantly increased demand for selective herbicides as well as the development of alternative herbicide tolerance traits.

- Increasing weed resistance in Brazil currently standing at 50 species

- Significant rise in fruit and vegetable consumption patterns in the US and the benefits of tariff-free trade under NAFTA have significantly increased imports from both Canada and Mexico, stimulating the F&V markets in those countries

- A significant rise in meat exports to Mexico and exports of animal feed for domestic meat production have also stimulated the US maize and soybean industries

- Pressure on glyphosate – move to less scientific evaluation of products and hazard rather than risk-based evaluation. Legal pressure on the world's largest agrochemical.

EMEA:

- Increased number of mature markets, notably in western Europe where there is a limited area available for acreage expansion

- Increasingly restrictive regulatory situation in the EU leading to the loss of over half the number of active ingredients available in the 1990s. This, in turn, has driven increased use of biopesticides and adoption of integrated pest management (IPM) systems. Pressure on glyphosate

- Increasing consumer 'awareness' of environmental impacts of food production, creating influence at the political level regarding reduction of pesticide usage

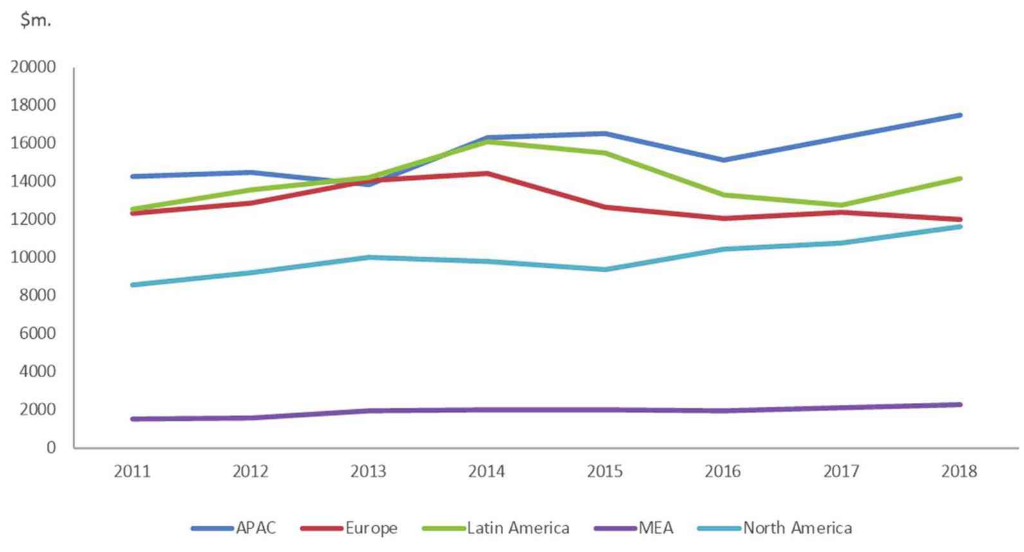
- Move to less scientific evaluation of products and hazard rather than risk-based evaluation. This is a significant factor in the loss of registration for many active ingredients

- The end to the sugar quota system in Europe in September 2017 following 50 years in effect. This included the abolition of import tariffs and quotas on raw cane sugar. Partly as a result of this, acreage declined in 2018 by 1.9 per cent.

- Improved political stability benefited markets in Africa, however, infrastructure problems and water availability continue to impede market growth

- A number of wars in the Middle East have caused significant damage to agricultural land and production.

Regional Market Performance: 2011-2018



Regional Market Performance:

Global Crop Protection Industry Forecast

According to Phillips McDougall IHS Markit, the following major factors will affect growth and sustainability of the agrochemical crop protection market until 2020:

(a) Crop prices and farmer wealth.

(b) Technology

The number of new agrochemical products generated from R&D in the agrochemical industry has been declining. There will thus be fewer patented products in the future that will be available once their patents expire, leading to greater competition in the non-patented agrochemical market. Agrochemical companies will also need to sustain their existing registrations, which are often based on older chemical formulations and which invite greater scrutiny from regulators.

(c) Resistance

Weeds, diseases and insects can all evolve to become resistant to herbicides, fungicides and insecticides. While the development of such resistance limits the effectiveness of existing agrochemical products, such resistance also creates an opportunity for new products to either replace such existing products or be used in combination with such existing products.

(d) Product portfolio maintenance

Certain jurisdictions require the periodic re-registration of agrochemical products, especially older agrochemical products. In those jurisdictions, the inability to re-register an agrochemical product leads to the inability to sell such product in such jurisdiction. An agrochemical product portfolio may also be enhanced by developing new products that replace or act in combination with existing agrochemical products encountering weed, disease or insect resistance. The development of alternative technologies, such as biological, gene silencing, and precision farming, will also have an impact on agrochemical products.

(e) Distribution/market access

The major agrochemical companies engaged in R&D are able to gain better access to the larger agrochemical distributors. Smaller distributors of agrochemical products are more susceptible to changes in economic conditions. A distributor that also holds the registration for the distributed agrochemical product has greater control over the price of such agrochemical product.

2020 Outlook

Southern hemisphere plantings for the season began slower than usual; however, farmers have offset the soybean planting delay, and the planting status is now on a par with the five-year average, which augers well for the crop protection market in early 2020. The suspension was a result of hesitation resulting from poor weather conditions in the region, while the highly anticipated rebound is partly a reaction to the ongoing trade war between the US and China, which continues to stimulate Southern Hemisphere acreage. As of November 2019, the completion of a US-China trade deal is unlikely to be reached this year, while Beijing prepares for more extensive tariff rollbacks and the US counters with heightened demands of its own. China has been diversifying where agricultural products are imported from, affecting global trade and causing significant improvements for South American markets, particularly Brazilian maize for bioethanol production.

Current reports have highlighted an 80 per cent. probability of an El Niño in late 2020, expected to push global average annual temperature rise to a new record in 2021. Resulting conditions from El Niños generally include dryness in Asia Pacific by altering monsoon rains, as well as in north eastern parts of Latin America. Such conditions will drive further market declines in Australia should drought persist, with growth in the Brazilian market in response to increased export demand likely to be somewhat offset by reduced yield prospects. In contrast, El Niño fronts tend to bring abundant rainfall to Argentina and the western seaboard of Latin America; this will likely boost prospects for the economy in Argentina, improving farmer income and hence demand for agrochemicals. Similarly, in North America, such weather systems tend to bring warm winter conditions in the upper states and Canada, as well as heavy rainfall in the south, both factors likely to boost demand for pesticides.

In Europe, a notable factor likely to impact the market is the ongoing issue of Brexit. In October 2019, a withdrawal agreement (the "Withdrawal Agreement") setting out the terms of the United Kingdom's exit from the European Union, and a political declaration on the framework for the future relationship between the United Kingdom and European Union was agreed between the UK and EU governments. The Withdrawal Agreement, includes the terms of a transition or "standstill" period until 31 December 2020, during which time the United Kingdom and European Union will continue to negotiate the terms of a trading arrangement which will apply following the standstill period when the United Kingdom will have formally withdrawn from the European Union but will still be treated for most purposes as an EU member state. The withdrawal of the United Kingdom from the European Union and uncertainty with regards to its future trading arrangements with the EU continues to create significant political, social, and macroeconomic uncertainty.

Aside from Brexit, another major influence on the region is the increasing regulatory pressure being put on conventional crop protection active ingredients. A number of country markets within the EU have proposed the ban of glyphosate, notably France where the local Ministry of Agriculture confirmed intentions to phase out the use of such products in the country within a three-year period and in Austria where the lower house of the Parliament voted to ban glyphosate commencing on 1 January 2020. Such actions are clearly likely to drive increased adoption of alternative, often more expensive, technologies with biopesticides also likely to gain in market share going forward. At the product level, the level of industry innovation looks like it could be slightly higher than in 2019 with 11 new AIs ear-marked for possible introduction in 2020. In addition, the increased adoption of traits conferring tolerance to herbicides other than glyphosate will boost demand for higher value molecules.

Key Factors Affecting the Crop Protection Market in the next 20 Years

Four factors have had a major influence on the evolution of the market over the last 20 years: the spread of new pests or diseases such as Asian Soybean Rust, resistance to products, regulatory decisions and the introduction of new, improved product classes such as the diamides. These will continue to be significant drivers in the future. Other factors to consider are:

- The US-China trade war – Will tensions between the two nations be resolved in the near future, or will the conflict lead to a permanent shift in the pattern of global agriculture? At the time of writing there are hopeful signs that the dispute will be resolved

- Digital Agriculture – Will increased adoption of such systems and technologies lead to lower application rates and hence, global volumes?

- Rate of innovation – The number of new products being launched has been in a trend of decline in recent years with increasing regulatory pressure and cost of bringing a new active to market hindering research and development

- Loss of older products – this is particularly so regarding the fate of glyphosate, with an increasing number of countries proposing a ban on the molecule. The neonicotinoids have also come under pressure in the EU

- Continued growth of generics – as the rate of innovation slows down, the share of the market attributed to off-patent products has the potential to rise in the near to mid-term. However, the increase in pest resistance, loss of older chemistries, trends towards lower use rate actives with improved environmental/tox properties and novel modes of action is likely to lead to modest gains in proprietary market share in the longer term

- Continued penetration of biologicals – the biopesticide segment is likely to continue growing strongly, outpacing average industry gains. However, this is still from a relatively small base. Overall market share of biologicals unlikely to exceed 15 per cent.. More likely to be complementary with CCP in integrated pest management strategies including precision application

The value of the biologicals sector has increased significantly since 2000, rising from approximately $540 million in 2000 to an estimated $2,573 million in 2018, an average growth of +9.1 per cent. per annum. This has been driven by a number of factors, including:

- The increasing cost of development for conventional crop protection
- Ever more stringent regulatory requirements for conventional chemistries
- The data exclusivity of registration dossiers making it more prohibitive for smaller generics companies to enter the market, particularly in the EU
- Significant upsurge in bio-research in the industry, especially in academia. Notable increase in biopesticide filings in China, likely the result of government funding and direction driven by a desire to improve domestic food security
- Improving efficacy, handling and storage characteristics
- Modest increase in grower acceptance
- Changing consumer demand – increased desire for organic production, reduced pesticide usage
- Precision agriculture technology/agronomy driving precision/low use rate applications
- Resistance issues with older chemistries and loss of registrations
- Increasing demand for high-quality fruit and vegetables – a key niche market for biopesticides
- Biopesticides increasingly being seen as complementary to CCP in mixture products

The biologicals industry is, however, a significantly fragmented market when compared to conventional crop protection driven companies. Almost all companies have at least some interest in biopesticides, from small independents up to the large multi-nationals. There does exist the possibility for consolidation of biopesticide companies; however, following any potential rounds of mergers, the industry is still likely to remain fragmented to a greater extent when compared to the conventional market.

Set out below is a table prepared by Phillips McDougall IHS Markit indicating historic and forecast agrochemical crop protection sales in the mentioned leading 20 countries for the years indicated. Phillips McDougall IHS Markit's in-house forecast growth rates looking ahead to 2023 below are in real terms, while the historic growth rates are in nominal terms and thus are not directly comparable.

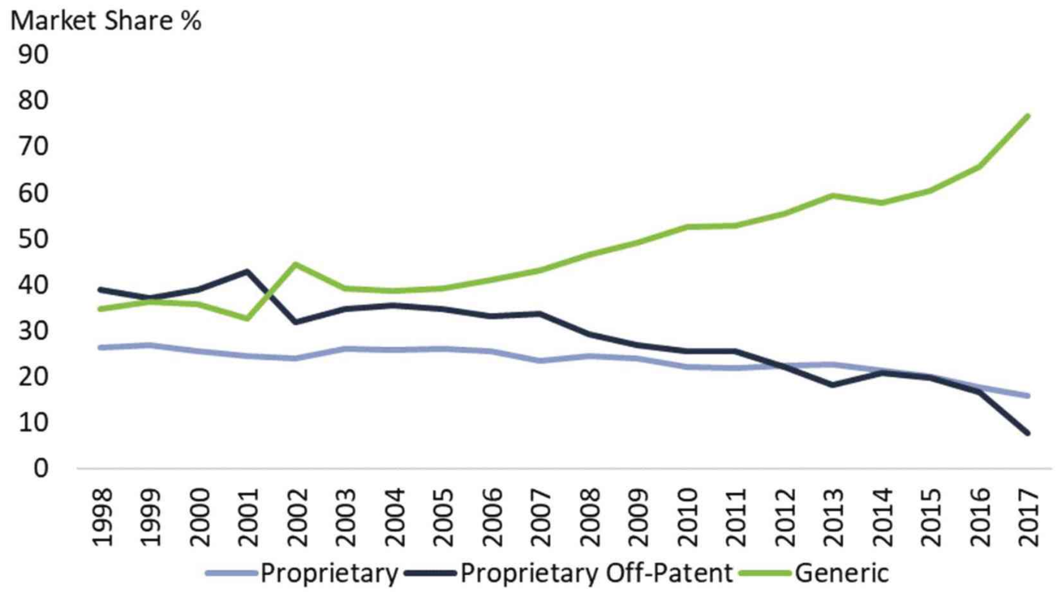
CROP PROTECTION MARKET PERFORMANCE 2013-2018-2023F

Rank	Country	Sales 2013 ($m)	Sales 2017 ($m)	Sales 2018 ($m)	Growth 2018/17 (%)	Growth 2018/13 (% p.a.)	Forecast 2023 (2018 $m)	Growth 2023/18 (% p.a.)
1	Brazil	10,190	8,863	10,053	+13.4	-0.3	12,346	+4.2
2	USA	7,387	8,191	8,884	+8.5	+3.8	9,906	+2.2
3	China	3,636	5,999	6,517	+8.6	+12.4	7,483	+2.8
4	Japan	3,389	3,140	3,196	+1.8	-1.2	3,381	+1.1
5	India	2,382	2,708	3,004	+10.9	+4.7	3,387	+2.4
6	France	2,866	2,375	2,145	-9.7	-5.6	2,386	+2.2
7	Canada	1,967	1,828	1,960	+7.2	-0.1	2,327	+3.5
8	Argentina	1,747	1,748	1,794	+2.6	+0.5	2,276	+4.9
9	Germany	2,121	1,845	1,671	-9.4	-4.7	1,809	+1.6
10	Italy	1,303	1,209	1,228	+1.6	-1.2	1,392	+2.5
11	Russia	937	956	1,011	+5.8	+1.5	1,192	+3.3
12	Australia	1,107	951	933	-1.9	-3.4	1,000	+1.4
13	Spain	996	916	892	-2.6	-2.2	1,036	+3.0
14	Mexico	660	742	779	+5.0	+3.4	955	+4.2
15	South Korea	574	611	645	+5.6	+2.4	715	+2.1
16	UK	744	670	630	-6.0	-3.3	686	+1.7
17	Poland	599	610	593	-2.8	-0.2	712	+3.7
18	Vietnam	561	533	592	+11.1	+1.1	690	+3.1
19	Thailand	625	506	560	+10.7	-2.2	621	+2.1
20	Ukraine	742	502	527	+5.0	-6.6	603	+2.7
	World	**54,075**	**54,319**	**57,561**	**+6.0**	**+1.3**	**66,703**	**+3.0**

Proprietary versus Post-patent Market Share

Set out below is a graph prepared by Phillips McDougall IHS Markit setting forth the market share of patented, proprietary post-patent and generic products for the years indicated.

EVOLUTION OF GENERICS MARKET SHARE



Note: **Proprietary** relates to the sales of patented active ingredients; **Proprietary Off-Patent** relates to the sales of products that are off-patent, but where the company that first introduced the molecule still greater than 90 per cent. of global sales and **Generic** relates to products whereby the company that first introduced the molecule has a market share of less than 90 per cent. of global sales.

An increasing proportion of the market is being taken by 'generic' products. The patented share of the market is in a phase of slow decline as the rate of new active ingredient introduction falls off.

The share of proprietary products has fallen from 25.5 per cent. in 2000 to 15.7 per cent. in 2017. Conversely, the generics segment has risen from 35.7 per cent. in 2000 to 76.6 per cent. in 2017. The most significant drivers in the growth of the generics segment have been the reduction in molecules in development as a result of increasing development costs and registration complexity, as well as the volume growth of agrochemical use in developing markets. The expansion of herbicide tolerance technologies has also driven the non-selective herbicide market.

There was a pick up in the patented share in 2012 and 2013, driven by the success of rynaxypyr (an insecticide), but with sales of that product weakening in 2015, and with more patents expiring and entering the proprietary post-patent sector, the patented share fell again. The share of proprietary off-patent products dropped significantly from 2016 to 2017 as major products like azoxystrobin, thiamethoxam and mesotrione moved into the generic category. Overall, 12 active ingredients lost their patent protection in 2017, and only 4 new products were launched; i.e. the patented category is declining in both market share and product numbers.

The sum of sales of generic products grew by 25.0 per cent., proprietary off-patent products declined by 49.9 per cent. and proprietary products declined by 4.8 per cent.. Despite generic products dominating the range of active ingredients included in the agrochemical market, R&D driven companies continue to account for 59.0 per cent. of the market, albeit this is a decrease from 63.8 per cent. in 2016.

Some intellectual property strategies remain open to companies once an active ingredient loses its patent protection. Re-formulations and branding are a competitive area between the generics companies and R&D manufacturers. R&D driven companies were once confident in their authority in gaining registration and regulatory affairs, however, generic manufacturers are increasingly hiring the expertise of contract research organisations and regulatory consultants to navigate the approvals process into key markets.

Such is the regulatory landscape for the registration of generic products in Europe, many traditionally European-centric companies have been increasingly seeking to register their products outside of the region.

The balance between patented, proprietary off-patent and generic market shares of the agrochemical industry is prone to a number of variables. While it is evident which product patents will expire in the coming years, the rate at which new chemical formulations are introduced is unpredictable. Also, when and to what extent regulatory decisions will be made that may remove or restrict the generic end of the industry remains uncertain.

Market conditions also play a part. When farm economies are weak, this generally shifts the market toward lower cost products, generally to the benefit of the generic industry.

The way the generic sector develops in the future will depend on a complex interplay of different forces including the rate of new product introductions, the success of the R&D-based companies defending their existing products, the de-registration of older products and the development of the overall agricultural economy.

Agrochemical Companies Landscape

The following table shows the agrochemical industry structure in 2018, ranked by headquarter location and global market share.

AGROCHEMICAL INDUSTRY STRUCTURE: 2018*

	Sales ($ billion)				
	10+	**10-5**	**5-1**	**1-0.5**	**<0.5**
Europe	Bayer	BASF		Sipcam	Helm
	Syngenta				Sapec Agro
					Belchim
USA		Corteva	FMC	Gowan	Amvac
			Arysta		
			Albaugh		
Japan			Sumitomo Chemical	Nissan	Mitsui
				Kumiai	Nippon Soda
				Nihon Nohyaku	Hokko
China				Nutrichem	Sinochem International
				Red Sun	Other Chinese
				Rainbow	
				Yangnong	
				Other Chinese	
Others			Adama		FarmHannong
			Nufarm		Sinon
			UPL		Rallis

* Ranked by Headquarter Location and Global Market Share

The ranking outlined in the table above comprises the main manufacturing organisations and does not include those that are primarily focused on product distribution. However, within this latter category there are several companies with significant sales revenues, notably companies such as Nutrien, Helena, Growmark, Wilbur-Ellis and Winfield in the USA and the leading Japanese trading companies Mitsui & Co., Sumitomo Corporation and Marubeni Corporation. In China the largest company to focus on distribution is Noposion.

The structure of the global agrochemical industry has undergone a major shift due to the scale of the recent mergers and acquisitions activity. The table below shows the groupings of the main companies in the industry on the basis of sales in 2018.

The crop protection industry in 2018 is led by the two largest R&D companies, Bayer and Bayer, each with sales in excess of $10 billion. Syngenta lost its position as the leading agrochemical company for the first time since 2007 following Bayer's acquisition of Monsanto. The next level of the market, companies with sales of between $10 billion and $5 billion, consists of BASF and the newly established Corteva Agriscience. The third tier, sales between $5 billion and $1 billion, is dominated by the leading generic manufacturing companies with the exception of FMC and Sumitomo Chemical who invest significant value into strong research and development pipelines. Companies headquartered in Asia, specifically China and Japan, dominate the next two tiers, with the remainder including larger privately-owned companies located in other parts of the world. China is particularly significant with approximately half of the top 50 companies active in the industry being based in the country.

Key transactions which have taken place in the past few years have resulted in a major shift in the structure at the top end of the industry, with many of the top 10 companies being engaged in large-scale mergers or acquisitions.

This was highlighted in 2017 with ChemChina's $43 billion successful bid to acquire Syngenta as well as the merger between Dow and DuPont closing during the year. This was followed in June 2018 when Bayer successfully completed its $63.5 billion acquisition of Monsanto, in a transaction that was first announced in September 2016. Most recently, in February 2019, UPL announced that it had closed the acquisition of Arysta from Platform Specialty Products in a transaction valued at $4.2 billion.

Historically, when a number of major acquisitions and mergers have taken place in a short period of time, there would be potential for further consolidation in the near future. However, given the significance of divestments required in order to mitigate concerns from anti-trust authorities, this trend is unlikely to continue:

- Syngenta was required to divest products valued at approximately $270 million when acquired by ChemChina in order to remedy portfolio clashes with Adama.

- DuPont was required to divest its cereal broadleaf herbicides and chewing insecticides portfolio, as well as its R&D pipeline and organisation, excluding seed treatments, nematicides and late-stage R&D programmes. Similarly, Dow was required to divest part of its corn seed business in Brazil to CITIC Agri Fund. The value of these divestments was estimated at approximately $1.5 billion.

- Most significantly, Bayer was required to divest its glufosinate business and related LibertyLink technology, its global field crop seeds business and certain R&D activities. The value of the divested portfolio was estimated at $2.5 billion.

As a result, any future market consolidation going forward is most likely to come from the second-tier companies. Given the recent growth of companies based in China and the crackdown on manufacturing in the country, there lies potential for M&A activity within these businesses, both domestically and on an international level.

It is evident that the M&A activity of the last couple of years has had a significant impact on the leading companies active in the agrochemical industry. For the first time in 10 years, Syngenta has lost its position as the leading agrochemical company despite showing strong growth in 2018. The company was overtaken by Bayer, who benefitted from the acquisition of Monsanto.

The following table lists the 15 leading agrochemical companies ranked by their conventional agrochemical sales in 2018 (Source: Phillips McDougall IHS Markit)

LEADING 15 COMPANIES: AGROCHEMICAL SALES 2018 – AS REPORTED BASIS

Rank	Agrochemical Company Sales ($m.)	2017	2018	% Change from 2017
1	Bayer	9,103	11,728	+28.8
2	Syngenta	9,739	10,413	+6.9
3	BASF	6,422	7,048	+9.7
4	Corteva Agriscience	6,184	6,445	+4.2
5	FMC	2,531	4,285	+69.3
6	Adama	3,259	3,617	+11.0
7	Sumitomo Chemical	2,492	2,515	+0.9
8	Nufarm	2,379	2,440	+2.6
9	UPL	2,172	2,394	+10.2
10	Arysta LifeScience	1,897	2,039	+7.5
11	Albaugh	1,279	1,415	+10.6
12	Nutrichem International	904	936	+3.6
13	Red Sun	726	890	+22.6
14	Shandong Weifang Rainbow Chemical	767	808	+5.4
15	Jiangsu Yangnong Chemical	647	787	+21.7

* Sales on an as reported basis

Other major beneficiaries of the consolidation activity, including those who acquired portfolios divested to mitigate regulatory concerns, are BASF, FMC, Adama and Nufarm.

Aside from this inorganic growth, most of the leading companies experienced favourable organic sales in 2018 with the increased product prices being of particular benefit to the businesses focused on post-patent (generic) products, notably UPL, Adama, FMC and Arysta.

COMPANY AGROCHEMICAL SALES: 2018/2017/2013

Sales ($m.)	2018	2017	2013	% Change 2018/2017	% Growth p.a. 2018/2013
Bayer	11,728	9,103	10,418	28.8	2.4
Syngenta	10,413	9,739	11,413	6.9	-1.8
BASF	7,048	6,422	6,942	9.7	0.3
Corteva Agriscience	6,445	6,184	n.a.	4.2	n.a.
FMC	4,285	2,531	2,146	69.3	14.8
Adama	3,617	3,259	2,876	11.0	4.7
Sumitomo Chemical	2,515	2,492	2,020	0.9	4.5
Nufarm*	2,440	2,379	2,297	2.6	1.2
UPL**	2,394	2,172	1,607	10.2	8.3
Arysta LifeScience***	2,039	1,897	1,501	7.5	6.3

* Sales adjusted to reflect 12 months ending January

** Sales adjusted to reflect 12 months ending December

*** PMD in-house estimate

The crop protection industry includes products derived both from conventional chemical synthesis as well as products based on biological agents. For some companies their turnover includes conventional agrochemical products as well as revenues from the sale or licensing of GM traits. In contrast, several of the industry participants report seed sales separately; such revenue can be from GM seed as well as those derived from conventional seed breeding and distribution businesses. In the tables, revenues from all seed including GM have been excluded to focus solely on agrochemical products.

It is important to note that all company sales data in the Company Section has been adjusted to best reflect the calendar year where applicable. This is most notably the case for Nufarm (year ending 31 January 2018).

Where applicable, sales provided within company profiles are presented on an ‘as reported’ basis, not adjusted to show performance if the major transactions occurred on 1 January, in order to present exactly how any company performed during fiscal year 2018. The Issuer has, however, provided ‘pro-forma’ sales estimates where appropriate.

The following table provides insight on pro-forma sales. The most significant moves include UPL, which following the acquisition of Arysta, and due to no divestments being needed to gain approval from regulatory bodies, has jumped three spots in the leader board to fifth largest agrochemical company.

LEADING 15 COMPANIES: AGROCHEMICAL SALES 2018 – PRO-FORMA BASIS

Rank	Agrochemical Company Sales ($m.)	2017	2018	% Change from 2017
1	Bayer	9,706	10,986	13.2
2	Syngenta	9,739	10,413	6.9
3	BASF	7,017	7,469	6.4
4	Corteva Agriscience	6,184	6,445	4.2
5	UPL	4,100	4,400	7.3
6	FMC	2,531	4,285	69.3
7	Adama	3,259	3,617	11.0
8	Sumitomo Chemical	2,492	2,515	0.9
9	Nufarm	2,379	2,440	2.6
10	Albaugh	1,279	1,415	10.6
11	Nutrichem International	904	936	3.6
12	Red Sun	726	890	22.6
13	Shandong Weifang Rainbow Chemical	767	808	5.4
14	Jiangsu Yangnong Chemical	647	787	21.7
15	Sichuan Leshan Fuhua Agro-Chemical	640	720	12.5

* Sales on an as reported basis

Key Drivers of the Post-patent Market

Products coming post-patent and maintenance of product portfolio

While R&D driven companies are under pressure to bring new products to market, post-patent companies are under pressure to maintain and upgrade their product portfolio in order to sustain their competitive position.

The steady stream of expiring patents of agrochemical active ingredients provides a source of new products, however, investment has to be made to register such products in a timely manner. The number of new products entering the market is in decline, which means that in the future, there will also be fewer products coming post-patent and greater competition in the recently off-patent sector.

Registrations, re-registration and market access

Another major challenge is sustaining the registration of products the company has on the market, in particular products based on older chemistry, which is more prone to regulatory scrutiny.

Product differentiation

There is significant competition in the post-patent market, with many companies offering the same products. This introduces the need for product differentiation, either through novel mixtures of active ingredients that suit a particular farmer's needs, or through proprietary formulation technology to provide a version of a product that may be more effective or user-friendly. If the post-patent company owns the patent to such technology, it can offer proprietary brands to the market and has a unique position for which it may be able to charge enhanced prices. There has been an increased focus on branded products which generally have a higher profit margin than non-branded products.

Low cost manufacturing or sourcing base

Unlike a pharmaceutical product, the cost of goods for producing an agrochemical is generally between 40-60 per cent. of the selling price of a product. Hence, there is not sufficient margin for a generic supplier to cut pricing considerably. In many cases, the company that introduced the molecule will have the economies of scale and experience with the product to sustain a very efficient manufacturing process. For the generic player, it is crucial to have a low cost and efficient source for product production to sustain the competitiveness and profitability of its operations.

Distribution capability

The further a company is involved down the distribution chain, the greater control it retains regarding product pricing and ability to change its offering to benefit from short-term market opportunities. The first part of this is owning registrations so that a company is not restrained by the demands of the registration holder. The next element is route to market; with its own distribution company, a company does not have to compete with multinationals for a distributor to push its product.

Most post-patent players operate only as marketing to distributors, while most of the R&D companies also practice pull marketing with technical representatives visiting farmers to ensure that the farmer requests their products. A company with its own distribution network can counteract this activity.

The analysis has shown that while the post-patent companies have slowly been gaining market share in what has been a very positive market in 2011 to 2013, generally the market opportunity for generic companies is greater when agricultural economies are weak, and farmers are seeking lower cost alternatives to satisfy their crop protection needs. Market conditions in 2015 and 2016 have generally been more favourable to the generic side of the industry.

The analysis above has also shown that the greatest future growth is also expected in developing countries, where in many cases the generic companies hold a larger market share than in the more developed markets where new products from R&D generally make a more significant impact. In many of these developing markets, distribution is not as well developed, with local companies holding a greater share, potentially providing greater market access to generic companies.

End-to-end solution

In order to provide end-to-end solutions, some players now have a comprehensive product portfolio covering the entire agricultural value chain, including seeds, seeds treatment, crop protection, storage of agricultural products as well as the post-harvest stage. In addition to in-house R&D, product development, registration, manufacture of active ingredients, formulation and packaging to marketing and distribution.

Barriers to Market Entry

The key barrier to market entry is registration. Without authority to sell, a company cannot participate in a regulated market. Most reputable companies will not want a presence in unregulated markets due to very low prices in these markets and the preponderance of fake and contraband products in these markets.

The most highly regulated and more costly to access markets are the EU, the United States, Canada and Japan. However, such costs are reflected in the pricing and profitability that can be attained in these regions.

While the Organisation for Economic Co-operation and Development does make product rulings, it does not provide any global registration system. Most developing markets generally mirror either the EU or US systems, with their own additional local requirements.

Some countries, notably Australia and Argentina, have quite open registration systems that make generic registrations more straightforward. However, an open market leads to much more competition and lower prices and profitability.

Brazil was at one time a difficult market for generic registrations, but the system then changed to be more open. The effect of this was for many companies to try to register products in the country, which was at that time the fastest growing market in the agrochemical industry. However, the flood of applications resulted in a complete overload of the system, with the authorities currently contemplating amendments to the system.

The next barrier is distribution. Some companies supply products to the local formulators and distributors that own the registration. In this instance, the supplier has little control of his products or the price for which they are sold. Also, it is relatively simple for a distributor to switch suppliers if he holds his own registration.

Most of the larger suppliers have their own registrations and so have greater control over the price. However, in many cases, the company will still use local distributors and they will have to compete for the attention of such local distributors against their other suppliers. Having their own distribution capability in the market takes away that level of competition, but is clearly a more costly operation which requires a broad product portfolio to offer a complete solution to the farmer. In some countries there are limitations on the ownership, or level of ownership, that foreign companies may hold in domestic businesses.

While not a barrier to entry, breadth of product portfolio and crop focus is a key issue. A complete offering across one major crop is more likely to yield success than an unfocused approach. Strategic planning to position the business, focus on areas of strength support for core products will more likely lead to success. Product stewardship, awareness of resistance and the relative activity of a company's product range, and upgrading where necessary, are all significant aspects of maintaining market performance.

Regulatory Environment

Much of the development costs of bringing a new active ingredient to market are associated with undertaking the studies required to satisfy the regulatory authorities. There has been an increase in development and registration costs over the last 10 years from 2000 to 2010-14, reflecting the harsher regulatory environment.

The declining trend in innovation can somewhat be attributed to the increasing cost of bringing a new molecule to market in recent years. Phillips McDougall IHS Markit carried out a study which concluded that the total cost of developing a new active ingredient has risen from approximately $152 million in 1995 to around $286 million in 2014; this expense includes research, development and registration costs. Over the same period, the time to develop and launch a new product has increased from 8.3 years to 11.3 years.

There has been a decline in conventional crop protection chemistries being introduced and conversely a general upturn in the number of biological active ingredients entering the market over the longer term. However, the average number of biopesticide introductions per year has been relatively static, with 11.2 (1990-1999), 11.2 (2000-2009) and 10.3 (2010-2018). In comparison, the conventional chemistry sector declined from 12.7 (1990-1999), was comparable at 11.2 (2000-2009) before falling to 5.9 (2010-2018). Additionally, due to industry consolidation, the number of research-driven agrochemical companies has declined whilst a shift in focus of the leading companies towards seeds and traits has also had an impact on investment in the development of new chemical crop protection products.

At present, 41 active ingredients remain in the later stages of development; if all of these products achieve introduction within the next five years, then the average annual rate of products introduced will be 8.2, in line with the historical rate of 8.3 since 1999.

Mergers and Acquisitions

The following tables list the major mergers and acquisitions in the industry from 2014 to present.

Acquirer	Business Purchased or Merged
Red Sun	Nanjing Red Sun acquired a 60% stake in the Argentina-based agribusiness Ruralco for approximately $23 million
BASF	Acquired significant seed, crop protection and digital agriculture assets from Bayer in a transaction valued at a reported €7.6 billion
Yangnong Chemical	Acquired Sinochem International's subsidiaries, Sinochem Crop Protection and Shenyang Pesticide Chemical Research and Development
UPL	Acquired the Bioquim Group comprising the Costa Rica-based agrochemical company Industrias Bioquim Centroamericana
Bayer	Bayer closed the acquisition of Monsanto for $66 billion
Adama	Entered a MoU to acquire "key parts" of Chinese chemical company Jiangsu Huifeng Bio Agriculture's crop protection business
Nufarm	Acquired the nematicide seed treatment Trunemco (cis-jasmone + *Bacillus amyloliquefaciens* strain MBI 600) from BASF
Temasek	Bayer signed an agreement to sell 31 million new shares to Temasek, corresponding to around 3.6% of the capital stock for €3 billion
Crystal Crop Protection	Acquired four pesticide brands from FMC; Furadan (carbofuran), Splendour (thiacloprid), Affinity Force (metsulfuron-methyl + carfentrazone-ethyl) and Metcil (metsulfuron-methyl)
Amvac	Acquired the quizalofop (QPE) herbicide line from DowDuPont's agricultural business, Corteva Agriscience
UPL	Acquired Arysta from Platform Specialty Products in a transaction valued at $4.2 billion
Sumitomo Chemical	Merged its two Indian subsidiaries, Excel Crop Care and Sumitomo Chemical India
Nihon Nohyaku	Acquired the Colombian agrochemical company Adnicol
Nufarm	Completed the acquisition of FMC's European sulfonylurea and florasulam herbicides portfolio for $90 million
Nufarm	Closed the acquisition of the Century portfolio of products and assets from Adama/Syngenta
Arysta	Acquired the New Zealand based Etec Crop Solutions through the formation of a new business entity, Arysta LifeScience New Zealand

Acquirer	Business Purchased or Merged
Sipcam Oxon	Acquired the Swiss biostimulants company Sofbey SA
Amvac	Purchased the bromacil herbicide business in the United States and Canada from Bayer Crop Science
Helm	Acquired the Extreme herbicide portfolio from BASF
Sumitomo Corporation	Acquired 51% stakes in the Ukrainian companies Spectr-Agro and Spectr-Agrotechnika
Crystal Crop Protection	Acquired three brands from Syngenta; Tilt, Blue Copper and Proclaim
UPL	Closed the acquisition of Arysta from Platform Specialty Products in a transaction valued at $4.2 billion

The following table illustrates the most significant transactions to have been completed in the last 20 years:

ACQUISITIONS AND MERGERS OF THE LEADING AGROCHEMICAL COMPANIES

Year	Acquirer/Resulting Business	Business Purchased or Merged	Value
1999	Syngenta	Novartis and Zeneca announced merger of agribusiness operations to form Syngenta	n.a.
2000	BASF	BASF closed the acquisition of Cyanamid during July 2000	$3.8 bn
2001	Dow	Dow acquired the global agrochemical business of Rohm & Haas	n.a.
2002	Bayer	Bayer completed the acquisition of Aventis' agribusiness, Aventis CropScience (ACS)	$6.6 bn
2011	ChemChina	ChemChina acquired a controlling stake in Makhteshim Agan (MAI), following which MAI rebranded as Adama	$2.6 bn
2012	BASF	BASF acquired Becker Underwood and formed a new business unit named Functional Crop Care	$1.02 bn
2017	ChemChina	China National Chemical Corporation (ChemChina) closed the acquisition of Syngenta in June 2017	$43 bn
2017	FMC	FMC closed the acquisition of a significant proportion of DuPont's crop protection assets in November 2017	$1.6 bn
2018	Corteva AgriScience	Dow and DuPont merge to form Corteva AgriScience	n.a.
2018	Bayer	Bayer acquired Monsanto in a transaction which closed in June 2018	$66 bn
2018	BASF	BASF closed the acquisition of key assets from Bayer in August 2018	$8.8 bn
2019	UPL	Closed acquisition of Arysta LifeScience from Platform Specialty Products in February 2019	$4.2 bn

Aside from the companies involved, a major beneficiary of the consolidation in the industry has been the major Chinese manufacturers with four now having sales great enough to be ranked in the top 15. Although M&A activity has led to a decline in the number of major companies boosting the rank of the Chinese companies, the prevalence of such manufacturers among the leaders has also been boosted by significant growth in international trade. According to IHS Markit's Global Trade Atlas (GTA), Chinese pesticide exports have increased from approximately 147 thousand tonnes in 1999 to nearly 1.5 million tonnes today due to strong demand for cheap generic produce. A similar situation has occurred for the Indian manufacturers, with pesticide trade growing at a rate of 13.0 per cent. per annum since 1999 to reach 443 thousand tonnes. UPL, in particular, has benefitted from such export demand from India, with sales growing from $139 million in 1999 to $2,394 million in 2018 ($4.4 billion if Arysta sales are included); the vast majority of the company's sales now being derived from international markets.

TERMS AND CONDITIONS OF THE SECURITIES

The following, subject to amendment and other than the words in italics, is the text of the Terms and Conditions of the Securities which will appear on the reverse of each of the definitive certificates evidencing the Securities:

The U.S.$400,000,000 perpetual subordinated capital securities (the "**Securities**", which expression includes any further securities issued pursuant to Condition 13 (*Further Issues*) and forming a single series therewith) of UPL Corporation Limited (the "**Issuer**") are constituted by a Trust Deed (as amended or supplemented from time to time, the "**Trust Deed**") dated 27 February 2020 (the "**Issue Date**") between the Issuer and Citicorp International Limited (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and for the holders (as defined below) of the Securities. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Securities. Copies of the Trust Deed and the Agency Agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated the Issue Date relating to the Securities between the Issuer, the Trustee, Citigroup Global Markets Europe AG as the registrar (the "**Registrar**"), Citibank, N.A., London Branch as the initial transfer agent (the "**Transfer Agent**"), Citibank, N.A., London Branch as the calculation agent (the "**Calculation Agent**") and Citibank, N.A., London Branch as the initial principal paying agent (the "**Principal Paying Agent**") and any other agents named in or appointed under it, are available for inspection by any holder of the Securities at all reasonable times during usual business hours (being between 9.00 a.m. and 3.00 p.m.) at the principal office of the Trustee (being as at the Issue Date at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) and at the specified office for the time being of the Principal Paying Agent following prior written request and proof of holding and identity satisfactory to the Trustee or, as the case may be, the Principal Paying Agent. "**Agents**" means the Principal Paying Agent, the Registrar, the Calculation Agent, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Securities.

The Holders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Securities are issued in the specified denomination of U.S.$200,000 and higher integral multiples of U.S.$1,000 in excess thereof.

The Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Securities by the same holder.

Title to the Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing (other than the endorsed form of transfer) on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Holder**" and, in relation to a Security, "**holder**" means the person in whose name a Security is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Securities will be represented by a global certificate (the "**Global Certificate**") representing Securities registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").*

The Conditions are modified by certain provisions contained in the Global Certificate while any of the Securities are represented by the Global Certificate. See "*The Global Certificate*".

Except in the limited circumstances described in the Global Certificate, owners of interests in Securities represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Securities. The Securities are not issuable in bearer form.

2 TRANSFERS OF SECURITIES AND ISSUE OF CERTIFICATES

(a) *Transfer*: A holding of Securities may, subject to Condition 2(d) and the terms of the Agency Agreement, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Securities to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of part only of a holding of Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Securities to a person who is already a holder of Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Securities and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer or the Registrar, with the prior written approval of the Trustee and, in the case of any change proposed by the Issuer, the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder following written request and proof of holding and identity satisfactory to the Registrar.

Transfers of interests in the Securities evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(b) *Delivery of New Certificates*: Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within seven business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) *Transfer or Exercise Free of Charge*: Certificates, on transfer, or exercise of an option, shall be issued and registered without charge to the relevant holder by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment by the relevant holder of any and all tax,

duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require).

(d) *Closed Periods*: No Holder may require the transfer of a Security to be registered:

(i) during the period of 15 days ending on (and including) the due date for redemption of that Security; or

(ii) during the period of seven days ending on (and including) any Record Date.

3 STATUS AND RANKING OF CLAIMS

(a) *Status*: The Securities constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided for under applicable laws, at all times rank equally with all Parity Obligations of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as provided in this Condition 3.

(b) *Ranking of claims on Winding-Up*: The claims of the Holders in respect of the Securities, including any accrued and unpaid interest and any outstanding Arrears of Interest, will, in the event of a Winding-Up of the Issuer (except, in any such case, a solvent Winding-Up of the Issuer solely for the purposes of a reorganization, reconstruction, amalgamation or the substitution in place of the Issuer of a "successor in business" (as defined in the Trust Deed) of the Issuer, (I)(x) the terms of which reorganization, reconstruction, amalgamation or substitution have previously been approved by an Extraordinary Resolution (as defined in the Trust Deed) or (y) which substitution will be effected in accordance with Condition 11(c) and the Trust Deed and (II) in each case the terms of which do not provide that the Securities shall thereby become redeemable or repayable in accordance with these Conditions) (subject to and to the extent permitted by applicable law), rank:

(i) junior to all Senior Obligations of the Issuer;

(ii) *pari passu* with each other and with any Parity Obligations of the Issuer; and

(iii) senior only to Junior Obligations of the Issuer.

Nothing in this Condition 3(b) or Condition 8 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

Accordingly, and without prejudice to the rights of the Trustee or the Agents, the claims of holders of all Senior Obligations of the Issuer will first have to be satisfied in any Winding-Up of the Issuer before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such Winding-Up of the Issuer. See "Risk Factors – Risks Relating to the Securities – The obligations of the Issuer under the Securities are unsecured and subordinated."

(c) *Set-off*: Subject to applicable laws, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities, and each Holder is, by virtue of his holding of any Securities, deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection

with, the Securities is discharged by set-off, such Holder shall, subject to applicable laws, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4 INTEREST PAYMENTS

(a) Interest Payments:

Each Security shall entitle the Holder thereof to receive interest in accordance with the provisions of this Condition 4.

(b) Rate of Interest:

(i) The Securities bear interest at the Interest Rate on their principal amount. Subject to Condition 4(c), such interest shall be payable semi-annually in arrear on 27 May and 27 November in each year (each of such dates, an "**Interest Payment Date**"), except that the first payment of interest to be made on 27 November 2020 (the "**First Interest Payment Date**") will be in respect of the period from, and including, the Issue Date to, but excluding, the First Interest Payment Date.

(ii) "**Interest Rate**" means:

(A) in respect of the period from, and including, the Issue Date to, but excluding, 27 May 2025 (the "**First Reset Date**"), shall be a fixed rate per annum of 5.250 per cent. per annum except that, with respect to the First Interest Payment Date, the interest will amount to U.S.$39.375 per Calculation Amount;

(B) in respect of the period from, and including, the First Reset Date to, but excluding, 27 May 2030 (the "**First Step-up Date**"), shall be a fixed rate per annum (expressed as a percentage) equal to the sum of:

(1) the then prevailing U.S. Treasury Rate; and

(2) the Initial Spread;

(C) in respect of the period from, and including, the First Step-up Date to, but excluding, 27 May 2045 (the "**Second Step-up Date**"), the Interest Rate shall be reset on each Reset Date to a fixed rate per annum (expressed as a percentage) equal to the sum of:

(1) the then-prevailing U.S. Treasury Rate;

(2) the Initial Spread; and

(3) 0.25 per cent. (the "**Initial Step-up Margin**");

(D) in respect of the period from, and including, each Reset Date falling after the Second Step-up Date to, but excluding, the immediately following Reset Date, the Interest Rate shall be reset on each Reset Date to a fixed rate per annum (expressed as a percentage) equal to the sum of:

(1) the then-prevailing U.S. Treasury Rate;

(2) the Initial Spread;

(3) the Initial Step-up Margin; and

(4) 0.75 per cent. (the "**Second Step-up Margin**"),

each subject to any applicable increase pursuant to Condition 4(e).

(iii) If interest is required to be paid in respect of a Security on any date other than an Interest Payment Date, it shall be calculated by applying the applicable Interest Rate to the Calculation Amount, multiplying the product by the Day Count Fraction (as defined below), rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the principal amount of such Security divided by the Calculation Amount, where "**Calculation Amount**" means U.S.$1,000 and "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

(iv) Interest payable under this Condition 4 will be paid in accordance with Condition 6.

(v) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Trustee and the Holders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(c) *Interest Deferral*:

(i) *Deferral Election*: The Issuer may determine in its sole discretion not to pay the whole or any part of the interest otherwise scheduled to be paid on an Interest Payment Date. Interest that the Issuer has elected not to pay shall not be due and payable and shall constitute "**Arrears of Interest**". For the avoidance of doubt, Arrears of Interest will not be capitalised or compounded.

(ii) *No obligation to pay*: The Issuer shall not have any obligation to pay interest on any Interest Payment Date and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose.

(iii) *Deferral Election Notice*: If the Issuer decides not to pay the Interest Amount on an Interest Payment Date (a "**Deferral Election Event**"), the Issuer shall notify the Holders in accordance with Condition 14 (a "**Deferral Election Notice**"), and in writing to the Trustee and the Principal Paying Agent, not more than ten business days nor less than five business days prior to a scheduled Interest Payment Date. Any partial payment of outstanding interest (including any Arrears of Interest) by the Issuer shall be shared by the Holders of all outstanding Securities on a *pro rata* basis.

(iv) *Requirements as to Notice*: The Trustee shall be entitled to accept such Deferral Election Notice without investigation as sufficient evidence of the occurrence of a Deferral Election Event, in which event it shall be conclusive and binding on the Holders.

(v) *Restrictions in the case of Deferral*: If, on any Interest Payment Date, payment of all interest payments scheduled to be made on such date is not made in full, the Issuer shall not, and each shall procure that none of its Subsidiaries will:

(A) declare or pay any dividends or distributions or make any other payment, and will procure that no dividend, distribution or other payment is made, on any of the Junior Obligations or Parity Obligations of the Issuer save that such restriction shall not apply to payments in respect of:

(1) any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants; or

(2) any of the Parity Obligations of the Issuer made on a *pro rata* basis; or

(3) any of the Parity Obligations of the Issuer that are Intra-Group Payments; or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration any of the Junior Obligations or Parity Obligations of the Issuer other than:

(1) a repurchase or other acquisition of securities in respect of an employment benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(2) as a result of the exchange or conversion of the Parity Obligations of the Issuer for the Junior Obligations of the Issuer; or

(3) a repurchase or other acquisition of the Junior Obligations or Parity Obligations of the Issuer held by any member of the Group.

in each case, unless and until:

(X) the Issuer has satisfied in full all outstanding Arrears of Interest; or

(Y) the Issuer or the relevant Subsidiary of the Issuer is permitted to do so by an Extraordinary Resolution of the Holders.

(vi) *Satisfaction of Arrears of Interest by payment*:

(A) The Issuer may settle outstanding Arrears of Interest (in whole or in part) at any time by giving notice of such election to the Holders (in accordance with Condition 14) and to the Trustee and the Principal Paying Agent in writing not more than 20 business days nor less than five business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice); and

(B) Notwithstanding Condition 4(c)(vi)(A), all outstanding Arrears of Interest must be settled (in whole and not in part) on a Payment Reference Date. "**Payment Reference Date**" means the date which is the earlier of:

(1) the date of redemption of the Securities in accordance with the redemption events set out in Condition 5;

(2) the next Interest Payment Date following the occurrence of a Compulsory Arrears Payment Event;

(3) the next Interest Payment Date on which there is no Deferral Election Event and any interest is paid on the Securities;

(4) the date on which an order is made or an effective resolution is passed for Winding-Up of the Issuer; and

(5) the date of any substitution or variation in accordance with Condition 11(c).

Any partial payment of outstanding Arrears of Interest by the Issuer shall be shared by the Holders of all outstanding Securities on a *pro rata* basis. If any Payment Reference Date would fall on a calendar day which is not a Business Day, the Payment Reference Date shall be postponed to the next calendar day which is a Business Day.

(d) *Cessation of Interest Payments*: Unless otherwise provided for in these Conditions, each Security will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, interest will continue to accrue at the applicable Interest Rate (after as well as before any judgment) up to but excluding the date on which all sums due in respect of the Securities are received by the Principal Paying Agent or the Trustee and notice to that effect shall have been given to the Holders in accordance with Condition 14.

(e) *Increase in Interest Rate following a Change of Control Triggering Event*:

(i) *Increase in Interest Rate:* Upon the occurrence of a Change of Control Triggering Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Holders (in accordance with Condition 14), the Trustee and the Principal Paying Agent pursuant to Condition 5(h) by the 30th day following the occurrence of the Change of Control Triggering Event or (y) the Change of Control Triggering Event is remedied by the 30th day following the occurrence of the Change of Control Triggering Event, the Interest Rate will increase by 5.00 per cent. per annum with effect from (A) the next Interest Payment Date immediately following the occurrence of the Change of Control Triggering Event or (B) if the date on which the Change of Control Triggering Event occurs is prior to the most recent preceding Interest Payment Date, such Interest Payment Date, provided that the maximum aggregate increase in the Interest Rate pursuant to this Condition 4(e) shall be 5.00 per cent. per annum. For the avoidance of doubt, any increase in the Interest Rate pursuant to this Condition 4(e) is separate from and in addition to any increase in the Interest Rate pursuant to Condition 4(b)(ii).

Any increase in the Interest Rate pursuant to this Condition 4(e) shall be notified by the Issuer to the Holders (in accordance with Condition 14), the Trustee and the Principal Paying Agent in writing no later than the 30^{th} day following the occurrence of the Change of Control Triggering Event.

(ii) *Decrease in Interest Rate*: If following an increase in the Interest Rate after a Change of Control Triggering Event, such Change of Control Triggering Event is cured or no longer exists, upon written notice of such facts being given to the Holders (in accordance with Condition 14), the Trustee and the Principal Paying Agent, the Interest Rate shall be decreased by 5.00 per cent. per annum with effect from (and including) the Interest Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice of the cure of the Change of Control Triggering Event provided that the maximum aggregate decrease in the Interest Rate pursuant to this Condition 4(e) shall be 5.00 per cent. per annum.

5 REDEMPTION AND PURCHASE

(a) *No Fixed Redemption Date*: The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 8) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) *Redemption at the option of the Issuer*: The Issuer may, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities on:

(i) any date during the period commencing on (and including) 27 February 2025 (the "**First Call Date**") up to (and including) the First Reset Date; or

(ii) on any Interest Payment Date thereafter,

(each such date being a "**Call Date**"). On expiry of such notice, the Issuer shall be bound to redeem the Securities on the relevant Call Date at their principal amount together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest).

(c) *Redemption for Gross-up Event*: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14) at their principal amount (together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest)) if the Issuer satisfies the Trustee prior to the giving of such notice and in accordance with the Trust Deed that:

(i) the Issuer will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 17), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 20 February 2020; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (a "**Gross-Up Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee:

(1) a certificate signed by two directors of the Issuer (each of whom is an Authorised Signatory of the Issuer) stating that the obligation referred to in Condition 5(c)(i) cannot be avoided by the Issuer taking reasonable measures available to it; and

(2) an opinion, in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment,

and the Trustee shall be entitled to accept such certificate and opinion without investigation as sufficient evidence of the satisfaction of the conditions precedent set out in Conditions 5(c)(i) and 5(c)(ii), in which event the same shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(c). No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then payable.

(d) *Redemption for Tax Deductibility Event*: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14) at:

(i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date); or

(ii) their principal amount (where such redemption occurs on or after the First Call Date),

together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) if the Issuer satisfies the Trustee prior to the giving of such notice and in accordance with the Trust Deed that:

(A) the Issuer, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 17), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 20 February 2020, will not be entitled to claim a deduction with respect to the Issuer's obligation to pay any Interest Payment in computing its taxation liabilities in Mauritius, or such entitlement is materially reduced, or incurs a dividend distribution tax on any payments on the Securities; and

(B) the Issuer cannot avoid the foregoing by taking measures reasonably available to it (a "**Tax Deductibility Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

(1) a certificate signed by two directors of the Issuer (each of whom is an Authorised Signatory of the Issuer) stating that the obligation referred to in Condition 5(d)(A) cannot be avoided by the Issuer taking reasonable measures available to it; and

(2) an opinion, in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment,

and the Trustee shall be entitled to accept such certificate and opinion without investigation as sufficient evidence of the satisfaction of the conditions precedent set out in Conditions 5(d)(A) and 5(d)(B), in which event the same shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(d). No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then payable.

(e) *Redemption upon an Equity Credit Classification Event*: The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at:

(i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date); or

(ii) their principal amount (where such redemption occurs on or after the First Call Date),

together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) if, immediately before giving such notice, the Issuer has received confirmation from any Rating Agency that, due to any amendment to, clarification of, or change in the assessment criteria under its hybrid capital methodology or in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, any or all of the Securities will no longer be eligible (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, any or all of the Securities would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed) for the same or a higher amount of "equity credit" as was attributed to the Securities as at the Issue Date (or, if equity credit is not assigned to the Securities by the relevant Rating Agency on the Issue Date, the date on which equity credit is assigned by such Rating Agency for the first time) (an "**Equity Credit Classification Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors of the Issuer (each of whom is an Authorised Signatory of the Issuer) stating that the circumstances referred to in this Condition 5(e) prevail and setting out the details of such circumstances.

The Trustee shall be entitled to accept such certificate without investigation as sufficient evidence of the satisfaction of the circumstances set out above in this Condition 5(e), in which event it shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(e), provided that such date for redemption shall be no earlier than the last day before the date on which the Securities will no longer be eligible for the same or higher category of equity credit.

(f) *Redemption for Accounting Reasons*: The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at:

(i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date); or

(ii) their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest) if, immediately before giving such notice, a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) which have been officially adopted after the Issue Date (such date, the "**Accounting Event Adoption Date**"), the Securities may not or may no longer be recorded as "equity" in full in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to the International Financial Reporting Standards ("**IFRS**") or any other internationally generally accepted accounting standards that the Issuer has adopted for the purposes of the Issuer's consolidated financial statements (an "**Accounting Event**"). The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Securities pursuant to this Condition 5(f) as a result of the occurrence of an Accounting Event shall start on the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

Prior to the publication of any notice of redemption pursuant to this Condition 5(f), the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate, signed by two directors of the Issuer (each of whom is an Authorised Signatory of the Issuer), stating that the circumstances referred to above in this Condition 5(f) prevail and setting out the details of such circumstances; and

(B) an opinion, in form and substance satisfactory to the Trustee, of the Issuer's independent auditors or of a recognised accountancy firm of international standing stating that the circumstances referred to above in this Condition 5(f) prevail and the Accounting Event Adoption Date.

The Trustee shall be entitled to accept such certificate and opinion without investigation as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(f).

(g) *Redemption in the case of Minimal Outstanding Amount*: The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at their principal amount, together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest), if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than or equal to 25 per cent. of the aggregate principal amount of the Securities originally issued (and including any additional Securities issued in accordance with Condition 13, if any). Upon expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(g).

(h) *Redemption for Change of Control*: The Issuer may, at any time, on giving not more than 40 nor less than 10 days' irrevocable notice to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), redeem all but not some only of the Securities at 101 per cent. of their principal amount (together with any interest accrued to but excluding the date fixed for redemption (including any Arrears of Interest)) if a Change of Control Triggering Event occurs.

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate, signed by one director who is also an Authorised Signatory of the Issuer, stating that the circumstances referred to above in this Condition 5(h) prevail and setting out the details of such circumstances.

The Trustee shall be entitled to, without being liable to the Holders or any other Person, to conclusively rely on such certificate without investigation and accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Holders. Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(h).

(i) *No other redemption*: The Issuer shall not be entitled to redeem the Securities and the Issuer shall not have any obligation to make any payment of principal in respect of the Securities otherwise than as provided in Conditions 5(b) to 5(h) (both inclusive) or Condition 8.

(j) *Purchase*: The Issuer and any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of such holding company may at any time purchase Securities in the open market or otherwise at any price.

The Securities so purchased, while held by or on behalf of the Issuer, any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of such holding company, shall not entitle the Holder thereof to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 11(a) or for any other purpose described in the proviso to the definition of "outstanding" set out in the Trust Deed.

(k) *Cancellation*: All Certificates representing Securities purchased by or on behalf of the Issuer, any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of such holding company shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Securities shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged immediately upon cancellation of the relevant Certificates.

6 PAYMENTS

(a) *Method of Payment*:

(i) Payments of principal and interest shall be made (subject to surrender of the relevant Certificates at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificates) in the manner provided in Condition 6(a)(ii).

(ii) Interest on each Security shall be paid to the person shown as the Holder on the Register at the close of business on the 15th business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Security shall be made in U.S. dollars by transfer to the registered account of the Holder.

*So long as the Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(iii) For the purposes of this Condition 6, a Holder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the Record Date.

(iv) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Holder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of an interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of the interest so paid.

(b) *Payments subject to Fiscal Laws*: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Holders in respect of such payments.

(c) *Payment Initiation*: Payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Paying Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) *Appointment of Agents*: The Agents initially appointed by the Issuer and their respective specified offices are listed below. The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that:

(i) there will at all times be a Principal Paying Agent and a Calculation Agent;

(ii) there will at all times be a Registrar which will maintain the Register outside the United Kingdom; and

(iii) so long as the Securities are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Holders in accordance with Condition 14.

(e) *Delay in Payment*: Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Security if the due date is not a business day or if the Holder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) *Non-Business Days*: If any date for payment in respect of any Security is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.

7 TAXATION

(a) *Payment without Withholding*: All payments of principal and interest (including any Arrears of Interest) by or on behalf of the Issuer in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Tax Amounts**") as may be necessary in order that the net amounts received by the Holders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Securities in the absence of the withholding or deduction, except that no Additional Tax Amounts shall be payable in relation to any payment in respect of any Securities:

(i) *other connection*: to a Holder (or a third party on behalf of a Holder) who is liable to the Taxes in respect of the Securities by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Securities; or

(ii) *presentation more than 30 days after the Relevant Date*: if the Certificate in respect of such Security is presented for payment more than 30 days after the Relevant Date (as defined in Condition 17) except to the extent that a Holder would have been entitled to Additional Tax Amounts on presenting the same for payment on the last day of the period of 30 days assuming (whether or not such is in fact the case) that day to have been a business day); or

(iii) *lawful avoidance of withholding*: if the Certificate in respect of such Security is presented for payment by or on behalf of a Holder who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and who does not make such declaration or claim.

(b) *Additional Tax Amounts*: Any reference in these Conditions to principal, interest or Arrears of Interest shall be deemed to include any Additional Tax Amounts in respect of such principal, interest, Arrears of Interest which may be payable under this Condition 7 or any undertaking given in addition to or in substitution of this Condition 7 pursuant to the Trust Deed.

(c) *Trustee/Agents not responsible*: Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, withholding, assessment, governmental charge or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Holders or any other person to pay such tax, duty, withholding, assessment, governmental charge or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Securities in connection with payment of such tax, duty, withholding, assessment, governmental charge or other payment.

8 NON-PAYMENT

(a) *Non-payment when due*: Notwithstanding any of the provisions below in this Condition 8, the right to institute proceedings for Winding-Up is limited to circumstances where payment in respect of the Securities has become due but has not been paid. In the case of payment of any interest, such interest will not be due if the Issuer has elected to defer that interest in accordance with Condition 4(c). In addition, nothing in this Condition 8, including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or Appointees (as defined in the Trust Deed) to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Securities.

(b) *Proceedings for Winding-Up*: If:

(i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer; or

(ii) the Issuer has not made payment in respect of the Securities for a period of ten days or more after the date on which such payment is due,

the Issuer shall be deemed to be in default under the Trust Deed and the Securities, and the Trustee may, subject to the provisions of Condition 8(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) *Enforcement*: Without prejudice to Condition 8(b) but subject to the provisions of Condition 8(d), the Trustee may at its discretion and without notice to the Issuer take and/or institute such steps and/or actions and/or proceedings, as the case may be, against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Securities (other than any payment obligation of the Issuer under or arising from the Securities or the Trust Deed, including, without limitation, payment of any principal or interest (including any Arrears of Interest) in respect of the Securities, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) *Entitlement of Trustee*: The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 8(b) or Condition 8(c) against the Issuer to enforce the terms of the Trust Deed or the Securities unless:

(i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least 25 per cent. in aggregate principal amount of the Securities then outstanding; and

(ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) *Right of Holders*: No Holder shall be entitled to proceed directly against the Issuer to institute proceedings for the Winding-Up of the Issuer or claim in the liquidation of the Issuer or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 8.

(f) *Extent of Holders' remedy*: No remedy against the Issuer, other than as referred to in this Condition 8, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or under the Trust Deed.

9 PRESCRIPTION

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent from time to time designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11 MEETINGS OF HOLDERS, MODIFICATION, SUBSTITUTION OR VARIATION AND ENTITLEMENT OF TRUSTEE

(a) *Meetings of Holders*: The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed and/or the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if required in writing by Holders holding not less than 10 per cent. in aggregate principal amount of the Securities for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing more than 50 per cent. in aggregate principal amount of the Securities for the time being outstanding, or at any adjourned such meeting two or more persons present whatever the aggregate principal amount of the Securities held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, including consideration of proposals, *inter alia*:

(i) to modify the dates for redemption of the Securities pursuant to Conditions 5(b), 5(c), 5(d), 5(e), 5(f) or 5(g) or the dates on which interest (including any Arrears of Interest) is payable in respect of the Securities;

(ii) to reduce or cancel the principal amount of, or interest (including any Arrears of Interest) on or to vary the method of calculating the Interest Rate or to reduce the Interest Rate on, the Securities;

(iii) to change the currency of payment of the Securities;

(iv) to amend the subordination provisions of the Trust Deed and/or Conditions;

(v) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution; or

(vi) to alter this proviso,

(each a "**Reserved Matter**"), the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing not less than 66 2/3 per cent., or at any adjourned such meeting not less than 33 1/3 per cent., of the aggregate principal amount of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders will be binding on all Holders, whether or not they are present at the meeting.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Securities for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) *Modification, Waiver, Authorisation and Determination*: The Trustee may agree (but is not obliged to agree), without the consent of the Holders, to:

(i) any modification of any of these Conditions or any of the provisions of the Trust Deed, that in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and

(ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders.

Any such modification, authorisation or waiver shall be binding on the Holders and, unless the Trustee otherwise permits, such modification, authorisation or waiver shall be notified by the Issuer to the Holders as soon as practicable.

(c) *Substitution or Variation*: If a Special Event has occurred and is continuing, then the Issuer may, subject to Condition 4 (without any requirement for the consent or approval of the Holders) and subject to it having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 11(c) have been complied with, and having given not less than 30 nor more than 60 days' irrevocable notice in writing to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 14), at any time either:

(i) substitute all, but not some only, of the Securities for; or

(ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities,

and the Trustee shall (subject to the following provisions of this Condition 11(c) and subject to the receipt by it of the certificate of the directors of the Issuer (each of whom is an Authorised Signatory of the Issuer) referred to in the Trust Deed stating that the relevant requirement or circumstance giving rise to the right to substitute or vary is satisfied and that the conditions required for such Securities to be Qualifying Securities as set out in paragraphs (a), (b) and (c) of the definition of "Qualifying Securities" and the conditions as set out in this Condition 11(c) have been satisfied, and their terms are not materially less favourable to the Holders of the Securities from the terms of the Securities) agree to such substitution or variation. Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 11(c).

In connection therewith, any outstanding Arrears of Interest shall be satisfied in full in accordance with the provisions of Condition 4(c)(vi).

In connection with any substitution or variation in accordance with this Condition 11(c), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if any such substitution or variation would itself give rise to a Special Event with respect to the Securities or the Qualifying Securities.

(d) *Entitlement of the Trustee*: In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders and the Trustee shall not be entitled to require on behalf of any Holder, nor shall any Holder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax or other consequence of any such exercise upon individual Holders.

12 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation, provisions relieving it from taking steps, actions and/or proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Securities and payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid or reimbursed for any fees, costs, expenses and indemnity payments and for liabilities incurred by it in priority to the claims of Holders.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*:

(a) to enter into business transactions with the Issuer and/or any entity related (directly or indirectly) to the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any entity related (directly or indirectly) to the Issuer;

(b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Holders; and

(c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely without liability to Holders, the Issuer or any other person on any report, information, opinion, confirmation or certificate or any advice of any accountants, legal advisers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, opinion, confirmation, certificate or advice, in which case such report, information, opinion, confirmation, certificate or advice shall be binding on the Issuer and the Holders.

Neither the Trustee nor any of the Agents shall have any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or to monitor or take any steps to ascertain whether any of the events and/or circumstances described in Condition 8 has occurred has occurred, and none of them shall be responsible or liable to the Issuer, the Holders or any other person for not doing so.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Securities of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Holder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Holders. The Trustee shall be entitled to rely on any direction, request or resolution of Holders given by Holders holding the requisite principal amount of Securities outstanding or passed at a meeting of Holders convened and held in accordance with the Trust Deed.

Each Holder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and their respective Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Holder shall not rely on the Trustee in respect thereof.

13 FURTHER ISSUES

The Issuer may from time to time without the consent of the Holders create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects save for the issue date, the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that the same shall be consolidated and form a single series with the Securities constituted by the Trust Deed or any supplemental deed.

References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and consolidated and forming a single series with the Securities.

Any further securities which are to be consolidated and form a single series with the outstanding Securities constituted by the Trust Deed or any supplemental deed shall be constituted by a deed supplemental to the Trust Deed.

14 NOTICES

Notices to the Holders will be valid if mailed to them at their respective addresses in the Register or published in a leading newspaper having general circulation in Singapore or, if such publication shall not be practicable, in a daily newspaper with general circulation in Asia approved in writing by the Trustee. It is expected that such publication will normally be made in the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any notice shall be deemed to have been given on the fourth day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices to Holders shall be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by it to the entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

15 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Without prejudice to Condition 8(c), no rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Security, but this does not affect the rights of Holders as contemplated in these Conditions or any right or remedy of any person which exists or is available apart from that Act.

16 GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing Law*: The Trust Deed, the Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that Clause 5.2 of the Trust Deed and Condition 3(b) are governed by, and shall be construed in accordance with, the laws of Mauritius.

(b) *Submission to Jurisdiction*:

(i) The Issuer has in the Trust Deed agreed, for the benefit of the Trustee and the Holders that the English courts are to have jurisdiction to settle any dispute arising out of or in connection with the Trust Deed and/or the Securities, including any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Securities, and accordingly any suit, action or proceedings (together referred to as "**Proceedings**") obligations arising out of or in connection with the Trust Deed and/or the Securities may be brought in such courts.

(ii) The Issuer has in the Trust Deed irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and has further irrevocably agreed in the Trust Deed that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

(iii) To the extent allowed by law, nothing shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) *Appointment of Process Agent*: The Issuer has, in the Trust Deed, appointed UPL Europe Ltd at its registered office at First Floor The Centre, Birchwood Park, Warrington, Cheshire, WA3 6YN, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Proceedings, and has agreed that, in the event that UPL Europe Ltd ceases to be able or to be willing for any reason so to act, it will immediately appoint another person as its agent for service of process in England and deliver to the Trustee a copy of the agent's acceptance of that appointment within 30 days of such cessation. The Issuer has agreed that failure by a process agent to notify it of any process will not invalidate service and that nothing in the Trust Deed or these Conditions shall affect the right to serve process in any other manner permitted by law.

17 DEFINITIONS

In these Conditions:

"**Accounting Event**" has the meaning set out in Condition 5(f);

"**Additional Tax Amounts**" has the meaning set out in Condition 7(a);

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

"**Arrears of Interest**" has the meaning set out in Condition 4(c)(i);

"**Authorised Signatory**" has the meaning set out in the Trust Deed;

"**business day**" means:

(a) in respect of Condition 2(b), a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be);

(b) in respect of Condition 4 and a Calculation Date, any day, excluding a Saturday, a Sunday and a public holiday, on which banks are open for general business (including dealings in foreign currencies) in Mauritius, London and New York City; and

(c) in respect of Condition 6 and Condition 7, a day (other than a Saturday, a Sunday or public holiday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and, in the case of presentation of a Certificate, in the place in which the Certificate is presented and where payment is to be made by transfer to a registered account, on which banks are open for general business and foreign exchange transactions may be carried on in U.S. dollars in New York City and in the place of the specified office of the relevant Paying Agent;

"**Call Date**" has the meaning set out in Condition 5(b);

"**Calculation Amount**" has the meaning set out in Condition 4(b)(iii);

"**Calculation Date**" means the second business day prior to the relevant Reset Date;

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity;

"**Certificates**" has the meaning set out in Condition 1;

"**Change of Control**" means the occurrence of one or more of the following events:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer (calculated on a consolidated basis) to any Person other than one or more Permitted Holders;

(b) the Issuer ceases to be a Subsidiary of UPL Limited, including any entity with or into which UPL Limited is merged or consolidated;

(c) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, acquires Control, directly or indirectly, of UPL Limited; or

(d) the Permitted Holders are the "beneficial owners" (as such term is used in Rule 13d-3 of the Exchange Act) of less than 20% of the total voting power of the Voting Stock of UPL Limited.

"**Change of Control Triggering Event**" means the occurrence of both a Change of Control and a Rating Decline;

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock or ordinary shares but excludes any debt securities convertible into Common Stock, whether or not such debt securities include any right of participation with Common Stock;

"**Comparable Treasury Issue**" means the U.S. Treasury security selected by the Issuer and notified to the Calculation Agent as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years;

"**Comparable Treasury Price**" means, with respect to the second business day immediately preceding the Reset Date, the average of three Reference Treasury Dealer Quotations for the relevant Calculation Date;

"**Compulsory Arrears Payment Event**" means:

(a) a discretionary dividend, distribution or other payment has been declared, paid or made by the Issuer or any of its Subsidiaries on or in respect of any of the Junior Obligations or the Parity Obligations of the Issuer other than a dividend, distribution or other payment in respect of:

(i) any employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(ii) any of the Parity Obligations of the Issuer made on a *pro rata* basis; or

(iii) any of the Parity Obligations of the Issuer that are Intra-Group Payments; or

(b) the Issuer or any of its Subsidiaries has at its discretion repurchased, redeemed or otherwise acquired any of the Junior Obligations or the Parity Obligations of the Issuer other than:

(i) a repurchase or other acquisition of securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(ii) as a result of the exchange or conversion of the Parity Obligations of the Issuer for the Junior Obligations of the Issuer; or

(iii) a repurchase or other acquisition of the Junior Obligations or Parity Obligations of the Issuer held by any member of the Group.

No Compulsory Arrears Payment Event will occur if the Issuer or any of its Subsidiaries are obliged under these Conditions or under the terms and conditions of such Junior Obligations or Parity Obligations to make such payment, redemption, purchase or acquisition;

"**Control**" means (a) the acquisition or control of more than 35% of the voting power of the Voting Stock of UPL Limited or (b) the right to appoint and/or remove all or the majority of the members of UPL Limited's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Stock, contract or otherwise, and "controlled" shall be construed accordingly;

"**Day Count Fraction**" has the meaning set out in Condition 4(b)(iii);

"**Deferral Election Event**" has the meaning set out in Condition 4(c)(iii);

"**Deferral Election Notice**" has the meaning set out in Condition 4(c)(iii);

"**Equity Credit Classification Event**" has the meaning set out in Condition 5(e);

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed;

"**First Call Date**" has the meaning set out in Condition 5(b)(i);

"**First Reset Date**" has the meaning set out in Condition 4(b)(ii)(A);

"**First Step-up Date**" has the meaning set out in Condition 4(b)(ii)(B);

"**Fitch**" means Fitch Ratings Ltd or any of its subsidiaries and their successors;

"**Gross-Up Event**" has the meaning set out in Condition 5(c);

"**Group**" means the Issuer and its Subsidiaries;

"**Holder**" or "**holder**" has the meaning set out in Condition 1;

"**Initial Spread**" means 3.865 per cent. per annum;

"**Initial Step-up Margin**" has the meaning set out in Condition 4(b)(ii)(C)(3);

"**Interest Payment Date**" has the meaning set out in Condition 4(b)(i);

"**Interest Rate**" has the meaning set out in Condition 4(b)(ii);

"**Intra-Group Payments**" means payment by a member of the Group to another member of the Group;

"**Investment Grade**" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest overall rating categories, by S&P or any of its successors or assigns or a rating of "Aaa," "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest overall rating categories, by Moody's, or any of its successors or assigns or assigns; a rating of BBB- or better by Fitch, or any of its successors or assigns; or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which will have been designated by the Issuer as having been substituted for S&P, Moody's or Fitch or both, as the case may be;

"**Issue Date**" has the meaning set out in the introductory paragraphs to these Conditions;

"**Junior Obligations**" means:

(a) any ordinary shares of the Issuer;

(b) any other class of share capital of the Issuer that ranks *pari passu* with the ordinary shares of the Issuer; or

(c) any other securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations owed by other persons) which rank, *pari passu* with the obligations referred to in (a) or (b);

"**Moody's**" means Moody's Investors Service, Inc., or any of its subsidiaries and their successors;

"**Parity Obligations**" means (if any):

(a) any security issued by the Issuer which ranks, or is expressed to rank, *pari passu* with the Securities; and

(b) any security guaranteed by, or subject to the benefit of a keep well agreement or support undertaking entered into by, the Issuer where the Issuer's obligations under the relevant guarantee, keep well agreement or support undertaking rank *pari passu* with the Issuer's obligations under the Securities;

"**Permitted Holders**" means: (a) Rajju D Shroff, Jai Shroff, Vikram Shroff and each of their immediate family members and (b) any of their respective Affiliates (including any entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding in the aggregate a majority (and controlling) interest of which consist of any one or more Persons referred to in the immediately preceding paragraph (a)), executors or administrators;

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof;

"**Preferred Stock**" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over any other class of Capital Stock of such Person;

"**Qualifying Securities**" means securities that:

(a) have terms not materially less favourable to an investor than the terms of the Securities (as reasonably determined by the Issuer and an independent investment bank, and provided that a certificate to such effect (and confirming that the conditions set out in paragraphs (i) to (iv) below of this definition have been satisfied) signed by two directors of the Issuer (each of whom is an Authorised Signatory of the Issuer) and from an independent investment bank, shall have been delivered to the Trustee prior to the substitution or variation of the relevant Securities upon which certificate the Trustee shall rely absolutely and which shall be binding on the Holders), provided that:

   (i) they are issued by the Issuer or any wholly owned direct or indirect finance Subsidiary of the Issuer;

   (ii) they are unconditionally and irrevocably guaranteed by the Issuer where not issued by the Issuer;

   (iii) they (or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* with the Securities on a Winding-Up, shall preserve the Holders' rights to any Arrears of Interest and any other payment that has accrued with respect to the Securities, and shall contain terms which provide at least for the same Interest Rate, subsequent Interest Payment Dates and redemption events, from time to time applying to the Securities; and other terms of such securities are substantially identical (as reasonably determined by the Issuer and an independent investment bank) to the Securities and, other than in the case of an Equity Credit Classification Event, have an equity content or credit that is the same or better than the equity credit assigned to the Securities before the substitution or variation, save for any modifications to such terms that are required to be made to avoid or resolve the occurrence of a Special Event; and

(iv) they shall not contain loss-absorbing provisions, such as principal write-offs, write-downs or conversion to equity;

(b) have been, or will on issue be, assigned at least the same rating as that assigned by all relevant Rating Agencies where the Securities were so rated (other than unsolicited ratings) prior to substitution or variation as provided in Condition 11(c); and

(c) are listed on the Singapore Exchange Securities Trading Limited or another securities exchange of international standing regularly used for the listing and quoting of debt securities offered and traded in the international markets;

"**Rating Agency**" means Fitch, Moody's or S&P or any of their respective affiliates or successors or any rating agency substituted for any of them by the Issuer (a "**Substitute Rating Agency**") from time to time with the prior written notification to the Trustee;

"**Rating Category**" means:

(a) with respect to S&P, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories);

(b) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories);

(c) with respect to Fitch, any of the following categories: "BB," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and

(d) the equivalent of any such category of S&P or Moody's used by another Rating Agency.

In determining whether the rating of the Securities has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of, or the intention by the Issuer or any other Person or Persons to effect, a Change of Control.

"**Rating Decline**" means, in connection with a Change of Control Triggering Event, the occurrence on or within six months after the date of, or the date of the public notice of the occurrence of, a Change of Control or the intention by the Issuer or any other Person or Persons to effect a Change of Control (which period will be extended so long as the rating of the Securities is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below associated with the Change of Control:

(a) if the Securities are rated by any Rating Agency on the Rating Date as Investment Grade, the rating of the Securities by such Rating Agency shall be decreased to below Investment Grade; or

(b) if the Securities are rated below Investment Grade by any Rating Agency on the Rating Date, the rating of the Securities by such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"**Record Date**" has the meaning set out in Condition 6(a)(ii);

"**Reference Treasury Dealer**" means each of the three nationally recognised investment banking firms selected by the Issuer that are primary U.S. Government securities dealers;

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and the Calculation Date, the average, as determined by the Calculation Agent, of the bid and ask prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00 p.m. (New York City time), on the relevant Calculation Date and then notified in writing by the Issuer to the Calculation Agent and the Trustee;

"**Register**" has the meaning set out in Condition 1;

"**Relevant Date**" in respect of any Security means the date on which payment in respect of it first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14;

"**Relevant Jurisdiction**" means Mauritius or any political subdivision or any authority therein or thereof having power to tax to which the Issuer becomes subject in respect of payments made by it of any sums due in respect of the Securities;

"**Reset Date**" means the First Reset Date and each day falling five calendar years after the First Reset Date;

"**S&P**" means S&P Global Ratings, a division of S&P Global Inc. or any of its subsidiaries and their successors;

"**Second Step-up Date**" has the meaning set out in Condition 4(b)(ii)(C);

"**Second Step-up Margin**" has the meaning set out in Condition 4(b)(ii)(D)(4);

"**Senior Obligations**" means all obligations of the Issuer (including any obligation assumed by the Issuer under any guarantee of, or any keep well agreement) other than the obligations of the Issuer in respect of any Parity Obligations or Junior Obligations;

"**Special Event**" means a Gross-Up Event, a Tax Deductibility Event, an Accounting Event, an Equity Credit Classification Event or any combination of the foregoing;

"**Subsidiary**" means, in relation to the Issuer, any company:

(a) in which the Issuer holds a majority of the voting rights; or

(b) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors; or

(c) of which the Issuer is a member and controls a majority of the voting rights,

and includes any company which is a Subsidiary of a Subsidiary of the Issuer;

"**Tax Deductibility Event**" has the meaning set out in Condition 5(d);

"**U.S. Treasury Rate**" means the rate in percentage per annum as notified by the Calculation Agent to the Issuer, the Trustee and the Agents in writing and to the Holders (in accordance with Condition 14) equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in

H.15(519) under the caption "*Treasury constant maturities*", as displayed on Reuters page "*FRBCMT*" (or any successor page or service displaying yields on U.S. Treasury securities as agreed between the Issuer and the Calculation Agent), at 5:00 p.m. (New York time) on the Calculation Date.

If such page (or any successor page or service) does not display the relevant yield at 5:00 p.m. (New York time) on the Calculation Date, "**U.S. Treasury Rate**" shall mean the rate in percentage per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on the relevant Calculation Date.

If there is no Comparable Treasury Price on the relevant Calculation Date for whatever reason, "**U.S. Treasury Rate**" means the rate in percentage per annum as notified by the Calculation Agent in writing to the Issuer equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in H.15(519) under the caption "*Treasury constant maturities*", as was displayed on Reuters page "*FRBCMT*" (or any successor page or service displaying yields on U.S. Treasury securities as agreed between the Issuer and the Calculation Agent), at 5:00 p.m. (New York time) on the last available date preceding the Calculation Date on which such rate was displayed on Reuters page "*FRBCMT*" (or any successor page or service displaying yields on U.S. Treasury securities as agreed between the Issuer and the Calculation Agent);

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person;

"**Winding-Up**" means a final and effective order or resolution by a competent authority in the respective jurisdiction of incorporation of the Issuer for the winding up, liquidation or similar proceedings in respect of the Issuer.

The following paragraphs in italics do not form part of the Terms and Conditions of the Securities:

*Restrictions regarding redemption of the Securities (the "**Restrictions**"):*

*The Issuer intends (without thereby assuming a legal obligation), during the period from and including the Issue Date to but excluding the Reset Date falling on 27 May 2045, that in the event of a redemption of the Securities at the Issuer's option pursuant to Condition 5(b) or a repurchase of the Securities, if the Securities are assigned an "equity credit" (or such similar nomenclature then used by Standard & Poor's) by Standard & Poor's at the time of such redemption or repurchase, it will redeem or repurchase the Securities only to the extent the Aggregate Equity Credit of the Securities to be redeemed or repurchased does not exceed the Aggregate Equity Credit received by the Issuer or any Subsidiary from the sale or issuance by the Issuer or the relevant Subsidiary to third party purchasers (other than group entities of the Issuer) of replacement securities (but taking into account any changes in the assessment criteria under Standard & Poor's hybrid capital methodology or the interpretation thereof since the issuance of the Securities) (the "**Restrictions**").*

*For the purpose of the Restrictions, "**Aggregate Equity Credit**" means:*

(a) *in relation to the Securities, the part of the aggregate principal amount of the Securities that was assigned "equity credit" by Standard & Poor's at the time of their issuance; and*

(b) *in relation to replacement securities, the part of the net proceeds received from issuance of such replacement securities that was assigned "equity credit" by Standard & Poor's at the time of their sale or issuance (or the "equity credit"Standard & Poor's has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of "equity credit"by Standard & Poor's on the issue date of such replacement securities).*

The intention described above does not apply:

(i) if, on the date of such redemption or repurchase, the rating assigned by Standard & Poor's to the Issuer is the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date when the Issuer's most recent additional hybrid security was issued (excluding refinancings) and the Issuer is of the view that such rating would not fall below such level as a result of such redemption or repurchase; or

(ii) if, on the date of such redemption or repurchase, the Issuer no longer has a corporate issuer credit rating by Standard & Poor's; or

(iii) in the case of a repurchase of the Securities if such repurchase, taken together with other repurchases of hybrid securities of the Issuer, is of less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, provided that in each case such repurchase has no materially negative effect on the Issuer's credit profile; or

(iv) if, on the date of such redemption or repurchase, the statements made in the Restrictions set forth above are no longer required for the Securities to be assigned an "equity credit" by Standard & Poor's that is equal to or greater than the "equity credit" assigned by Standard & Poor's on the Issue Date; or

(v) if such replacement would cause the Issuer's outstanding hybrid capital which is assigned "equity credit" by Standard & Poor's to exceed the maximum aggregate principal amount of hybrid capital which Standard & Poor's, under its then prevailing methodology, would assign "equity credit" to based on the Issuer's adjusted total capitalisation.

DESCRIPTION OF THE ISSUER

Overview

The Issuer is a subsidiary of UPL, one of the leading global crop protection products companies based in India which is listed on both the National Stock Exchange of India Limited and BSE Limited. UPL was the fifth largest agrochemical company globally by revenue (on a consolidated basis with Arysta for 2019, according to Phillips McDougall IHS Markit. It is an operating company that leads the international operations of UPL through its subsidiaries across the world. The Issuer is the holding company of UPL's international operations.

Since its inception in 1993, the Issuer has expanded its production and distribution footprint through its subsidiaries internationally and now have a diversified crop protection and post-harvest solution business with an established presence and leading market position in major agricultural regions throughout the world. As of the date of this Offering Circular, the Issuer had 222 subsidiaries, 16 associates and three joint ventures located in countries including Argentina, Australia, Brazil, China, Colombia, France, Germany, Indonesia, Italy, Japan, Mexico, the Netherlands, Spain, Thailand, the United States and the United Kingdom. For FY2019, the Issuer's operating revenue was U.S.$2.60 billion.

The Issuer believes it has the ability to offer a full range of solutions to its customers across the agricultural value and process chain resulting from the vertical integration of UPL's and its operations. The Issuer operates primarily in the post-patent segment of the crop protection market, which consists of products using technical active ingredients for which the patent has expired. The Issuer's recent acquisition of Arysta complements its offerings by offering customised and niche products. As opposed to operating in the post-patent segment of the crop protection market, Arysta differentiates itself by adapting its offerings to allow farmers to meet distinct local needs and by providing crop protection solutions for niche and specialty crops, products for underserved or hard-to-control pests affecting commodity grain crops, alternative application methods like seed and soil applied technologies, and bio-based products that are used as alternatives or in addition to conventional chemical applications. The Issuer's acquisition of Arysta also allows it to leverage economies of scale by increasing its procurement and R&D efficiencies, as well as consolidating its support functions, while optimizing its manufacturing footprint.

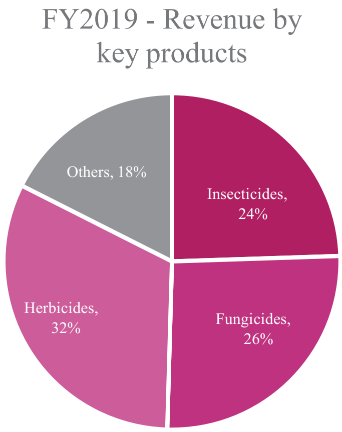
The Issuer's R&D and manufacturing centres are interconnected across its global network, each located at strategic locations, enabling it to efficiently improve its products and deliver value-added solutions on a global scale and in a cost-efficient manner. As of 31 December 2019, the Issuer has more than 12,300 products registered in more than 145 countries across 6 continents in which it operates. As of 31 December 2019, the Issuer had 25 manufacturing facilities and 11 R&D centres.

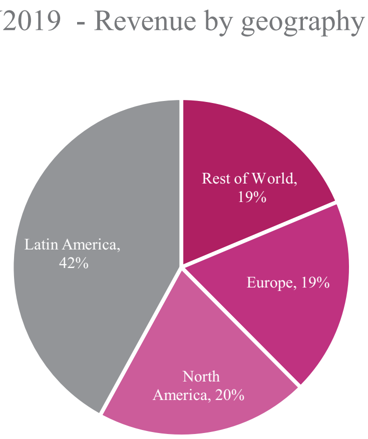
The comprehensive product portfolio of the Issuer covers the entire agricultural value chain, including seeds, seeds treatment, crop protection, storage solutions for agricultural products as well as post-harvest solutions. The Issuer has also developed extensive in-house capabilities across its process value chain, such as in R&D, product development, registration, manufacture of active ingredients, formulation and packaging to marketing and distribution, with the objective of creating innovative, differentiated and compelling product mixes. The Issuer offers a comprehensive product portfolio of crop protection products from fungicides, herbicides, insecticides and other related products. Since its inception, the Issuer has expanded its business beyond crop protection to post-harvest solutions and animal health products such as honey bee protective miticides and veterinary vaccines, among others. The Issuer believes that its products are viewed as premium products in the market and enjoy strong brand recognition.

In addition, the Issuer markets and distributes products purchased from UPL in over 130 countries through its extensive sales and marketing team, which is bolstered by its robust relationships with its distributors. In providing tailored local solutions, it has also established dedicated local marketing and commercial teams and distributes the Issuer's products through multiple sales channels consistent with local market dynamics. This "close-to-farmer" approach is critical to establishing strong customer relationships, understanding unmet needs and strengthening brand loyalty. As of 31 December 2019, the Issuer had 5,617 employees globally and had dedicated sales and marketing teams across North America, Latin America, Europe and the rest of the world (excluding India).

For FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019, the Issuer's total consolidated revenue from operation was U.S.$1,793.03 million, U.S.$2,139.90 million, U.S.$2,602.82 million, U.S.$1,464.43 million and U.S.$3,033.35 million, respectively. For FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2018 and 2019, its profit after tax was U.S.$193.91 million, U.S.$206.85 million, U.S.$133.52 million, U.S.$101.78 million and U.S.$138.22 million respectively.

The following charts illustrate the Issuer's product and geographic diversity.





Recent Development

In January 2019, the Issuer completed the acquisition of Arysta. Arysta is a global provider of innovative crop protection solutions, including BioSolutions and seed treatments, and specialises in the development, formulation, registration, marketing and distribution of differentiated crop protection products for a variety of crops and applications. Arysta's products are utilised by farmers through the entire growing cycle, from burn-down through pre-emergence to pre-harvest, and allows it to partner with growers to address the ever-increasing need for higher crop yield and better food quality.

According to Phillips McDougall IHS Markit, in 2018, before the acquisition, adjusting for more recent industry consolidation, Arysta was the world's tenth largest crop protection products company by revenue, and ranked second and fourth in the BioStimulants and seed treatments segments, respectively. Arysta differentiates itself by adapting its offerings to allow farmers to meet distinct local needs and by providing crop protection solutions for niche and specialty crops, products for underserved or hard-to-control pests affecting commodity grain crops, alternative application methods like seed and soil applied technologies, and bio-based products that are used as alternatives or in addition to conventional chemical applications. The increasing consolidation in the global crop protection industry has created a greater need for nimble, innovative and customer-centric companies like Arysta which, through its local presence and tailored products, can more effectively address these specific local needs and quickly capture market share.

The acquisition of Arysta is a strategic investment for the Issuer as both the Issuer and Arysta's product portfolios are highly complementary in terms of geographies and crops. The acquisition allows for the Issuer's deeper penetration into the Asian market and complements its product and crop portfolio in regions such as Latin America, North America and Western Europe. Such complementary capabilities are expected to result in significant synergy, allowing the Issuer to achieve critical size in a rapidly consolidating industry by leveraging economies of scale while exposing the Issuer to a mix of high-value and high-growth segments. Further, Arysta's "close-to-farmer" formulation manufacturing, coupled with the Issuer's in-house R&D capabilities, allows the Issuer to achieve cost leadership though backward integration. The Issuer also has investments across multiple regions such as France and Vietnam which provides additional expansion capacity. See "*Risk Factors – Risks Relating to the Issuer's Business and Industry – The Issuer may not realise the expected benefits of the acquisition of Arysta and other acquisitions (if any) because of integration difficulties and other challenges.*"

The Issuer paid U.S.$4.4 billion cash for the acquisition of Arysta, which was funded with a mix of debt and equity. ADIA and TPG Capital, through their subsidiaries, made a combined equity investment of U.S.$1.2 billion (U.S.$600 million each), resulting in a combined shareholding of approximately 22 per cent. in the Issuer. The remaining U.S.$3 billion was funded in the form of debt borrowed from a consortium of banks and balance from Issuer's internal accruals.

Competitive Strengths

The Issuer believes that a number of factors have contributed to and will continue to drive its growth, including the following. The Issuer believes that it is well-positioned in the industry to deliver sustainable growth and stable margins as a result of these strengths.

Leading market position in growing crop protection industry

The Issuer's parent company, UPL, was the ninth largest crop protection products company globally by revenue for 2018, according to Phillips McDougall IHS Markit. With the Issuer's recent acquisition of Arysta, its global position in terms of revenue has improved from ninth in 2018 to fifth in 2019 (on a consolidated basis with Arysta). The Issuer believes that UPL's market position has provided the Issuer with leverage with its suppliers, distributors and customers, thereby helping the Issuer preserve its margins. The Issuer accounts for the majority of the international sales of UPL. For FY2019, its consolidated operating revenue was U.S.$2.60 billion. As of 31 December 2019, it held more than 12,300 registrations out of UPL's 13,697 registrations and operated 25 manufacturing plants out of UPL's 38 manufacturing plants. For FY2017, FY2018 and FY2019 and for the nine months ended 31 December 2019, the Issuer generated EBITDA of U.S.$309.63 million, U.S.$392.81 million, U.S.$415.46 million and U.S.$538.22 million, respectively.

The Issuer believes its strong geographical diversification and presence in emerging markets (including Latin America) have helped to capitalise on growth opportunities in fast growing markets such as Brazil, India, Mexico, China, Indonesia, Australia, the United States, France and South Africa. The Issuer believes it is able to identify specific customer needs in individual markets and provide them with solutions through its differentiated product portfolio. For example, Unizeb Gold has been successful in certain Latin American countries as a resistance management tool against Asian Rust disease on soybean. The Issuer's R&D centres are interconnected across the Issuer's global network, which enables it to efficiently improve its products and deliver value-added solutions on a global scale and in a cost-efficient manner. The Issuer also believes that, with the acquisition of Arysta, it will achieve better economies of scale in its manufacturing, which allows the Issuer to manufacture efficiently at a low cost to sustain its competitiveness and profitability, as well as in its distribution, which allows the Issuer to retain greater control over product pricing, thus allowing it to capitalize on short-term opportunities. With the growing population and increased focus on yield and productivity, the Issuer believes that it is well-placed in the crop protection products industry to take advantage of its prospects and potential. In addition, due to the high degree of product complexity and necessary systems integration expertise inherent in its product offering, there are significant barriers to entry, which the Issuer believes reinforces its ability to capitalise on opportunities.

Extensive product portfolio

The Issuer's product portfolio covers the entire agricultural value chain including the production of seeds, seeds treatment, crop protection, storage of agricultural products, post-harvest solutions as well as other non-crop products, including animal health products such as honey bee protective miticides and veterinary vaccines, and ingredients for personal care applications. The Issuer possesses a wide range of products that address climate, soil and seed varieties in different geographies. The Issuer believes its extensive and diversified product portfolio has helped to maintain a well-balanced operating revenue stream without excessive reliance on a single product. For FY2019, 25.96 per cent. of the Issuer's total operating revenue was generated from the sales of fungicides, 32.00 per cent. from herbicides, 24.48 per cent. from insecticides and 17.56 per cent. from other products. In this regard, it has devised unique combinations or mixtures of post-patent products to complement its product portfolio. The Issuer's recent acquisition of Arysta also complements and diversifies its portfolio by providing customised and niche products. Arysta's portfolio is differentiated from the Issuer's original portfolio. In particular, Arysta allows the Issuer access to proprietary molecules such as Amicarbazone, Propizachlor and Flucarbazone which completes its crop offering. Arysta also holds the leadership position in the graminicide segment with their proprietary right over Clethodim and Quizalafop. The Issuer has also aimed to increase the revenue contribution from its branded products, which generally have higher profit margins than unbranded generic products. The Issuer also markets its products across various crop segments which include rice and soybeans, some of the most widely consumed food crops. The Issuer's extensive in-house capabilities across its process value chain, such as in R&D, product development, registration, manufacture of active ingredients, formulation and packaging to marketing and distribution have a cohesive objective of creating innovative, differentiated and compelling product mixes. The Issuer's product portfolio is bolstered by its post-harvest solutions (DECCO) services which aid its customers with chemical residue analysis, the monitoring of fungicide residues and tank concentrations, weight loss studies to spore assays, resistance management and integrated pest management programs. DECCO also provides equipment including applicators, brushers and electronic controls, among others.

Diversified geographical footprint with strategically located manufacturing facilities

With a sales presence in over 130 countries including sales offices in over 60 countries, the Issuer believes it is well positioned to increase market share of post-patent products. The Issuer has a diversified geographical footprint, with Latin America, North America, Europe and the rest of the world (excluding India) accounting for 42.02 per cent., 20.42 per cent., 18.89 per cent. and 18.67 per cent., respectively, of its operating revenues for FY2019. With the Issuer's recent acquisition of Arysta, it now has access to Eastern European, Russian, African and Middle Eastern markets, as well as a deeper penetration into the Asian market. Within markets the Issuer has a stronghold in, such as Latin and North Americas as well as Western Europe, Arysta complements its product and crop portfolio in such markets. Arysta's portfolio is differentiated from the Issuer's original portfolio.

The Issuer believes its geographic diversification mitigates its exposure to adverse weather conditions in any single cropping region or crop or chemistry. The diversity of its business across geographies also provides a range of expansion opportunities across major cropping regions around the world. Furthermore, the Issuer's ability to deliver products to end users with short lead time is critical, particularly given the seasonal nature of cropping. To streamline the Issuer's production processes, achieve shorter development and delivery lead times as well as enhance quality control, it has established a global platform across the regions in which it operates that enables the Issuer to service its existing customer base and support the continued growth of its business. This allows the Issuer to manufacture differentiated products designed to address local seasonal and market conditions, as well as to secure raw material inputs on competitive terms from a range of suppliers globally. In addition, the Issuer's global footprint as well as its ability to leverage on UPL's low-cost manufacturing facilities based in India, provide the Issuer with economies of scale, which help retain its cost competitiveness.

Strong R&D capabilities

The Issuer has strong competence in the crop protection process value chain. Its in-house research capabilities, including combinations and mixtures of post-patent formulas, which are chemicals that have gone off-patent, have contributed to the Issuer's ability to develop differentiated products globally. Significant product development expertise has enabled the Issuer to create a portfolio of value-added post-patent products sold under a variety of well-known brand names such as TOTAL, Glory, Vesta and Lancergold. Arysta's experience in providing customised and niche solutions has resulted in a solid foundation of R&D expertise, which the Issuer believes would complement and boost its R&D expertise. Arysta's customer-centric approach also allows the Issuer to have a better understanding of the needs of its customers, thus allowing the Issuer to respond quickly to evolving customer needs with new, differentiated products. In addition, the Issuer is committed to technological leadership and the development of innovative and high-quality products in order to meet both the growing demands of its customers with regard to product complexity and feature content as well as increasingly stringent environmental goals and regulatory requirements. For example, there has been an increased focus on yield and high productivity in the agricultural industry that has contributed to the growth in demand for specialty crop protection products, on which the Issuer has continued to emphasise in its R&D initiatives. The Issuer believes it is able to effectively harness its product registrations, leveraging its experience in various jurisdictions. The Issuer's dedication to technological leadership has contributed to maintaining a long track record of introducing innovative products.

Extensive marketing, sales and distribution platform

The Issuer focuses on high quality customer interaction in order to identify, create and capitalise on opportunities to develop solutions ahead of its competitors. The Issuer's sales process usually begins with its product development teams that work closely with its customers to create products and solutions to meet the customer's needs. The Issuer focuses on strategically aligning itself with key customers and creating long-term relationships. Its marketing presence in North America, Latin America, Europe, Asia, Africa and Middle East as well as its extensive network of local distributors provides an efficient channel to its customers in over 130 countries. As of 31 December 2019, the Issuer had a dedicated sales force of 405 people and marketing force of 1,660 people. In addition, it implements several customer engagement programs to achieve sustainable and long-term relationship with farmers. For large banana plantations in Latin America, the Issuer provides an integrated service to banana farmers which cover product, technical advisory and aviation services under its "Trust Plus" program. DECCO also offers teams with technical expertise to its clients to assist with their packaging needs, decay and weight loss studies of produce and post-harvest resistance management.

Sustainable and profitable growth

The Issuer has focused on limiting its leverage and consistently maintained a sound financial position and a conservative financial profile. It has also built on its successful record of expansion through both organic growth and through prudent acquisitions of complementary businesses with a focus on sustained profitability and value additions. For example, its acquisitions of MTM, Cerexagri, Manzate as well as acquisition of equity ownership in DVA Agro Do Brasil and Arysta, were part of its selected value-accretive acquisitions that have been instrumental to the Issuer's expansion of geographical reach. The Issuer has had stable revenue growth between FY2017 and FY2019 of 20.5 per cent. For FY2017, FY2018 and FY2019 and the nine months ended 31 December 2019, its EBITDA margin was also stable at 17.27 per cent., 18.36 per cent., 15.96 per cent. and 17.74 per cent., respectively, while its net debt to EBITDA ratio was 1.86x, 1.45x, 8.69x[1] and 5.36x, respectively, and its cash flow from operations to debt was 31.47 per cent., 36.21 per cent., 10.63 per cent.[1] and 7.37 per cent., respectively. The Issuer believes its conservative financial profile is attributable to its continued investments in R&D, manufacturing infrastructure to support revenue growth, global reach of its distribution, diversified product portfolio, increased share of its branded products that have higher margins as well as reduction in manufacturing cost by taking advantage of its economies of scale. While the acquisition of Arysta, which was substantially debt-funded, resulted in a significant increase in the Issuer's leverage, the Issuer believes that its strong operating cash flows and synergies achieved with Arysta will allow the Issuer to deleverage rapidly.

Experienced board and management team

In addition to the global management team of the Issuer, it benefits from UPL's strong professional management team that provides support and guidance on matters concerning its strategy, management and operations. See "*Management*". UPL has a highly experienced management team with extensive chemical engineering, scientific and industry experience. The Issuer's management team has a demonstrated track record of achieving strong financial results and has solidified its customer relationships as well as enhanced its respective local management teams. In addition, the Issuer has experienced and stable senior

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1 These EBITDA figures take into account only two months of Arysta's EBITDA.

managers at regional levels with significant experience and understanding of their respective markets and regions. Its local management has responsibility of day-to-day operational decisions while being guided by central principles aligned to its vision and strategy. The Issuer believes that the strength of its management team combined with its local management enables the Issuer to take advantage of strategic market opportunities, to make decisions at the local level quickly and to better serve its customers. The Issuer believes that its management team has been instrumental in its achievement of increase in operating margins and allowed the Issuer in being able to leverage its long-standing relationships with customers and distributors to drive revenue growth and win new and repeat business.

Strategies

Optimise geographical focus of the Issuer

The Issuer is well diversified geographically, with Latin America, North America, Europe and the rest of the world accounting for 42.02 per cent., 20.42 per cent., 18.89 per cent. and 18.67 per cent. of its revenue for FY2019, respectively. The Issuer believes its (excluding India) experience in existing markets helps grow its market share in emerging markets with high growth opportunities including Brazil, Argentina, Mexico, Colombia, South-east Asia and Africa. The underlying trend in the crop protection market has been underpinned by rising crop commodity prices and farm incomes, particularly in the advanced developing markets including Brazil. In addition, the Issuer believes its disciplined approach to regulatory compliance and knowledge gained through its presence in various markets have helped facilitate its entry into new markets and establish a registration portfolio in an efficient manner. Consistent with the Issuer's existing strategy, it will continue to expand the geographic reach of its formulation plants throughout emerging markets. By further diversifying its revenue stream geographically, the Issuer believes it reduces concentration risk such as foreign exchange related risks, weather and crop-related risks and economic risks.

Continue to maximise R&D capabilities

The Issuer focuses on retaining and strengthening its technological leadership through the continued development of innovative products, which it believes will expand its differentiated product portfolio and drive increase in customer demand for its products. The Issuer intends to continue to pursue various initiatives by involving its customers and farmers that will help develop innovative solutions to cater to their needs. In these respects, the Issuer believes that its acquisition of Arysta, which has a strong foundation in R&D and a keen understanding of local markets, both of which have enabled it to provide customised and niche products to local farmers, will greatly aid in the diversification of its differentiated product portfolio. The Issuer also intends to continue to promote the sharing of knowledge and experience among its product development personnel across its different geographies to ensure that its up-to-date expertise and solutions are available globally. Through the Issuer's focus on technological leadership and the production of innovative and effective products, it aims to further strengthen its position as the preferred solutions provider to the agricultural industry.

Enhance brand awareness and market visibility

The Issuer seeks to develop trust-based and long-term relationships with its customers to provide them with a value-added offering and a level of service that increases their demand for its products. The Issuer's strategy is supported by periodic customer visits by its sales representatives which promote brand awareness and market visibility and provide a deeper level of understanding of its customers' specific needs. The Issuer's existing sales and marketing teams further enhance its ability to provide top quality products and services to its major clients in key export markets. The Issuer aims to focus its portfolio of products from its competitors' by differentiating its products that offer solutions to resistance management, address small farmer needs as well as organic farming. In addition, the Issuer will focus on increasing value-added services to farmers such as advisory services. It also plans to target prudent investments in various brand-building initiatives with respect to its branded products, which command a premium over non-branded commoditised products.

Focus on Bio-Solution and ProNutiva

The Issuer intends to focus on the Bio-Solution product market, in which the Issuer ranks second globally in terms of product sales, to drive growth in sales. The Issuer's BioSolutions portfolio includes approximately 20 major AIs within its BioStimulants, Innovative Nutrition and BioControl (biofungicides and bioinsecticides) lines of products. This portfolio is differentiated through innovative technologies and mixtures, primarily protected by trade secrets, and expected to be a significant growth engine in the future. In this respect, the Issuer introduced the ProNutiva® program, which is an exclusive program that integrates natural biosolutions (bioprotection, biostimulants and bionutrition) with conventional crop protection products to meet the real-world needs of today's growers. ProNutiva® allows the Issuer to support sustainable agricultural practices, improve grower economics and meet evolving food chain requirements.

Diversify and seize organic growth opportunities in high-potential neighbouring markets

The Issuer will pursue further international growth based on a prudent acquisition strategy based on conservative valuations and driven by a goal of realising synergies. In assessing new investment opportunities, it will continue to consider, among other things, whether an investment will result in an attractive internal rate of return and that is in line with its conservative financial profile. The Issuer is currently focused on utilising such investment for the expansion of its business across regions, where it believes that growth in crop protection products and seeds will be strongest in the medium-term. In line with the Issuer's core value of focusing on customers' needs, its global expansion and diversification will closely track its customers' footprints.

History

UPL was founded in 1969 as a limited company by Mr. R. D. Shroff, who is currently the Chairman of UPL. In 2003, it merged with Search Chem Industries Limited and its name was changed to United Phosphorus Limited. In 2013, the name of the company was changed to its current name, UPL Limited.

From 1969 to date, UPL has expanded and grown from a local phosphorus chemical manufacturer to a global solution provider across a comprehensive agricultural value chain. UPL has transformed into a global player through producing innovative formulations, diversifying its product portfolio and expanding its market presence (through subsidiaries or business partners) in multiple geographies. The following table depicts UPL's transformation over the years:

	The beginning	**Growth through product diversification**	**End-to-end global agri-input presence**
Product portfolio. . .	Phosphorus based industrial Chemicals	• Diversification into crop protection products and specialty chemicals • Development of post-patent portfolio • Provision of customised and niche products • Provision of other non-crop products, including animal health products	*Patented, proprietary, post-patent* • Seeds to pre-and post-harvest • Products across segments: herbicides, insecticides and fungicides • BioStimulants • Other non-crop products, including animal health products

	The beginning	Growth through product diversification	End-to-end global agri-input presence
		Global manufacturing presence • Cost competitiveness • Achieve market share • Exports	*Focus on innovative formulations* • Creating brands • Customer engagement • Market expansion through own registrations
Presence.	Presence only in the Indian market	Exports to various countries	*Increasing international business* • Direct presence in major markets with own distribution and sales force

In 1993, UPL expanded its operations outside India, by incorporating Bio-Win Corporation Limited, whose name was subsequently changed to UPL Corporation Limited in 2016.

In June 2016, Advanta Limited ("**Advanta**"), a global seeds company, also merged with UPL. UPL is the ultimate holding company for Advanta's global operations and as of 31 December 2019, Advanta has subsidiaries located in ten countries, namely Argentina, Australia, Brazil, Indonesia, Mauritius, the Netherlands, Thailand, the United Arab Emirates, the United States and Ukraine. The Issuer has reorganised Advanta's global operations to become one of its subsidiaries.

In January 2019, the Issuer completed the acquisition of Arysta.

Set forth below are key milestones in the history of the Issuer:

1993 . . . . Bio-Win Corporation Limited (now known as UPL Corporation Limited) became part of the UPL group.

1994 . . . . Acquired MTM Agrochemical UK, which was UPL's first acquisition of international business, for entry into the European market with its herbicides portfolio.

1996 . . . . Acquired Devrinol for entry into the U.S. and Japan markets.

2004 . . . . Acquired Surflan for sale in the United States markets.

2004 . . . . Acquired Ultra Blazer for sale worldwide.

2004 . . . . Acquired Lenacil and Cloradizon for sale in the European markets.

2004 . . . . Acquired Ag Value Inc., a company incorporated in the United States.

2004 . . . . Acquired Cequisa, a company incorporated in Spain.

2006 . . . . Acquired REPOSO S.A.I.C. for entry into Argentina.

2006 . . . . Acquired Asulam, Trichlorfon and Oligonucleotide-directed mutagenesis for sale in various markets.

2006 . . . . Acquired bensulfuron-methyl for sale worldwide except the Asia Pacific market.

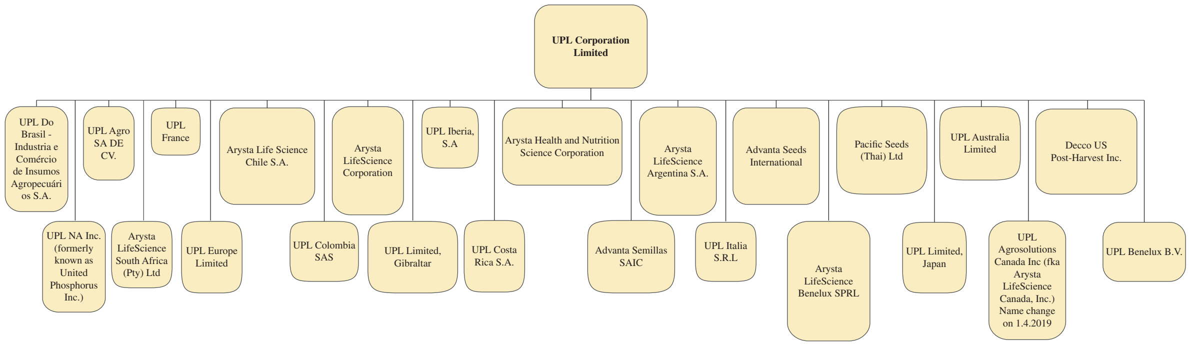
2006 . . . . Acquired Cerexagri Group and expanded its global distribution network.

2006 . . . . Acquired Propanil for sale worldwide.

2010	Acquired RiceCo LLC, which helped UPL leverage its global sales and marketing network to take its product offerings to global rice markets.
2010	Acquired from Dupont its Manzate fungicide business and its manufacturing and formulation production facilities in Colombia.
2011	Acquired UPL Agromed, a company incorporated in Turkey.
2011	Acquired a 51 per cent. equity interest in DVA Agro Do Brasil and a 50 per cent. equity interest in Sipcam Isagro Brazil S/A for entry into Brazil.
2014	Increased equity interest in its Brazilian subsidiary, UPL Do Brasil (formerly DVA Agro Brazil) from 51 per cent. to 73 per cent..
2015	Acquired remaining equity interest in UPL Do Brasil, making it the Issuer's wholly-owned subsidiary.
2015	Acquired a 40 per cent. equity interest in Sinagro Produtos Agropecuários S.A.
2015	Acquired a 40 per cent. equity interest in 3SB Produtos Agrícolas S.A.
2016	Global seed business of Advanta merged with UPL group.
2017	Increased equity interest from 40 per cent. to 49 per cent. in Sinagro Produtos Agropecuários S.A. Group. Increased equity interest from 40 per cent. to 49 per cent. in 3SB Produtos Agrícolas S.A. Acquired a 33.33 per cent. equity interest in Serra Bonita Semetes S.S. Acquired a 100 per cent. equity interest in the UPL Agro Limited, Mauritius.
2018	Increased equity interest from 51 per cent. to 100 per cent. in UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.
2019	Acquired Arysta LifeScience Inc., a company incorporated in the United States. Post-acquisition of Arysta, ADIA and TPG Capital hold a combined stake of approximately 22 per cent. in UPL. Acquired Bioquim group which has presence in the Costa Rica, Caribbean and Central American regions.

Corporate Structure

Within the corporate structure of UPL and its subsidiaries, the Issuer is the holding company for all of UPL's subsidiaries outside of India. The following is a chart summarising the Group's corporate structure listing down its principal subsidiaries.



Note: The above chart includes only key operational subsidiaries and does not depict the exact holding pattern for each subsidiary.

Products

Over the years, the Issuer has leveraged its insight into the agriculture industry to offer a diversified product portfolio. BioStimulants, post-harvest solutions, as well as other non-crop products, including animal health products such as honey bee protective miticides and veterinary vaccines, and ingredients for personal care applications. The Issuer focuses on ensuring growth with adjacent technologies covering drought mitigation products and a biological range and crop nutrition portfolio. Its portfolio strategy covers products of global and regional importance to create crop solutions in a variety of crops, including, soybeans, corn, wheat, pulses, fruits and vegetables and plantation crops, including, oil palm, bananas and sugarcane.

The Issuer's product portfolio is comprised of the following core product segments:

Agricultural Inputs (Crop protection and seeds)

Crop protection

The Issuer provides a complete solution to farmers, from sowing to harvesting. It has deployed significant resources in developing effective crop protection solutions through pre-and post-harvest product segments. For chemicals used in the pre-harvest stage, the Issuer offers a wide range of crop protection products, such as herbicides, insecticides, fungicides and fumigants. Herbicides are used to eliminate unwanted weeds and grasses. Insecticides are designed to selectively destroy various types of insects and pests without damaging or destroying the crop itself. Fungicides protect crops from development of fungi, which can rapidly spread through crop plantations and significantly reduce crop quality and yield. Fumigants are a type of pesticides that control pests that live in the soil.

For FY2018 and FY2019, 28.05 per cent. and 25.96 per cent. of the Issuer's total revenue was generated from the sales of fungicides, respectively, 31.94 per cent. and 32.00 per cent. from herbicides, respectively, 20.69 per cent. and 24.48 per cent. from insecticides, respectively, and 19.32 per cent. and 17.56 per cent. from others, respectively. The Issuer believes it is one of the leading global market players of crop protection products. It provides a comprehensive, cost-effective solution to farmers, from sowing to harvesting to optimise farm productivity. It has also deployed significant resources in developing effective crop protection solutions through pre-and post-harvest product segments.

Crop Segments

Apart from the Issuer's diversified geographical reach and product portfolio, its crop protection solutions are also categorised into various crop segments. The Issuer's products offer solutions for treatment of various diseases and control of weeds and pests for various crops such as rice, soybean, cotton, sugarcane, wheat, corn and other fruits and vegetables. Some of its key product offerings into various crop segments are as follows:

Crop	**Herbicide**	**Fungicide**	**Insecticide**	**Bio-Solutions**	**Seed Treatment**
Rice . . .	Stam, Holdown	Cuprofix, Saaf	Lancer Gold, Kinalux	Kasumin, Foltron, Raizal	Biozyme
Soybean .	Interline, Tricor, Select	Unizeb Gold, Glory, Fortix, Zolera	Disect, Batus Gold, Sperto, Orthene, Dimilin	Vacciplant, BM86, Foltron	Rancona, Vitavax Thiram, Start
Cotton . .	Interline, Satellite, Upstage	Unizeb Gold	Lancer Gold, Battus, Trinca Caps, Perito, Dimilin, Orthene	Rio, Exploit Vacciplant	Rancona, Biozyme
Sugarcane.	Tricor, Asulox, Dinamic	Unizeb Glory	Dimilin, Barao, Imidagold	Raizal, K-Fol	Biozyme, Vitavax Thiram
Wheat . .	Vesta, Total, Everest, Batalium	Glory, Evito	Attendant	Vacciplant	Rancona, Vitavax Thiram
Maize . .	Fascinate, Select	Unizeb Gold, Glory, Fortix, Zolera	Sperto, Perito, Orthene, Dimilin, Comite II, Omite	Raze, Foltron, Vacciplant	Rancona, Start, Biozyme
Specialty Crops. . .	Lifeline, Satellite, Casoron	Manzate, Microthiol, Procure, Captan, Syllit	Perito, Lancer, Acramite, Omite, Dimilin	Kasumin, Ph-D, BM86, Cinetis, Pilatus, Gainexa	Rancona

In addition to the Issuer's crop specific solutions, it also offers specific aquatic herbicides to control aquatic weeds and algae.

Seed Treatment

The Issuer's seed treatment portfolio consists of approximately four major AIs. It currently holds a leading position globally in this market segment. In November 2017, it has, through Arysta, initiated a long-term global strategic collaboration with DuPont Crop Protection to supply an innovative fungicide technology with an initial focus on corn and soybean seed applied products. The Issuer's main products include Rancona and Vitavax.

Seed treatments are used to coat seeds prior to planting in order to protect the seed during germination and protect the plant during the initial growth stages. Pre-treated seeds and in-furrow seed applications are attractive products for farmers as they permit the use of fewer chemicals to achieve the same efficacy as traditional crop protection products. Although the continued development of GM seeds has had an impact on the use of conventional crop protection, overall it believes that such development has increased growers' investment in the seeds, driving demand for seed treatments to protect and improve crop establishment.

Seeds

The Issuer manufactures and market seeds through its global subsidiaries in various geographies such as Thailand, Indonesia, Australia, Brazil and Argentina. In doing so, it leverages its existing distribution network and sales platform to market the seeds.

BioSolutions

The Issuer's BioSolutions portfolio includes approximately 20 major AIs within its BioStimulants, Innovative Nutrition and BioControl (biofungicides and bioinsecticides) lines of products. This portfolio is differentiated through innovative technologies and mixtures, primarily protected by trade secrets, and expected to be a significant growth engine in the future. BioSolutions are naturally derived products that fall into several categories: BioStimulants that enhance crop vigor, yield and/or quality through physiological stimuli; Innovative Nutrition (biological control) products that optimise the nutrition in plants by enhancing nutrient availability or use efficiency; and BioControl products that operate as conventional crop protection products with, in many cases, the added benefit of reduced residues of a synthetic origin. The Issuer ranks second globally in terms of sales in this market segment. Its main products include: Biozyme, BM 86, Poliquel and Vacciplant.

Post-Harvest Solutions

The Issuer offers post-harvest products and services for the packaging and transporting of perishable commodities such as fruits and vegetables, which help retain nutritional value, provide enhanced visual appearance, shine and cosmetic value, and controls shrinkage and dehydration on such services that facilitate transportation of fruits and vegetables for longer periods of time, as well as increase their shelf-life. Its post-harvest solutions, DECCO, mainly cater to decay control of the fruits. DECCO provides a complete range of products including coatings, fungicides, cleaners, sanitisers, growth regulators, among others. All ingredients utilised in manufacturing DECCO products have been approved by the U.S. Food and Drug Administration, the EU and the Food Safety and Standards Authority in India, as food grade materials.

In select countries, the Issuer also offers other value-added DECCO services, which include chemical residue analysis, the monitoring of fungicide residues and tank concentrations, weight loss studies to spore assays, resistance management and integrated pest management programs. The Issuer is present in diverse markets and supports the agricultural industry along its value chain with a clear objective, which is to be a source of progress and competitiveness for its customers by providing them with innovative, efficient and sustainable solutions. DECCO also provides equipment including applicators, brushers and electronic controls, among others.

The following are select key brands of its agricultural inputs and post-harvest solutions offering, all of which are post-patent products.

	Seeds	**Herbicide**	**Insecticide**	**Fungicide**	**Fumigants**	**Specialty post-harvest**
Primary use . .	Provide added value to farmers through improved genetics	Prevent or reduce weeds that hamper crop growth and harvests	Control insect pests which reduce crop yields and quality	Prevent and cure fungal plant diseases	Control pest	Technical applications such as special coating on agricultural products
Key products .	Sorghum, Corn, Canola, Sunflower, Vegetables	Propanil, Asulam, Metribuzin, Glufosinate, Pendimethalin, SMet	Acephate, Imida, Pyrethroid	Mancozeb, Copper, Sulphur	Aluminum Phosphide, Magnesium Phosphide	Natural coatings, CIPC
Key brands . .	Alta, Pacific, Golden, Nutrisun	Stam, Devrinol Propanil, Asulax, Lifeline, Satellite, Mocasin	Lancer Gold, Batus Gold, Banter, Fipronil	Manzate, Vondozeb, Microthial, Unizeb Gold, Glory, BB20, TBCS40, Saaf	Weevilcide, Quickphos	DECCOSOL® 408 MELANITE

Complementary Product Offerings

The Issuer also sells certain non-crop products, including animal health products, such as honey bee protective miticides and certain veterinary vaccines, in addition to ingredients for personal care applications.

Business Structure

An overview of the process value chain of the Issuer is summarised in the following diagrams.

Research and Development

The Issuer has globally located facilities spread across Europe and North America to evaluate both process technology and product capabilities. With strategically located laboratories across the world, it has proven product development and registration expertise in its key markets that enables Issuer to develop innovative, differentiated and value-added products and formulations and bring them to market quickly. The Issuer is focused on innovating process technology of post-patent molecules and innovating products through differentiated eco-friendly formulation, combinations and mixtures, while remaining cost conscious and environment-friendly. The following are its R&D facilities and their respective areas of focus.

Location	Areas of Focus
Evesham, UK	Proprietary Formulation Development, Life Cycle Management Product Support and Good Laboratory Practice (GLP) Seed Treatment Regulatory Studies
Rotterdam, Netherlands	Formulation Development, Life Cycle Management Product Support and Good Laboratory Practice (GLP) Product Chemistry Studies
Liege, Belgium	Formulation Development and Life Cycle Management Product Support. UPL Global Sampling Hub
Marseilles, France	Copper and Sulfur Formulation Development and Life Cycle Management Product Support
King of Prussia, United States	Formulation Development and Life Cycle Management Product Support.
Valdosta, United States	Formulation Development, Good Laboratory Practice (GLP) Product Chemistry Studies and Global Sampling Hub

Location	Areas of Focus
Durban, South Africa	Formulation Development and Life Cycle Management Product Support
Ituverava, Brazil	Formulation Development and Life Cycle Management Product Support
Saltillo, Mexico	Specialist BioSolution Formulation Development and Life Cycle Management Product Support
Hangzhou City, China	Formulation Support
Guelph, Canada	Good Laboratory practice (GLP), characterisation of Bilogocal product

Global Product Development

The Issuer has established innovative process technology development platforms for post-patent molecules to create new formulations, combinations and mixtures. Combined with its R&D capabilities and test farms in Latin America to conduct tests on new formulations being developed by the Issuer, it was able to launch several key products including "Glory", a mixture of Mancozeb and Axoxystrobin, "Total", a mixture of sulphos sulfuron and metasulfuron and "Lancergold", a mixture of acephate and imidachloropid, "Lifeline" containing Glufosinate, "Satellite" containing Pendimathalin and "Sperto", a mixture of Acetamiprid and Bifenthrin".

Raw Materials

Sourcing of raw materials

The main raw materials required for the formulation of crop protection products are active or technical substances and formulation adjuvants. The majority of the Issuer's purchases for active substances are from UPL under yearly contracts and the balance is sourced from other crop protection products companies. The technical substances are synthetised from chemical intermediates and raw materials which the Issuer sources mostly from a group of medium to large chemical companies including Dow Chemical Company, BASF SE, Akzo Nobel, Huntsman Corporation, and Adisseo, and mineral commodity companies, including Total, CITIS SA, Erachem, KGHM and Jugo-Impex.

The Issuer purchases copper, sulphur, ethylene diamine, carbon disulfide and manganese sulfate, which are used for the production of crop protection products, primarily under long-term contracts from some of the companies mentioned above. Such long-term contracts are from one to three years. In addition to securing raw material supplies through long-term contracts, the Issuer purchases small amounts of additives, surfactants, and dispersants under short-term contracts. It has memorandum of understandings with most of its major suppliers and have a formula driven pricing model based on an agreed index. Other purchases of the Issuer are typically negotiated quarterly.

Other auxiliary raw materials that are readily available are purchased primarily under short-term contracts.

The Issuer chooses its raw material suppliers from among the most reliable producers and suppliers offering competitive terms. All of its raw material suppliers are subject to constant reviews and assessments.

Registration of Agrochemicals

The registration of agrochemicals is the process by which national governments or regional authorities approve the use and sale of an agrochemical. The registration of an agrochemical is necessary to ensure that the product is effective for its intended purposes and does not pose an unacceptable risk to human or animal health or the environment.

The basic registration process in the majority of countries for crop protection products is set out below.

- apply and obtain an experimental use permit to import products in a country for research purposes;
- generate the required scientific data from a laboratory under the Good Laboratory Practises and international testing guidelines;
- hire a recognised agricultural university or research institute to compile the required data from the local field;
- submit an application with the required scientific laboratory and the field data to the office of regulators or relevant ministry of agriculture;
- scientific evaluation of data by scientific experts, subject matter specialists and technicians within the regulatory body which comprises members from the relevant ministry of agriculture, ministry of health and ministry of environment;
- review outcome of evaluation by advisory committee;
- decision to grant or reject crop protection products registration based on evaluation outcome; and
- appoint inspectors or officers to monitor, enforce the law and control of imports and restrictions

Registration requirement across various jurisdictions

The registration procedure varies in each country including the requirements as to the data, field trials, tests, reports. The process of registration approvals from various authorities, which may take one to 10 years depending on country and the type of registration. As on 31 December 2019, the Issuer has more than 12,300 product registrations.

Region	Registrations
Europe	4,391
North America	766
Latin America	2,862
Rest of the world	4,372
Total	12,391

The Issuer has substantial resources in connection with product registrations focused on its crop protection product and post-harvest solutions research efforts. The Issuer tests new formulations and mixtures in field trials around the world in different climatic conditions and in varying soils. In addition to the Issuer's own research and development efforts, its subsidiaries in the United States and the United Kingdom have agreements with the Jai Research Foundation, which is a research foundation accredited with Good Laboratory Practises standards, to use its product testing facilities. The Jai Research Foundation, which is owned by UPL's promoter family, also services other crop protection products and pharmaceutical companies.

Active Ingredient Manufacturing

The Issuer has manufacturing facilities in Colombia, Argentina, and the Netherlands, serving key cropping regions globally. These facilities manufacture technical active ingredients used in downstream formulation.

Formulation and packaging

The Issuer's business is global in scope but regional in execution. Its R&D and manufacturing centres are located across the regions in which it operates, as regional and customer proximity are important factors to minimise costs of logistics and shipping and to maintain a high customer service level. The Issuer has 25 manufacturing plants and the table below provides an overview of its primary production facilities and the main products manufactured at such production facilities as of 31 December 2019.

Facility Name	Country	Al/Formulation/Seed	Key Products
Vietnam (UPL)	Vietnam	Formulation	Quinalphos, Cyper, Propanil, Manzate, Glufosinate
Vietnam (ALS)	Vietnam	Formulation	Cypermethrin, Kasugamycin, Fluoxastrobuin + Tebuconazole, Fluoxastrobin + Cyperaconazole
Korea (ALS)	Korea	Formulation	Glufosinate, Forchlorenuron, Gibberellic acid, Thiocyclam hydrogen oxalate
Sandbach	UK	Formulation	Phenmedipham, Ethofumesate, Devrinol, Propanil
Bassens	France	Formulation	Sublimated Sulfur products, Liquid Sulfur, Lambdacyhalothrin, Sulfur Mixtures
Mouranx	France	Formulation	Copper based fungicides Bordeaux Blue 20 & 40, Copper Mixtures, TBCA
Le canet	France	Formulation	Sulfur WDG
Rotterdam	Netherlands	AI & Formulation	Mancozeb, Mancozeb WDG, Maneb, Liquid formulations Devrinol, Propanil, Mancozeb, Phenmedipham
Colombia	Colombia	AI & Formulation	Mancozeb, Mancozeb Mixtures
Decco	Spain	Fruit Coating	Shellac + carnuba wax, PE + Wood Rosin based post-harvest products,
Kingstree	USA	Formulation	Glufosinate
Abbott	Argentina	AI & Formulation	Cyper 25 per cent., DDVP, Chloropyryphos, Endosulphan, Carbendazim, 2-4 D ester, Clethodim
Brazil (UPL)	Brazil	Formulation	Glufosinate, Glyphosate, 2-4 D, Abamectin, Acephate
Yoloo	China	Formulation	Fipronil, Imidacloprid, Gliphosate, Gluphosinate, Azoxystrobina, Abamectina
Ourgee	Belgium	Formulation	Prosulfocarb, Quizalofop, Difenconazole, Captan, Fludoxupyr, Cypermethrin, Cymoxynil + Promamocarb
Noguères	France	Formulation	Nicosulfuron, Clethodim, Captan, Quizalofop P Ethyl, Imidacloprid, Bifenthrin, CPP
Canelands	South Africa	Formulation	Glyophosate, Ammonium Sulfamate, 2,4 D Amine salt, Tebuthiuron, Azoxystrobin, MCPA, Mesotrione
St. Malo	France	Bio Solutions	Sea Weed Extracts

Facility Name	Country	AI/Formulation/Seed	Key Products
Abidjan	Ivory Coast	Repacking	Repacking and warehouse for insecticides and herbicides
Pau	France	Bio Solutions	Beauvaria bassiana, natural insecticide
Salto de Pirapora	Brazil	Formulation	Acephate, Nicosulfuran, Clethodim, Amicarbazone, Propargite, Kasugamycin, Diflubenzuron
Ramos Arizpe	Mexico	Formulation & Biosolutions	Silwet, Adjuvents, Raizal, K Fol, Biozime, plant extract natural products
Madrid	Colombia	Formulation, Nutrition & Biostimulants	Glyophosate, Mancozeb, Chlorothalonil, Paraquat, Fertiliser, Biostimulants, NPK Nutrition
Bioquim	Costa Rica	Formulation	Glyophosate, Chlorothalonil, Paraquat, 2,4D, Cypermetrina, Permetrina
Chaillac	France	Formulation	Animal Health products

Marketing and distribution

Region	Marketing	Sales
AMEANZ	33	197
Asia	98	401
Europe	109	320
Latin America	137	612
North America	29	129
	406	1,659

The Issuer's business is organized into four regions namely, the United States, Latin America, Europe and the rest of the world. Each region is well structured covering sales, marketing, finance, human resources and customer services. For all the major countries, the Issuer has a direct footprint and sales and marketing staff to service both distributors and the farmers. Its products are sold to farmers though independent distributors, dealers, co-operative channels and direct sales to farmers, in over 130 countries. Typical agreements among the Issuer and the distributors are on a non-exclusive basis and their terms range from a few months to a couple of years.

The Issuer's distribution strategy is aligned to the needs of each individual region and country, representing the practises which the Issuer believes will best serve the relevant for specific geographies. This approach is also critical to establishing strong customer relationships, understanding unmet needs and strengthening brand loyalty. Its distribution strategy also covers diverse segments, including distributors, co-operative channels and direct sales to large farmers.

Several customer engagement programs are implemented to achieve sustainability engagements with farmers. For the large banana plantations in Latin America, the Issuer offers an integrated service under its "Trust Plus" program to banana farmers, which provides product, technical advisory and aviation services.

Competition

The Issuer's main competitors are the top 15 companies within the crop protection products industry, including, Bayer, Syngenta, Corteva, Adama, Nufarm and FMC Corporation, amongst others. Companies in the crop protection business compete on the basis of strength and breadth of product range, product development and differentiation, geographical coverage, price and customer service. In many countries, generic producers of off-patent crop protection compounds are additional competitors to the research-based companies in the commodity segment of the market. The Issuer has an innovative product pipeline combined with selected service models which offer convenient and high performing crop solutions. It has active and strategic collaborations with selected competitors in the areas of mutual and sustainable interest.

Information Technology

The Issuer uses several businesses support applications including SAP for its core business processing, Advanced Planner and Optimiser for demand and supply planning, Ariba for extended procurement, Customer Relationship Management for the sales force and analytic tool for its management information system, which improves the performance of its business teams as well as establishing adequate controls, including, credit control and inventory control. It has implemented a laboratory information management system to promote manufacturing quality. The Issuer has also implemented a barcoding system in its manufacturing and warehousing facilities for products tracking. It is currently working on integrating its systems with Arysta's and aim to complete the same in this financial year.

Environmental Care, Safety and Health

The Issuer is committed to environmental protection, health and safety beyond the scope of legal requirements. It is committed to the chemical industry's Responsible Care™ initiative and have set out the basic principles of this commitment in its Global Environmental Footprint Reduction Plan.

The Issuer's operations in various countries are subject to international, national, state and local laws and regulations governing health, safety, environmental, security and sustainability issues associated with its products, manufacturing operations and supply chain. These laws govern a wide spectrum of the Issuer's activities and issues relating to its products and business, including:

- discharge of waste and emissions into the environment;
- the handling and disposal of industrial waste;
- remediation of historical environmental contamination;
- safety and efficacy of its products;
- effective management of potential safety and health risks to its employees, communities and individuals using its products; and
- management of its operations and supply chain in a manner that complies with applicable laws governing safe chemical transportation, chemical plant security, national security and possible trade restrictions on recipient countries and customers.

The Issuer must achieve and maintain regulatory compliance in order to operate its production facilities and sell its products. These steps typically involve obtaining and maintaining regulatory approvals, permits, licensing, registrations or other forms of compliance governing its operations and/or products. Given the Issuer's international presence, it needs to comply with regulatory requirements of authorities or agencies of different countries. The Issuer has an internal management control system designed to provide a reasonable assurance that applicable laws and regulations are identified and complied with.

Environment care

As for other chemical manufacturers, the Issuer's operations are subject to a broad range of environmental laws and regulations. Its manufacturing processes use many chemicals, gases and other hazardous substances. It strives to minimise the impact of its operations on the environment through an efficient use of raw materials and energy, waste management and the development and application of solutions aimed at reducing air, water and soil emissions, and improving the security of its manufacturing installations. For example, the Issuer created a dedicated Cell to address environmental issues across various units and a team of professionals aimed at reducing emissions at source.

The Issuer is also subject to increasingly stringent environmental, health and safety laws and regulations, including those governing air emissions; water supply, water use and discharge into water; the construction and operation of sites; the use, management, storage and disposal of waste and other hazardous materials; the health and safety of its employees; the investigation and remediation of contaminated land; and the health and safety impact of its products. The Issuer is required to obtain and periodically renew permits or licenses for industrial operations that result in discharge into the soil, air or water, as well as the use and handling of waste and other hazardous materials. Such permits and licenses establish limitations and standards with respect to its operations that require compliance. The Issuer maintains the highest standard of care and employ adequate staffing to properly dispose of waste. Its sites are regularly audited and inspected by governmental bodies in each of the jurisdiction of its subsidiaries. Each of the Issuer's plants comprises a state-of-the art effluent treatment plant, incorporating the latest technology. The Issuer has also installed superior scrubbers to minimise the emission of harmful chemicals, fumes and dust particles from its manufacturing facilities.

Among other environmental, health and safety laws and regulations, the Issuer expects that its business will be affected, over the next few years, by new legal requirements under the Industrial Emissions Directive ("**IED**") and the E.U. Emissions Trading Systems ("**EU ETS**"), the environmental liability directive and the regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH**") and so forth Regulation, which imposes significant obligations on its business with respect to the testing, evaluation, assessment and registration of basic chemicals and chemical intermediates. The IED and EU ETS directives aim at reducing the emission of pollutants and greenhouse gases into the air. The Issuer expects capital expenditures for environmental issues in the near term to be allocated to eco-innovative and energy saving solutions.

Health and Safety

Employee safety is of paramount importance for the Issuer. To protect employees, the Issuer has established health and safety policies, programs and processes at all its sites. Each manufacturing site has appointed one "Plant Safety Representative" responsible for managing unit safety. Each project goes through a hazard and operability study ("**HAZOP**") before its commencement and all plant-setting changes are normally first cleared by the HAZOP team. The Issuer has an Emergency Response Team in all units, to attend to incidents in factories neighbouring the areas of its units. It also conducts safety training across three levels: the first level comprises general safety training, the second level covers a particular plant, and the third level covers safety issues related to the job assigned to an employee. It has designed safety training programs for contract laborers, making attendance and compliance compulsory. The Issuer also maintains a strict incident reporting system on which all incidents are logged in the MIS of its safety department.

Insurance

The Issuer broadly maintains insurance policies and coverage for itself and for its subsidiaries, that the Issuer deems to be appropriate and in line with industry standards. In addition, the Issuer has obtained fire, flood and all risks insurances covering all of the Issuer's subsidiaries. The Issuer believes that it carries insurance policies and coverage that are commensurate with its level of operations and risk perception.

The Issuer also maintains product liability insurance, insurance covering the handling of hazardous chemicals under the Issuer's global commercial general liability policy, and global directors and officer's liability policies. The Issuer's other insurance coverage includes credit insurance, global sales turnover and stock throughput policies, internal and external global crime policies, cyber liability insurance and other management liability insurances.

Corporate Social Responsibility ("CSR")

UPL was founded in Vapi, India, in which basic infrastructure was in want. UPL was cognisant of the need to give back to its society and undertook infrastructure development works even before profit was made. The same ethos resonates in the Issuer and in the Issuer's subsidiaries in Argentina, Brazil, Columbia, Kenya and Mexico. Since the Issuer's inception, it has invested substantial resources to support its various CSR programs from skill-based entrepreneurial development programs and technical institutes to environment and nature conservation projects at both local and national levels. In line with the Issuer's core corporate social responsibility objectives, it has integrated social, environmental and economic aspects into its management and strategy to engage and partner with local communities with a view toward sustainability and social empowerment. The Issuer is constantly improving its infrastructure and processes, and has been recognised by Bloomberg as the second most generous company in India in 2018, based on the amount spent on CSR as a percentage of average profit for the past three years.

Principal subsidiaries

The following is a list of the Issuer's principal subsidiaries:

- UPL Do Brasil
- UPL NA Inc., U.S.A.
- UPL Agro SA DE CV.
- Arysta LifeScience South Africa (Pty) Ltd
- UPL France
- UPL Europe Ltd.
- Arysta LifeScience Chile S.A.
- UPL Colombia SAS
- Arysta LifeScience Corporation
- UPL Limited, Gibraltar
- UPL Iberia, Sociedad Anonima
- UPL Costa Rica S.A.
- Arysta Health and Nutrition Sciences Corporation
- Advanta Semillas SAIC, Argentina
- UPL Italia S.R.L.
- Arysta LifeScience Argentina S.A.

- Advanta Seeds International, Mauritius
- Arysta LifeScience Benelux SPRL
- Pacific Seeds (Thai) Ltd, Thailand
- UPL Limited, Japan
- UPL Corporation Limited, Mauritius
- Arysta LifeScience Canada, Inc.
- Decco US Post-Harvest Inc (US)
- UPL Benelux B.V.
- UPL Australia Limited
- Arysta LifeScience RUS LLC
- UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi

Employees

As of 31 December 2019, the Issuer had a total of 5,617 employees on a consolidated basis. The Issuer believes that its relations with its employees are amicable. Some of the Issuer's workforce is unionised (for example, in Europe), but its operations have not been affected by significant work stoppages or other industrial actions. The Issuer emphasises a robust talent acquisition and retention mechanism, aimed at attracting qualified professionals. See "*Risk Factors – The Issuer's future success depends on its continued ability to attract and retain key personnel*."

Legal and Regulatory Proceedings

Decco proceedings

In August 2016, AgroFresh filed a complaint against Dr. Mir, MirTech, Essentiv and Decco Defendants in the federal court in Delaware, United States and brought several claims. AgroFresh and the defendants, in the interest of time, agreed to divide the litigation in two phases: Phase 1 which was against Dr. Mir and Mirtech had two counts alleging, first, that AgroFresh had an existing consultancy arrangement with Dr. Mir which gave it ownership interest over the 1-MCP Technology, and, second, that Dr. Mir fraudulently induced AgroFresh to amend the consulting agreement that he had with AgroFresh by which a carve out was created with respect to the ownership of the 1-MCP Technology in favour of Dr. Mir. Phase 2 related to several other counts against the Decco Defendants, including those relating to patent infringement and misappropriation of trade secrets. In June 2017, the federal court gave an opinion in favour of AgroFresh on two counts in Phase 1. Phase 2 related to several other counts against the Decco Defendants, including those relating to patent infringement and misappropriation of trade secrets. On 11 October 2019, the federal court gave an opinion in favour of AgroFresh on certain counts of misappropriation of trade secrets, tortious interference with existing contracts, unfair competition, conversion and civil conspiracy, with damages awarded to AgroFresh totalling more than U.S.$31 million. UPL has filed a motion to reduce the damages, while AgroFresh has filed a motion to restrict UPL from entering the 1-MCP market and to increase the quantum of damages.

Hazel proceedings

On 25 September 2018, AgroFresh filed a complaint against Hazel Technologies, Inc (“**Hazel**”) alleging patent infringement of AgroFresh’s two Daly patents through the sale and use of Hazel’s Hazel® CA product. The same two Daly patents were also at issue in the earlier Decco proceedings and Decco had teamed up with Hazel to sell the Hazel® CA product in these proceedings. AgroFresh held the two patents which were due to expire on 20 August 2018. However, Hazel applied for and obtained a Section 24(c) Special Local Need Label from the State of Washington which permitted its distribution and use of the Hazel® CA product within the major apple producing counties in Washington, i.e., Yakima, Chelan, Okanogan and Douglas Counties, from 7 August 2018 through 30 November 2018, which is the entire 2018 apple season and during which Hazel had offered for sale its Hazel® CA product. AgroFresh then filed its complaint and also a motion for a Temporary Restraining Order (“**TRO**”)and Preliminary Injunction (“**PI**”). However, the court found that a TRO or PI was not warranted as the Daly patents had already expired on 20 August 2018 before the lawsuit was filed and that AgroFresh had not shown that it was likely to suffer irreparable harm if the TRO and PI were not granted. On 8 July 2019, AgroFresh filed an amended complaint, adding Decco Post-Harvest, Inc. as a defendant. AgroFresh maintained the same two patent infringement counts (relating to the two Daly patents) from its original complaint. AgroFresh alleged that Decco, pursuant to its distribution agreement with Hazel, sold and applied the infringing Hazel product before the expiration of the Daly patents on (20 August 2018). Decco has submitted a response to AgroFresh’s amended complaint on 31 July 2019. As of the date of the Offering Circular, the case is still pending.

Environmental Proceedings

On 17 March 2016, UPL filed an appeal against the judgement and order dated 8 January 2016 passed by the Honorable National Green Tribunal (“**NGT**”). In the NGT petition, the petitioner, Mr. Rohit Prajapati, petitioned for the decision of the Ministry of Environment & Forest to approve UPL’s defaulting units in Ankleshwar, Gujarat for post facto environmental clearance (“**EC**”) to be declared as void. After hearing parties, UPL’s EC was directed to be revoked within a month and such operations which are without a valid EC to be closed down within 4 weeks from the order date. UPL filed an appeal before the Supreme Court at New Delhi against the judgement. The Honorable Supreme Court vide its order dated 5 April 2016 and stayed the order of the NGT. However, it allowed Mr. Rohit Prajapati to approach the NGT with materials proving pollution caused by UPL and other units for fresh consideration of pollution. Subsequently, both sides filed their submissions before the Supreme Court and now the matter is pending for final hearing.

Advanta’s Class Action Suit

In April 2017, a class action has been brought against Advanta Seeds, alleging negligence, and misleading and deceptive conduct. The negligence allegation related to Advanta Seeds’ production of the hybrid grain sorghum seed MR43. The plaintiffs allege that such seed was contaminated with “shattercane” seed. The Plaintiffs also allege Advanta Seeds was misleading and deceptive in its labelling of the bags of MR43. Advanta Seeds denies the allegations and is defending both heads of claim. If the court finds that the contamination event was limited to certain specified batches of MR43, the class likely comprises just over 90 grain sorghum growers. The Plaintiffs have formulated their claims which total to a range of approximately AUD98 million to AUD322 million. The suit is currently scheduled for a four-week trial commencing 16 March 2020.

Income Tax Department Search

On 22 January 2020, the *Income Tax Department of the Indian government* conducted a search at UPL Limited’s offices and premises. It has been fully cooperating with the tax authorities in their search but have not heard back from the authorities since the searches. While it is not possible to anticipate the result of such searches, it is possible that tax authorities may challenge certain tax positions of the Group. See “*Risk Factors – The Issuer is subject to risks associated with legal proceedings and governmental and tax investigations, including potential adverse publicity as a result thereof.*”

Except as provided above, the Issuer is currently not involved in, nor is the Issuer aware of, any other pending or threatened, legal or administrative proceedings that it would reasonably expect to have a material adverse effect on its financial condition or results of operations. From time to time, however, the Issuer is involved in legal and administrative proceedings incidental to its business, including various proceedings instituted by governmental authorities arising under the provisions of applicable laws or regulations. The outcome of legal proceedings can be extremely difficult to predict with certainty and the Issuer can offer no assurances that any such proceedings will not have a significant effect on its business.

In addition, the Issuer is currently subject to tax audits and tax reviews in the various jurisdictions in which it operates. See "*Risk Factors – The Issuer is subject to different tax regulations, customs, international trade, export control, antitrust, zoning and occupancy and labour and employment laws that could require the Issuer to modify its current business practises and incur increased costs*."

MANAGEMENT

The Company is incorporated under the laws of Mauritius and is a subsidiary of UPL Limited, India. The senior management of UPL provides support and guidance on matters concerning the Issuer's strategy, management and operations.

Board of Directors

The Issuer's directors are:

Name	Age	Position
Mr. Puneet Bhatia	54	Director
Mrs. Roberta Bromberg Bowman	65	Director
Mr. Uttam Danayah	37	Director
Mr. Stephen Gerald Dyer	52	Director
Mr. Gyaneshwarnath Gowrea	54	Director
Mr. Jerome Andre Etienne Peribere	66	Director
Mr. Davor Pisk	62	Director
Mr. Peter Deane Scala	38	Director
Mr. Jaidev Rajnikant Shroff	55	Director
Mr. Vikram Rajnikant Shroff	47	Director
Mr. Hardeep Singh	66	Director
Mr. Doomraj Sooneelall	42	Director
Mr. Paul Steven Walsh	65	Director

Mr. Puneet Bhatia is Co-Managing Partner and Country Head of India of TPG Capital Asia. Prior to joining TPG in 2002, he was the Chief Executive of the Private Equity group of GE India and a member of the Project and Corporate Finance group at ICICI Limited. He serves on the Boards of Directors of several TPG portfolio companies including Jana Capital, Manipal Hospitals, Shriram Capital, Union Bank of Colombo, RR Kabel, and Sai Pharma. He holds a Bachelor of Commerce (Honors) degree from Shri Ram College of Commerce, Delhi, and a Master's in Business Administration from the Indian Institute of Management, Calcutta.

Mrs. Roberta Bromberg Bowman was Duke Energy's Chief Sustainability Officer from 2008 until 2012. She joined Duke Energy in 1986 and has over 30 years of experience in energy and environmental issues. She currently serves on the Board of Directors of Blue Cross North Carolina (since 2005), Echo Health Ventures (since 2016) and was an Independent Director of Healthcare Trust of America, Inc. (from 2018 to 2019). She is a former Board member and Board Chair of the Ladies Professional Golf Association ("**LPGA**") (from 2011 to 2017). In 2018, she accepted a limited term role with the LPGA as the association's Chief Brand and Communications Officer.

Mr. Uttam Danayah is a fellow member of the Association of Chartered Certified Accountants. He has more than 12 years of experience in the global business sector and has been involved in pre-incorporation tax advice, company set up, and administration, secretarial and accounting services. He is currently responsible for the finance and administration of UPL's subsidiaries.

Mr. Stephen Gerald Dyer, Bachelor of Applied Science in Engineering from Queen's University, Kingston, Ontario is a senior executive with a strong track record in managing, building and leading a major corporation in a series of increasingly senior positions. He has broad operational, financial, and leadership experience, as well as strategic outlook. His management positions include Vice President at Alberta, Fresno, and current role as President at Agrium Retail.

Mr. Gyaneshwarnath (Gary) Gowrea is a fellow member of the Association of Chartered Certified Accountants, fellow member of the Mauritius Institute of Directors, member of the Society of Trust and Estate Practitioners, and member of the International Fiscal Association. He received his Master of Science degree in Accounting from De Monfort University and holds a diploma in International Taxation. He has more than sixteen years of experience in international tax and advises on tax structures set up by multinational corporations, fund managers and high net-worth individuals. He is also the chairman of the tax committee of Global Finance Mauritius.

Mr. Jerome Andre Etienne Peribere graduated from Instituts d'études politiques, Paris, France in 1975 and is currently handling board assignments as Director at Ashland, Covington, Ohio and Xylem, Whiteplains, New York. He has professional experience in Sealed Air Corporation as President and Chief Executive Officer from March 2013 to December 2017. Prior to his role in Sealed Air Corporation, he was the President and Chief Operating Officer at Dow Chemical where he spent more than 35 years, serving in a variety of leadership roles internationally.

Mr. Davor Pisk has a Bachelor's in Economics and Politics from Exeter University and a Master's in Political Science from the University of California, Santa Barbara. He has more than 30 years of leadership experience in global markets, including nine years as Chief Operating Officer of Syngenta AG.

Mr. Peter Scala is a Senior Portfolio Manager and Head of the Global Industrials team within the private equity department at ADIA. Prior to joining ADIA, he has held positions with Apollo Global Management, and Goldman, Sachs & Co., in its Investment Banking Division. He is a graduate of Trinity College and received his Master's in Business Administration from the Columbia Business School.

Mr. Jaidev Rajnikant Shroff is the Global CEO of UPL. He is a well-recognized global leader in the Chemical and Agri-Inputs industry with over 30 years' experience in India and internationally. He is actively involved in the global development agenda, including the World Economic Forum's Grow Africa and Grow Asia initiatives, IFPRI's Sustainable Agriculture and Global Food Security Initiative, WBCSD, Chicago Council, IGD and ICAR.

Mr. Vikram Rajnikant Shroff is a Chemistry graduate from the University of Mumbai, with a professional postgraduate degree from the Harvard Business School of Management. He is part of the leadership team of UPL, he has been instrumental in driving continuous organizational improvement with his dynamic leadership, sound strategic insights and outstanding people management skills.

Vikram has set challenging cross-functional aspirations for the company, leveraging the organizational values towards excellence. He is instrumental in making strategic decisions for the Company, leads many of the functions and has been responsible in the execution of several projects of the group. As a philanthropist, Vikram is very enthusiastic about the social development projects and the educational endeavours of the Shroff family that benefit more than 5,600 students annually.

Mr. Hardeep Singh has a Bachelor's (Honours) in Economics from Pune University and Advanced Management Programme Kellogg School of Management. He was Executive Chairman of Cargill South Asia until 2006 and Chairman at Amalgamated Plantations. He has also served as a Non-Executive Chairman of HSBC Invest Direct India Limited and Invest Direct Financial Services India Limited.

Mr. Doomraj Sooneelall is a Fellow Member of the Association of Chartered Certified Accountants, UK. He has around ten years of professional experience in the global business sector as well as prior audit experience. He is involved in the Corporate Services Team of IQ EQ. He also sits on the board of several companies.

Mr. Paul Walsh has been Chairman of Compass Group PLC since February 2014. He was previously Chief Executive Officer of Diageo plc from 1 September 2000 to 30 June 2013.

Management Board and Executive Officers of UPL

The senior management of UPL consists of 9 members and provides input on the day-to-day business of the Company. The persons set forth below are the senior management members of UPL.

Name	Age	Position
Mr. Shri Rajju D. Shroff	86	Founder, Chairman and Managing Director
Mr. Jaidev Rajnikant Shroff	54	Global CEO of the group
Mr. Vikram Rajnikant Shroff	46	Executive Director
Mr. Rajendra Darak	53	Group CFO
Mr. Diego Casanello	46	Global COO — Crop Protection
Mr. Raj Tiwari	50	Global Head of Supply Chain & Manufacturing
Mr. Anand Vora	56	Global Chief Financial Officer
Mr. Sanjay Singh	50	Global Chief Human Resources Officer
Mr. Paresh Talati	62	Global Head Chemistry R&D
Mr. Adrian Percy	55	Chief Technology Officer

Mr. Shri Rajju D. Shroff is the Chairman and Managing Director of UPL. He graduated in Chemistry from Bombay University and completed the Smaller Business Management Program at Harvard University, USA. He has also studied Industrial Engineering in Plant Design. He was the Founder President of Vapi Industries Association and Chairman of Bharuch Enviro Infrastructure Limited. He was also on the Board of Gujarat Industrial Development Corporation for six years. He is a recipient of the President's 'Gold Shield', DSIR National Award and Invention Promotion Board Award.

Mr. Jaidev Rajnikant Shroff is the Global CEO of UPL. He is a well-recognized global leader in the Chemical and Agri-Inputs industry with over 30 years' experience in India and internationally. He is actively involved in the global development agenda, including the World Economic Forum's Grow Africa and Grow Asia initiatives, IFPRI's Sustainable Agriculture and Global Food Security Initiative, WBCSD, Chicago Council, IGD and ICAR.

Mr. Vikram Rajnikant Shroff is a Chemistry graduate from the University of Mumbai, with a professional postgraduate degree from the Harvard Business School of Management. He is part of the leadership team of UPL, he has been instrumental in driving continuous organizational improvement with his dynamic leadership, sound strategic insights and outstanding people management skills.

Vikram has set challenging cross-functional aspirations for the company, leveraging the organizational values towards excellence. He is instrumental in making strategic decisions for the Company, leads many of the functions and has been responsible in the execution of several projects of the group. As a philanthropist, Vikram is very enthusiastic about the social development projects and the educational endeavours of the Shroff family that benefit more than 5,600 students annually.

Mr. Rajendra Darak has been with UPL since April 1997 and is currently the Group Chief Financial Officer. He has a Bachelor of Engineering degree (Prod) from VJTI, Mumbai and completed his MMS at

JBIMS, Mumbai. He is involved in various functions from mergers and acquisitions to strategic developments into new businesses, corporate finance, resources mobilization, both onshore and offshore. He is part of the key team which looks after UPL's growth initiatives.

Mr. Diego Lopez Casanello has been serving as Global Chief Operating Officer for Crop Protection since UPL acquired Arysta in February 2019. Prior to the acquisition, Diego had served as Global Chief Executive Officer of Arysta since February 2016. In his tenure as leader of Arysta, Diego completed the integration of Chemtura Agrosolutions, the Agriphar Group and Arysta.

Mr. Raj Tiwari has been with UPL since 2011. He started in the roles of Global Leader for Manufacturing Projects and Lead for Indirect Procurement. He has been a part of the Global Supply Chain and Manufacturing Leadership team at UPL. He took on the role of Head of Technical Manufacturing for India for a year before he took on the role of Global Head of Supply Chain Management.

Mr. Anand Vora joined UPL from Bunge India where he worked in senior finance roles both within India and internationally, and previously held several leadership positions in finance in companies such as Dow Chemicals, Ranbaxy and Piramal Group. He has more than 31 years of experience.

Mr. Sanjay Singh joined UPL as the Global Chief Human Resources Officer in September 2018. He began his career in the Civil Services of India, where he served the Indian Railways for ten years. His foray into the private sector took him to Dr. Reddy's where he handled multiple global assignments in Russia and Europe. He then moved to Tata Motors as Head of Human Resources for the commercial vehicle division including international operations. In his last assignment with Crompton Greaves, he was Executive Vice President, Global Head of Human Resources and a member of the Executive Committee.

Mr. Paresh Talati joined UPL in 1994. He has over 37 years of experience in the Pharmaceutical and Agri-Inputs industry, having worked at Rallis, BDH and FDC in India. He has Master of Science in organic chemistry.

Mr. Adrian Percy has more than 25 years of experience in the agricultural industry. He currently serves as the Chief Technology Officer of UPL and a Venture Partner at Finistere Ventures LLC. He also serves on the board of directors of BioLumic, HiFidelity Genetics, AgroSavfe and Evogene, and is a member of the science and technology boards of Terramera and Rothamsted Research. He previously served as the Head of Research and Development for the Crop Science division of Bayer as part of their executive committee. During his 16-year tenure at Bayer, he also led crop protection development activities for Bayer in North America and regulatory affairs activities across the entire division of Crop Science. A Global AG advocate, he has held positions in the research and development departments of Rhone Poulenc, Aventis CropScience and Bayer in France, Germany and the United States. He earned his Bachelor's degree in Pharmacology at the University of Liverpool, Master's degree in Toxicology and Doctorate in Biochemistry at the University of Birmingham.

The directors of UPL not already listed above, are as follows:

Name	**Age**	**Position**
Arun Chandrasen Ashar	71	Executive Director
Pradeep Vedprakash Goyal	69	Independent and Non-Executive Director
Reena Ramachandran	78	Independent and Non-Executive Director
Sandra Rajnikant Shroff	79	Executive Director
Hardeep Singh	65	Independent and Non-Executive Director
Vasant Prakash Gandhi	65	Independent and Non-Executive Director
Usha Rao Manori	60	Independent and Non-Executive Director

Management Structure

Please see below the management structure of UPL. The individuals listed below undertake their duties as specified in this chart with respect to the international operations of UPL, on the Issuer's behalf:

RELATIONSHIP WITH UPL

Overview

The Issuer is the holding company for the international operations of UPL (See "*Risk Factors – Risks relating to the Issuer's Business and Industry – UPL owns majority of the Issuer's equity share capital and accordingly has the ability to decide the outcome of matters submitted to shareholders for approval, and their interests may differ from those of the holders of the Securities.*"), a leading crop protection products company that is listed on both the National Stock Exchange of India Limited and BSE Limited. UPL was the fifth largest agrochemical company globally by revenue (on a consolidated basis with Arysta) for 2019, according to Phillips McDougall IHS Markit. The Issuer accounts for the majority of the international sales of UPL with only a limited volume of sales by UPL directly to international customers.

As of 31 December 2019, UPL held approximately 78 per cent. equity in the Issuer. UPL also provides letters of support for various borrowings. UPL's senior management also provide support and guidance on matters concerning the Issuer's strategy, management and operations.

The Issuer has operational ties with UPL. The de facto international sales force of UPL is employed by the Issuer and a significant volume of UPL's Indian manufacturing facilities cater to the Issuer's sales. The Issuer also has strategic ties as the Issuer shares the "UPL" brand name and as UPL continues the majority of its international expansion.

The collaboration between UPL and the Issuer enables Issuer to better serve its customers, expand its customer base through expanding its product range. As of 31 December 2019, the Issuer held more than 12,300 registrations out of UPL's 13,697 registrations on a consolidated basis.

Transactions with UPL

Sales

In the normal course of the Issuer's business, the Issuer makes limited sales to UPL. For FY2018 and FY2019, the Issuer sold U.S.$32.86 million and U.S.$27.07 million to UPL, respectively. For FY2018 and FY2019, the Issuer's sales to UPL accounted for 1.55 per cent. and 1.05 per cent. of the Issuer's total sales.

Purchases

UPL's Indian manufacturing facilities produce a significant portion of the products that the Issuer on-sells to its international customers and in the normal course of its business. For FY2018 and FY2019, the Issuer purchased U.S.$430.55 million and U.S.$497.55 million from UPL, respectively. These purchases from UPL accounted for 36.03 per cent. and 32.67 per cent. of the Issuer's cost of goods sold for FY2018 and FY2019, respectively.

The Issuer believes that all transactions with UPL are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm's-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third-party suppliers and manufacturers.

In the normal course of the Issuer's business, products are sold among UPL and other affiliated corporations. The Issuer also enters into transfer pricing agreements with UPL and other affiliated corporations and we believe that the transfer prices are determined on an arm's length basis and in compliance with all applicable transfer pricing laws in the relevant jurisdictions.

As of 31 March 2019, there were no loans and advances taken from UPL, amounts receivable from UPL on trade accounts was U.S.$44.97 million and amount payable to UPL on trade accounts was U.S.$11.87 million.

For a discussion on related party transactions, including transactions with UPL, see Note 39 "*Related Party Transactions*" to the Issuer's consolidated financial statements for FY2019 included elsewhere in this Offering Circular.

Principal Shareholders of UPL

As at 31 December 2019, the following shareholders held 5 per cent. or more of UPL's voting shares:

Name of Shareholder	**Number of shares owned**	**Percentage of shares owned**
Nerka Chemicals Private Ltd[(1)]	153,596,890	20.10%
Uniphos Enterprises Limited[(1)]	38,590,395	5.05%
JP Morgan Chase Bank, NA[(2)]	63,155,913	8.26%
Life Insurance Corporation of India	44,068,369	5.77%

Notes:

(1) These two companies are directly or indirectly controlled by the Shroff family.

(2) Acting as Depository Bank for the Global Depository Receipts ("**GDR**") for various GDR holders.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Securities in respect of which they are issued whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in paragraphs 1 to 5 below.

1 Cancellation

Cancellation of any Security following its redemption or purchase by the Issuer or any of its Subsidiaries will be effected by reduction in the aggregate principal amount of the Securities in the register of Holders and by the annotation of the appropriate schedule to the Global Certificate.

2 Payments

The Issuer, for value received, will promise to pay to the Holder of the Securities represented by the Global Certificate upon presentation and (when no further payment is due in respect of the Securities represented by the Global Certificate) surrender of the Global Certificate on the First Interest Payment Date or relevant Interest Payment Date (or on such earlier date as the amount payable upon redemption under the Terms and Conditions may become repayable in accordance with the Terms and Conditions) the amount payable upon redemption under the Conditions in respect of the Securities represented by the Global Certificate and to pay interest (including any Arrears of Interest) in respect of such Securities from and including 27 February 2020 in arrear at the rates on the dates for payment, in accordance with the method of calculation provided for in the Terms and Conditions, save that the calculation is made in respect of the total aggregate amount of the Securities represented by the Global Certificate together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions, in accordance with the Terms and Conditions.

Each payment will be made to or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25th December and 1st January.

Distributions of amounts with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the Global Certificate by or on behalf of the Registrar and shall be prima facie evidence that payment has been made.

3 Notices

Notices required to be given in respect of the Securities represented by the Global Certificate may be given by their being delivered (so long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg) to Euroclear, Clearstream, Luxembourg for communication by it to accountholders entitled to an interest in the Securities in substitution for notification as required by the Conditions, rather than by mailing to the addresses in the Register as required by the Conditions.

4 Meetings

For the purposes of any meeting of Holders of the Securities, the Holder of the Securities represented by the Global Certificate shall (unless the Global Certificate represents only one Security) be treated as two persons for the purposes of any quorum requirements of a meeting of Holders of the Securities and as being entitled to one vote in respect of each U.S.$1,000 of the Securities.

5 Transfers

Transfers of the holding of Securities represented by the Global Certificate pursuant to Condition 2(a) may only be made in part if the Securities represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, provided that, in the case of the first transfer of part of a holding as contemplated above, the Holder of the Securities represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer.

Where the holding of Securities represented by the Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate.

Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is a common depositary of or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

TAXATION

The following is a general description of certain tax considerations relating to the Securities and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in those countries or elsewhere. Prospective purchasers of the Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of distribution, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries. It is emphasised that neither the Issuer nor any other persons involved in the offering of the Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the New Securities.

Certain Mauritian tax considerations

The Issuer holds a Category 1 Global Business License ("**GBL1**") issued by the Financial Services Commission of Mauritius ("**FSC**"). The Issuer will have to ensure that it is "centrally managed and controlled" in Mauritius by ensuring that it:

(a) has at all times at least two (2) resident directors of appropriate caliber who are able to exercise independence of mind and judgement;

(b) maintains, at all times, its principal bank account in Mauritius;

(c) keeps and maintains, at all times, its accounting records at a registered office in Mauritius;

(d) prepares its statutory financial statements and causes its financial statements to be audited in Mauritius; and

(e) provides for meetings of directors to include at least two (2) directors from Mauritius.

In addition to the above, the FSC has devised additional requirements when determining whether a company holding a GBL1 is "managed and controlled" in Mauritius and holders of a GBL1 are expected to comply with the new "economic substance" requirement. The FSC shall consider whether a corporation has complied with this new requirement where it meets at least one of the following criteria:

(i) the corporation has or shall have office premises in Mauritius; or

(ii) the corporation employs or shall employee on a full-time basis at administrative/technical level, at least one person who shall be resident in Mauritius; or

(iii) the corporation's constitution contains a clause whereby all disputes arising out of the constitution shall be resolved by way of arbitration in Mauritius; or

(iv) the corporation holds or is expected to hold within the next twelve (12) months, assets (excluding cash held in bank account or shares/interests in another corporation holding a GBL1) which are worth at least United States Dollars 100,000 in Mauritius; or

(v) the corporation's shares are listed on a securities exchange licensed by the FSC; or

(vi) the corporation has or is expected to have a yearly expenditure in Mauritius which can be reasonably expected from any similar corporation which is controlled and managed from Mauritius.

As of 1 January 2019, the GBL1 has been renamed as Global Business License and existing companies holding the GBL1, where the licenses were issued on or before 16 October 2017, will be grandfathered until 30 June 2021 and licenses issued after 16 October 2017 were grandfathered until 31 December 2018.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument that is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands and Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with Merrill Lynch (Singapore) Pte. Ltd., J.P. Morgan Securities plc, MUFG Securities EMEA plc, Coöperatieve Rabobank U.A, Singapore Branch, UBS AG Singapore Branch, Australia and New Zealand Banking Group Limited, Barclays Bank PLC, Citigroup Global Markets Limited, DBS Bank Ltd. and Société Générale dated 20 February 2020 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue and the Joint Lead Managers have severally and not jointly agreed with the Issuer to subscribe for the principal amount of Securities.

The Joint Lead Managers are offering the Securities in accordance with the terms of the Subscription Agreement and subject to certain conditions contained in the Subscription Agreement, including, *inter alia*, the receipt by the Joint Lead Managers of documentation related to the issuance and sale of the Securities, officer's certificates and legal opinions. The Subscription Agreement may be terminated by the Joint Lead Managers in certain circumstances prior to payment of the Securities. The Subscription Agreement provides that the Issuer will indemnify the Joint Lead Managers and their affiliates against certain liabilities in connection with the offer and sale of the Securities. The Subscription agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent and entitles the Joint Lead Managers to terminate in certain circumstances prior to payment being made to the Issuer.

The Issuer will pay the Joint Lead Managers' customary commissions in connection with the offering and will reimburse the Joint Lead Managers for certain fees and expenses incurred in connection with the offering.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions for the Issuer and/or its affiliates for which they have received, or will receive, fees and expenses.

The Joint Lead Managers propose to offer the Securities for resale in transactions not requiring registration under the Securities Act pursuant to Regulation S under the Securities Act ("**Regulation S**").

If a jurisdiction requires that the offering of the Securities be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers are licensed brokers or dealers in that jurisdiction, the offering of the Securities shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

New Issue of the Securities

The Securities are a new issuance of securities with no established trading market. Approval in-principle has been received from the SGX-ST for the listing and quotation of the Securities on the SGX-ST. However, no assurance can be given as to the liquidity of any trading market for the Securities. A liquid or active public trading market for the Securities may not develop. If an active trading market for the Securities does not develop, the market price and liquidity of the Securities may be adversely affected. If the Securities are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the performance of the Issuer and other factors.

Price Stabilisation and Short Positions

In connection with the offering, MUFG Securities EMEA plc as Stabilisation Manager or any person acting on its behalf may, to the extent permitted by applicable laws and directives, engage in transactions that stabilise or otherwise affect the market price of the Securities. These transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Securities. If the Stabilisation Manager or its agent create a short position in the Securities in connection with the offering (i.e. if the Stabilisation Manager or its agent sells more Securities than are set forth on the cover page of this Offering Circular), the Stabilisation Manager or its agent may reduce that short position by purchasing Securities in the open market. In general, purchases of a Security for the purpose of stabilisation or to reduce a short position could cause the price of the Securities to be higher than it might be in the absence of such purchases. There is no assurance, however, that the Stabilisation Manager or its agent will undertake stabilisation action. Any stabilisation action may begin on or after the date adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may be ended at any time and must be brought to an end after a limited period.

Neither the Issuer nor the Stabilisation Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Securities. In addition, neither the Issuer nor the Stabilisation Manager makes any representation that the Stabilisation Manager or its agent will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Other Relationships

In connection with the offering of the Securities, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, may purchase the Securities for its or their own account (without a view to distributing such Securities). Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the Offering. Accordingly, references herein to the Securities being 'offered' should be read as including any offering of the Securities to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Securities. If this is the case, liquidity of trading in the Securities may be constrained (see "*Risk Factors – An active trading market for the Securities may not develop or be sustained*"). The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Securities amongst individual investors.

Each of the Joint Lead Managers and/or their respective affiliates may enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swaps relating to the Securities or other securities of the Issuer at the same time as the offer and sale of the Securities or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchaser of the Securities). Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Securities offered hereby. Any such short positions could adversely affect future trading prices of the Securities offered hereby. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Securities or other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Securities or other financial instruments. In addition, affiliates of certain of the Joint Lead Managers act as coordinating lead arrangers, lenders and/or agents under the Issuer's existing indebtedness.

The Joint Lead Managers and certain of their respective subsidiaries and affiliates may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisors.

Selling Restrictions to the Offering

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager represents that it has not offered or sold, and agrees that it will not offer or sell, any Securities constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than:

    (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or

    (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The PRC

Each Joint Lead Manager has represented, warranted and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People's Republic of China.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Securities or caused Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification – In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

India

Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold and will not offer or sell any Securities in the Republic of India and has not made and will not make any invitation in the Republic of India to subscribe for the Securities. This Offering Memorandum has not and will not be registered or produced or made available as an offer document whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of a private placement under the (Indian) Companies Act, 2013 or any other applicable Indian laws, with the Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India. The Securities will not be offered or sold, and have not been offered or sold, in India by means of any document and this offering memorandum or any other offering document or material relating to the Securities will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of any Indian laws.

Indonesia

The Securities have not been, and will not be, registered with Financial Services Authority (*Otoritas Jasa Keuangan*) in the Republic of Indonesia, and therefore, the Securities may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens outside of the territory of the Republic of Indonesia in a manner which constitutes a public offer under Law No. 8 of 1995 on Capital Markets and the implementing regulations. Accordingly, each Joint Lead Manager has represented and agreed that it will not, directly or indirectly, expressly or implicitly:

(a) offer the Securities to more than 100, or sell the Securities to more than 50, parties in Indonesia and/or Indonesian citizens outside of Indonesia; and

(b) offer the Securities by way of mass media, including any newspaper, magazine, film, television, radio or other electronic media or any letter, brochure or other printed matter, distributed to more than 100 parties in Indonesia and/or Indonesian citizens outside of Indonesia.

United Arab Emirates

Each Joint Lead Manager has represented, warranted and agreed that the Securities have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Center

This Offering Circular relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (the "**DFSA**") Rulebook. This Offering Circular is intended for distribution only to Professional Clients who are not natural persons. It must not be delivered to, or relied on by, any other person.

The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Circular nor taken steps to verify the information set out in it, and has no responsibility for it. The Securities to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Securities offered should conduct their own due diligence on the Securities.

If you do not understand the contents of this Offering Circular you should consult an authorised financial adviser.

Each Joint Lead Manager has represented, warranted and agreed that it has not offered and will not offer the Securities to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules Module of the rulebook of the DFSA (the "**DFSA Rulebook**"); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

General

No action has been or will be taken that would, or is intended to, permit a public offering of the Securities, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

GENERAL INFORMATION

Clearing Systems

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg under Common Code number 212513946 and the International Securities Identification Number for the Securities is XS2125139464.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Listing of the Securities

Approval-in-principle has been received from the SGX-ST for the listing of, and quotation for the Securities on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries and associated companies or the Securities.

The Securities will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Certificate is exchanged for individual certificates, and unless the Issuer obtains an exemption from the SGX-ST, the Issuer will appoint and maintain a paying agent in Singapore where the individual certificates may be presented or surrendered for payment or redemption. In addition, in the event that the Global Certificate is exchanged for individual certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual certificates, including details of the paying agent in Singapore.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities. The issue of the Securities was approved by the Board of Directors of the Issuer on 11 February 2020.

Available Documents

So long as any of the Securities are outstanding, copies of the following documents will be available for inspection by Holders at the registered office of the Issuer and copies of items (iv) and (v) at the principal place of business of the Trustee at all reasonable times during normal business hours (being between 9.00 a.m. and 3.00 p.m.) following prior written request and proof of holding and identity satisfactory to the Trustee:

(i) the Memorandum and Articles of Association of the Issuer;

(ii) the audited consolidated annual financial statements of the Issuer in respect of the financial year ended 31 March 2019;

(iii) the reviewed consolidated interim financial statements of the Issuer in respect of the nine months ended 31 December 2019;

(iv) the Trust Deed; and

(v) the Agency Agreement.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant or material adverse change in the financial or trading position of Issuer since 31 December 2019.

Litigation

Save as disclosed in this Offering Circular, the Issuer is not or has not been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer are aware) which may have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position of the Issuer.

Auditors

The independent auditors of the Issuer for the nine months ended 31 December 2019 was KPMG Mauritius, who has reviewed the Issuer's consolidated financial statements, without qualification, in accordance with the International Standard on Review Engagements 2410-Review of Interim Financial Information Performed by the Independent Auditor of the Entity for the nine months ended 31 December 2019. KPMG has given and not withdrawn its written consent to the inclusion of its review report in relation to the Issuer included in this Offering Circular in the form and context in which it appears.

The independent auditors of the Issuer for the year ended 31 March 2019, 2018 and 2017 was Crowe ATA, Certified Public Accountants, who has audited the Issuer's consolidated financial statements, without qualification, in accordance with the International Standards on Auditing issued by the International Federation of Accountants for the financial year ended 31 March 2019, 2018 and 2017. Crowe ATA has given and not withdrawn its written consent to the inclusion of its audit report in relation to the Issuer included in this Offering Circular in the form and context in which it appears.

INDEX TO FINANCIAL STATEMENTS

UPL CORPORATION LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2019

CONTENTS	**PAGES**

			Date of appointment
DIRECTORS	:	Gyaneshwarnath **Gowrea**	12-Jan-09
		Doomraj **Sooneelall**	13-Mar-18
		Roberta Bromberg **Bowman**	22-Jan-19
		Jerome Andre Etienne **Peribere**	22-Jan-19
		Davor **Pisk**	22-Jan-19
		Vikram Rajnikant **Shroff**	18-Jan-19
		Jaidev Rajnikant **Shroff**	18-Jan-19
		Hardeep **Singh**	04-Dec-18
		Puneet **Bhatia**	30-Jan-19
		Uttam **Danayah**	13-Mar-19
		Peter Deane **Scala**	30-Jan-19
		Stephen Gerald **Dyer**	18-Mar-19
		Paul Steven **Walsh**	12-Sep-19

ADMINISTRATOR, & CORPORATE SECRETARY : IQ EQ Corporate Services (Mauritius) Ltd
(Formerly known as SGG Corporate Services (Mauritius) Ltd)
33, Edith Cavell Street
Port Louis, 11324
Republic of Mauritius

REGISTERED OFFICE & BUSINESS OFFICE ADDRESS : 5th Floor, Newport Building
Louis Pasteur Street
Port Louis
Republic of Mauritius

AUDITORS : **KPMG**
KPMG Centre
31, Cybercity
Ebène 72201
Republic of Mauritius

BANKERS : Barclays Bank Mauritius Limited
Barclays Private Clients International Limited, Isle of Man
SBM (Mauritius) Limited
Citibank NA, Hong Kong Branch

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of UPL CORPORATION LIMITED

Introduction

We have reviewed the accompanying 31 December 2019 interim condensed consolidated financial statements of UPL CORPORATION LIMITED (the "Company") and its subsidiaries (together referred to as the "Group"), which comprises:

- the interim condensed consolidated statement of financial position as at 31 December 2019;
- the interim condensed consolidated statements of profit or loss and other comprehensive income for the quarter and period ended 31 December 2019;
- the interim condensed consolidated statement of changes in equity for the period ended 31 December 2019;
- the interim condensed consolidated statement of cash flows for the period ended 31 December 2019; and
- notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

KPMG, a Mauritian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Document classification: KPMG Confidential

KPMG

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of UPL CORPORATION LIMITED

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 December 2019 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG
Ebène, Mauritius

Imtiaz Ajeda
Licensed by FRC

Date: **11 February 2020**

	Notes	31-Dec-19 USD '000	31-Mar-19 Restated and Revised* USD '000
ASSETS			
Non-current assets			
Goodwill	5(a)	2,501,135	2,492,285
Intangible assets	5(b)	1,437,755	1,521,040
Intangible assets under development	5(c)	122,703	89,497
Right of Use assets	5(d)	49,257	-
Property, plant and equipment	6(a)	325,932	318,301
Capital work in progress	6(b)	36,552	49,684
Financial assets at fair value through profit or loss	7(a)	16,206	16,273
Financial assets at fair value through other comprehensive income	7(b)	4,918	6,337
Investment in associates		44,793	45,902
Investment in joint ventures		8,050	10,581
Trade receivables		1,820	491
Other receivables	10(b)	41,770	39,121
Other investments at amortised cost		799	1,063
Advances to Related Parties	10(c)	8,265	8,360
Convertible loan notes	28	-	5,000
Deferred tax assets	8	219,260	172,664
Advance tax	10(d)	13,319	24,567
Total non-current assets		4,832,534	4,801,166
Current assets			
Other Investments at amortised cost		13	283
Inventories	13	1,232,695	1,038,643
Loans	10(a)	2,455	2,024
Other receivables	10(b)	155,756	154,138
Advance tax	10(d)	12,456	900
Convertible loan notes	28	5,000	-
Trade receivables	11	1,565,909	1,560,467
Advances to Related Parties	10(c)	147,226	150,160
Cash and cash equivalents	14	259,506	379,970
Assets classified as held for sale	12	8,609	3,745
Total current assets		3,389,625	3,290,330
TOTAL ASSETS		8,222,159	8,091,496

* Refer Note 36

Approved and authorised for issue by the Board of directors on 11 February 2020 and signed on its behalf by:

Director

The notes as set out on pages 10 to 29 form an integral part of these interim condensed consolidated financial statements.

	Notes	31-Dec-19 USD '000	31-Mar-19 Restated and Revised* USD '000
EQUITY AND LIABILITIES			
Equity			
Stated capital	15	18,102	18,102
Share premium		1,314,616	1,314,670
Retained earnings		988,537	861,898
Cash flow hedge reserve		(13,918)	(11,531)
Fair value reserves		(9,141)	(7,430)
Translation reserves	16	(229,017)	(213,270)
Equity attributable to equity holders of the parent		2,069,179	1,962,439
Non-controlling interests (NCI)		40,368	94,157
Total equity		2,109,547	2,056,596
Non-current liabilities			
Bonds	29	793,526	792,730
Borrowings	17	2,959,240	2,956,080
Long term lease obligation		44,078	-
Deferred tax liabilities	9	333,669	311,969
Provisions	18	24,989	22,937
Other long term liabilities	19	15,981	19,103
Total non-current liabilities		4,171,483	4,102,819
Current liabilities			
Borrowings	17	300,552	240,846
Current maturity of lease obligation		8,851	-
Trade payables	20	1,229,709	1,257,400
Other payables	21	258,225	251,051
Current tax liabilities		61,794	86,251
Provisions	18	81,998	96,533
Total current liabilities		1,941,129	1,932,081
Total liabilities		6,112,612	6,034,900
TOTAL EQUITY AND LIABILITIES		8,222,159	8,091,496

*Refer Note 36

Approved and authorised for issue by the Board of directors on 11 February 2020 and signed on its behalf by:

Director

The notes as set out on pages 10 to 29 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (OCI)
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2019

	Notes	Quarter ended 31-Dec-19	Quarter ended 31-Dec-18	Nine Months ended 31-Dec-19	Nine Months ended 31-Dec-18
Income		USD '000	USD '000	USD '000	USD '000
Revenue from operations	22	1,132,290	613,755	3,033,351	1,464,431
Direct cost	23	(729,698)	(391,140)	(1,935,184)	(914,655)
Gross profit		402,592	222,615	1,098,167	549,776
Other income	24 (B)	525	269	519	530
		403,117	222,884	1,098,686	550,306
Expenses					
Other expenses	27	(167,091)	(102,281)	(554,888)	(294,951)
Impairment loss on trade receivables		(3,240)	(2,256)	(5,055)	(2,339)
Depreciation and impairment		(12,759)	(4,484)	(35,332)	(13,678)
Amortisation		(37,251)	(8,367)	(111,776)	(26,089)
Finance costs	26	(63,256)	(56,680)	(157,160)	(90,825)
Finance Income	24 (A)	763	4,345	5,514	11,024
Net Finance cost		(62,493)	(52,335)	(151,646)	(79,801)
Profit from operations		120,283	53,161	239,989	133,448
Fair value gain/(loss) on financial assets at FVTPL		774	(7,118)	(882)	(2,421)
Restructuring costs	25	(5,157)	(725)	(19,831)	(5,085)
Litigation cost	31	(5,226)	-	(40,872)	-
Product contamination and counterfeiting		-	(4,452)	-	(3,310)
Others		-	(7,762)	(3,595)	(13,450)
Share of loss from associates		(459)	(389)	(681)	(576)
Share of loss from joint ventures		(673)	(394)	(2,149)	(1,532)
Profit before taxation		109,542	32,321	171,979	107,074
Taxation		(25,703)	(2,813)	(33,756)	(5,290)
Profit for the period		83,839	29,508	138,223	101,784
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain/ (loss) on Financial assets at fair valued through OCI		281	(4,635)	(1,711)	(6,583)
Remeasurement of defined benefit liability (asset)		366	-	310	-
Items that may be reclassified subsequently to profit or loss:		-			
Foreign operations - foreign currency translation differences		29,088	34,148	(14,435)	(87,284)
Cash flow from hedging - effective portion of changes in fair value		24,058	-	(2,388)	-
Other comprehensive income for the period, net of tax		53,793	29,513	(18,224)	(93,867)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		137,632	59,021	119,999	7,917
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the company		83,749	28,134	132,009	98,366
Non-controlling interests		90	1,374	6,214	3,418
		83,839	29,508	138,223	101,784
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the company		137,542	57,647	112,473	8,597
Non-controlling interests		90	1,374	7,526	(680)
		137,632	59,021	119,999	7,917

* Refer to Note 36

The notes as set out on pages 10 to 29 form an integral part of these interim condensed consolidated financial statements.

UPL CORPORATION LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Attributable to owners of the Company								
	Stated capital	Share Premium Reserve	Translation reserves	Fair value reserve	Cash Flow Hedge Reserve	Retained earnings	Total	Non-controlling interests	Total equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
As at 1 April 2018	13,600	-	(112,254)	-	-	743,988	645,334	97,747	743,081
Profit for the period	-	-	-	-	-	98,366	98,366	3,418	101,784
Other comprehensive income for the period	-	-	(83,186)	(6,583)	-	-	(89,769)	(4,098)	(93,867)
Total comprehensive income for the period	-	-	(83,186)	(6,583)	-	98,366	8,597	(680)	7,917
Transactions with owners of the Company									
Additional share capital infusion in UPL Jiangsu	-	-	-	-	-	-	-	151	151
Contributions and distribution									
Payment to NCI shareholder on redemption of preference shares	-	-	-	-	-	-	-	(37,023)	(37,023)
Dividends paid	-	-	-	-	-	(60,000)	(60,000)	(2,492)	(62,492)
Changes in ownership interests									
Stake increase in Advanta Group	-	-	-	-	-	39,690	39,690	(39,690)	-
Total Transactions with owners of the Company	-	-	-	-	-	(20,310)	(20,310)	(79,054)	(99,364)
At 31 December 2018	13,600	-	(195,440)	(6,583)	-	822,044	633,621	18,013	651,634
As at 1 April 2019	18,102	1,314,670	(213,270)	(7,430)	(11,531)	861,898	1,962,439	94,157	2,056,596
Profit for the period	-	-	-	-	-	132,009	132,009	6,214	138,223
Other comprehensive income for the period	-	-	(15,747)	(1,711)	(2,388)	310	(19,536)	1,312	(18,224)
Total comprehensive income for the period	-	-	(15,747)	(1,711)	(2,388)	132,319	112,473	7,526	119,999
Transactions with owners of the Company									
Contributions and distributions									
Dividends paid	-	-	-	-	-	(62,855)	(62,855)	(4,140)	(66,995)
Changes in ownership interests									
Share issue expenses	-	(54)	-	-	-	-	(54)	-	(54)
Gain on changes in NCI related to Arysta Brazil merger with UPL do Brazil	-	-	-	-	-	57,175	57,175	(57,175)	-
Total Transactions with owners of the Company	-	(54)	-	-	-	(5,680)	(5,734)	(61,315)	(67,049)
At 31 December 2019	18,102	1,314,616	(229,017)	(9,141)	(13,918)	988,537	2,069,179	40,368	2,109,547

The notes as set out on pages 10 to 29 form an integral part of these interim condensed consolidated financial statements.

	31-Dec-19 USD '000	31-Dec-18 USD '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	171,979	107,074
Adjustments for:		
Depreciation and amortisation	147,107	39,767
Finance costs	157,160	90,825
Impairment loss on trade receivables	5,055	2,339
Assets written off	877	524
Fair value loss on financial assets at FVTPL	882	2,421
Dilution of shares in Associates	-	343
Gain on disposal of non-financial assets	(84)	(227)
Finance income	(5,514)	(11,024)
Sundry credit balances written back	667	(239)
Share of loss of associates	681	576
Share of loss from joint venture	2,149	1,532
Operating profit before working capital changes	480,959	233,911
Change in inventories	(183,692)	(190,398)
Change in trade receivables	(1,381)	94,149
Change in advances	(3,996)	(32,409)
Change in trade and other payables	(46,073)	(116,883)
Change in long term and short term provisions	(12,173)	(1,505)
Change in other liabilities	75,017	42,881
Cash generated from operations	308,661	29,746
Tax paid	(81,661)	(18,134)
Net cash from operating activities	227,000	11,612

The notes as set out on pages 10 to 29 form an integral part of these interim condensed consolidated financial statements.

	31-Dec-19 USD '000	31-Dec-18 USD '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, including capital work in progress	(34,886)	(38,005)
Purchases of Intangible assets including intangible assets under development	(50,386)	(3,356)
Proceeds from sale of property, plant and equipment	4,048	1,800
Payment for acquisition of Arysta Group	(89,833)	(13,714)
Payment for acquisition of Bioquim Group	(23,130)	-
Sundry Loans given	(431)	(21,529)
Interest received	5,514	11,024
Purchase of investments	353	-
Net cash used in investing activities	(188,751)	(63,780)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term Borrowings (net)	61,618	52,773
Interest paid and other financial charges	(140,452)	(92,192)
Dividend paid to minority shareholders by subsidiaries	(4,141)	(2,492)
Share issue expenses	(54)	-
Payment of lease obligation	(12,232)	-
Payment to Non controlling interest share holder on redemption of preference shares	-	(37,023)
Dividends paid	(60,000)	(60,000)
Net cash used in financing activities	(155,261)	(138,934)
Net (decrease) in cash and cash equivalents	(117,012)	(191,102)
Cash and cash equivalents at start of period	379,970	416,600
Cash and cash equivalents on acquisition of subsidiaries	3,528	-
Effect of exchange rate difference	(6,980)	(52,241)
Cash and cash equivalents at end of the period	259,506	173,257

The notes as set out on pages 10 to 29 form an integral part of these interim condensed consolidated financial statements.

1. GENERAL INFORMATION

UPL CORPORATION LIMITED (the "Company") was incorporated in Mauritius, under the Mauritius Companies Act 1984, now governed by the Mauritius Companies Act 2001, as a private Company on 30 July 1993 with limited liability by shares and subsequently on 26 September 2016, it was converted into a public company. The Company's registered office address is at Newport Building, Louis Pasteur Street, Port Louis, Mauritius.

The interim condensed consolidated financial statement comprise the interim financial statements of the Company and its subsidiaries (together referred to as the "Group"), its associates and joint ventures as at and for the period ended 31 December 2019.

The interim condensed consolidated financial statements are expressed in United States dollar ("USD"). The Company's functional currency is the USD, the currency of the primary economic and regulatory environment in which the Company operates.

The Group's main activities are those of manufacturing and marketing of crop protection chemicals, speciality chemicals, seeds, investment holding, providing management and financial support to group companies and international trading.

2. STATEMENT OF COMPLIANCE WITH IFRS

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim condensed consolidated financial statements were authorised for issue by the Company's board of directors on 11th February 2020.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the last financial statements except for IFRS 16.

Leases
The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (Continued)

Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 April 2019.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Policy applicable from 1 April 2019 (continued)

i. As a lessee (continued)

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short- term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases, When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

On 1 April 2019 i.e. the date of transition to IFRS 16, below were the amounts recognised as Right of Use Asset and Lease Liability –

Description	**Amount (USD 000')**
Land & Building	35,548
Office Equipment	573
Plant & Machinery	1,145
Vehicles	16,952
TOTAL	54,218
Right of use lease liability	54,218

There is no impact on opening retained earnings and deferred taxes on the transition date.

5. INTANGIBLE ASSETS

	31-Dec-19 USD '000	31-Mar-19 USD '000 (Revised)*
5 (a) Goodwill		
At beginning of the period	**2,492,285**	159,718
Acquisition (Refer Note(i & ii) below)		
-Industrias Bioquim Centroamericana, Sociedad Anonima (Refer Note(i))	**10,070**	-
- Arysta Lifesciences Inc. (Refer Note(ii))	-	2,342,898
Impairment	-	(182)
Exchange diff	**(1,220)**	(10,149)
	2,501,135	2,492,285

*Refer Note 36

Acquisition of subsidiary

Name of subsidiary company	Date of Acquisition	% Holding
Industrias Bioquim Centroamericana, Sociedad Anonima ("Bioquim")	27th June'2019	100%
Arysta Lifesciences Inc. ("Arysta")	31st January'2019	100%

i) Consideration transferred

The following table summarises the acquisition date fair value consideration of Industrias Bioquim Centroamericana, Sociedad Anonima:

	USD '000
Cash	23,130
Total consideration transferred	23,130

On 27th June 2019, the Group completed an acquisition of 100% of the shares of INDUSTRIAS BIOQUIM CENTROAMERICANA, SOCIEDAD ANÓNIMA, a company based in Costa Rica, and certain other group companies, for a consideration of US $ 23,130 thousands and goodwill recognised of US $ 10,069 thousands. These companies are engaged in the business of manufacturing, distribution, commercialization, export and import of synthetic inorganic agricultural pesticides in Costa Rica and certain other countries in Caribbean and Central American Region.

Goodwill

Goodwill arising from the acquisition has been recognised as follows

	USD '000
Consideration transferred	**23,130**
Fair Valued identified net assets on date of acquisition	**(13,060)**
	10,070

Identifiable assets acquired and liabilities assumed

The following table summarises the recognized amounts of assets

	USD '000
Total consideration	**23,130**
Intangible assets	6,319
Tangible assets	2,152
Working capital	7,323
Deferred tax liabilities	(2,576)
Others	(158)
Total net assets	**13,060**
Goodwill	10,070

5. INTANGIBLE ASSETS (CONTINUED)

5 (a) Goodwill (Continued)

ii) Consideration transferred

The following table summarises the acquisition date fair value consideration of Arysta Lifescience Group:

	USD '000
Cash	4,447,837
Total consideration transferred*	4,447,837

*During the year, acquisition of Arysta Lifesciences Inc. and its subsidiaries has been concluded between the parties. There is an additional consideration paid of US $ 89,833 thousands for for working capital adjustments as per share purchase agreement for acquisition of Arysta Group post acquisition date i.e.31st January, 2019. In these interim condensed consolidated financial statements, the Company has retrospectively revised the comparative balance sheet amounts at 31st March 2019 to reflect the final acquisition-date fair values of the acquired assets and liabilities and relevant impact on the Income Statement. These adjustments are presented in Note 36.

Goodwill

Goodwill arising from the acquisition has been recognised as follows

	USD '000
Consideration transferred	4,447,837
Fair value of identifiable net assets	(2,104,939)
	2,342,898

Identifiable assets acquired and liabilities assumed

The following table summarises the fair values of assets acquired and liabilities recognised at the date of finalisation of PPA:

	USD '000
Total Consideration	4,447,838
Intangible assets	1,500,393
Tangible assets	149,012
Working capital	854,822
Investments	11,144
Deferred tax liabilities	(310,143)
Non controlling interest	(80,752)
Others	(19,536)
Total net assets	2,104,940
Goodwill	**2,342,898**

5. INTANGIBLE ASSETS (CONTINUED)

	31-Dec-19 USD '000	31-Mar-19 USD '000 (Revised)*
5 (b) Intangible assets		
Product registration/acquisition	**1,136,567**	1,205,093
Customer list	**208,084**	216,300
Brand / Trade Marks	**57,973**	56,937
Non-compete agreements	**29,963**	35,054
Software	**5,168**	6,838
Others	-	277
Germplasm	-	541
	1,437,755	**1,521,040**

*Refer Note 36

Movement in Intangibles Assets represents amortization during the year of **US $ 111,776** thousand and capital expenditure done in product registration of North America and Europe regions US $ 23,512 thousand.

5(c) Intangible assets under development

Intangible assets under development amounting to **USD 122,703** thousand [31 March 2019(Revised*)]: USD 89,497 thousand) represent studies related to product registrations which are still under progress. These studies are for those products where feasibility has been established. Once development has been completed, these assets are transferred to intangible assets and amortisation are carried out accordingly.

*Refer Note 36

5(d) Right to use assets	31-Dec-19 USD '000	31-Mar-19 USD '000
Right to use assets*	**49,257**	-

*Right to use assets are recognised on initial application of IFRS 16. It includes right to use of building, plant and machinery, vehicles and office equipment.

6 (a). PROPERTY, PLANT AND EQUIPMENT

	31-Dec-19	31-Mar-19 Revised*
	USD '000	USD '000
Carrying amount		
Land Freehold	30,936	29,429
Land - Leasehold	2,521	13,746
Building	109,599	108,874
Plant & Machinery	138,992	129,868
Laboratory Equipments	4,794	3,393
Furniture, Fixture & Equipments	5,277	7,026
Vehicles	14,021	13,981
Leased Vehicles	14	24
Office Equipment	6,278	4,055
Land Improvements	210	125
Building Improvements	6,485	2,133
Building - Leasehold	2,967	859
Aircraft**	3,838	4,788
	325,932	318,301

*Refer Note 36 for revision in prior period amounts due to finalisation of PPA

** Previously, aircraft was presented separately on the face of the statement of financial position ("SOFP"). Management believes that further disaggregation is not required on the face of SOFP and instead included this within PPE and disclosed in the notes.

Movement in Property, Plant and Equipment represents depreciation during the year of US $ 35,332 thousand and capital expenditure done mainly in plant and machinery used in production materials in Latin America and Europe regions amounting to US $ 42,963 thousand.

6(b) CAPITAL WORK IN PROGRESS

Capital work in progress amounted to USD 36,552 thousand (31 March 2019: USD 49,684 thousand) represents the projects which are still under progress. Once these projects have been completed, they are transferred to property, plant and equipment and depreciation are carried out accordingly. These projects are related to plant and machinery where company is increasing capacity of manufacturing for Agro chemical.

7. (a) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Carrying amounts 31-Dec-19	31-Mar-19 Revised*
Unquoted & Quoted investments	USD '000	USD '000
Ishihara Sangyo Kaisha Ltd. (Quoted)	11,279	11,916
Others (Unquoted)	4,927	4,357
	16,206	16,273

*Refer Note 36

7. (b) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Carrying amounts 31-Dec-19	31-Mar-19 Revised*
	USD '000	USD '000
Agrofresh Solutions, Inc.	4,918	6,337
	4,918	6,337

*Refer Note 36

	31-Dec-19	31-Mar-19 Restated*
8. DEFERRED TAX ASSETS	USD '000	USD '000
as on 1st April	172,664	72,194
Movement during the year	46,596	-
reclassification of Advance tax to Deferred tax (Refer Note 36)	-	100,470
as at closing date	219,260	172,664

*Refer Note 36

	31-Dec-19	31-Mar-19 Revised*
9. DEFERRED TAX LIABILITIES	USD '000	USD '000
as on 1st April	311,969	6,672
Movement during the year	21,700	305,297
as at closing date	333,669	311,969

*Refer Note 36

10 (a). LOANS

	31-Dec-19	31-Mar-19 Restated*
	USD '000	USD '000
Current assets (Less than one year)		
Loans to employees	2,143	1,829
Interest receivable	312	195
	2,455	2,024

10 (b). OTHER RECEIVABLES

	31-Dec-19	31-Mar-19 Restated*
Non-current assets (More than one year)	USD '000	USD '000
Sundry deposits	4,880	2,826
Advance recoverable in cash and kind*	36,890	36,295
	41,770	39,121
Current assets (Less than one year)		
Sundry deposits	3,784	5,002
Advance recoverable in cash and kind*	151,972	149,136
	155,756	154,138

* Advance recoverable in cash and kinds are majorly related to advances paid to suppliers for goods or services and Statutory receivables.

10 (c). ADVANCE TO RELATED PARTIES

	31-Dec-19	31-Mar-19 Restated*
	USD '000	USD '000
Non-current assets (More than one year)		
Advances to Related Parties	8,265	8,360
	8,265	8,360
Current assets (Less than one year)		
Advances to Related Parties	147,226	150,160
	147,226	150,160

10 (d). ADVANCE TAX

	31-Dec-19	31-Mar-19 Restated*
Non-current assets (More than one year)	USD '000	USD '000
Income tax assets	13,319	24,567
	13,319	24,567
Current assets (Less than one year)		
Income tax assets	12,456	900
	12,456	900

*Refer Note 36

11. TRADE RECEIVABLES

	31-Dec-19	31-Mar-19 Revised*
	USD '000	USD '000
Current assets (Less than one year)		
Receivables from customers	1,678,684	1,680,434
Receivables from holding company	29,416	33,395
Less: Impairment loss on trade receivables	(142,191)	(153,362)
	1,565,909	1,560,467

*Refer Note 36

12. ASSETS HELD FOR SALE

Assets held for sale represents non-financial assets amounting to **USD 8,609** thousand (31 March 2019 - Restated*: USD 3,745 thousand) acquired from customers who have not been able to settle their debts in cash. These assets are recognised at fair valued less cost of disposal and are planned to be disposed of to settle customers recoverable amount.

*Refer Note 36

13. INVENTORIES

	31-Dec-19	31-Mar-19 Revised*
	USD '000	USD '000
Stores and Spares	7,460	4,890
Packing Materials	17,560	9,675
Finished Products	677,015	643,772
By - Products	181	152
Semi-finished products	41,929	39,044
Traded goods	137,881	88,510
Raw materials	344,913	237,643
Work in Progress	5,756	14,957
	1,232,695	1,038,643

*Refer Note 36

14. CASH AND CASH EQUIVALENTS

	31-Dec-19	31-Mar-19
	USD '000	USD '000
Current accounts	195,611	292,752
Fixed deposits (less than 3 months maturity)	63,462	87,127
Cash in hand	433	91
	259,506	379,970

15. STATED CAPITAL

	31-Dec-19	31-Mar-19
	USD '000	USD '000
Ordinary shares of USD 100 each		
At 1 April	18,102	13,600
Additions	-	4,502
At 30 September/31 March	18,102	18,102
Number of ordinary shares	181,022	181,022

The stated capital of the Company comprises of **181,022** thousand (March 2019: 181,022 thousand) ordinary shares with a par value of USD 100 per share. These shares are entitled to voting rights and to dividends. The shareholders have various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

16. TRANSLATION RESERVES

	31-Dec-19 USD '000	31-Mar-19 USD '000
At April	(218,185)	(112,254)
Movements during the year	(10,832)	(101,016)
At 31st December / 31st March	(229,017)	(213,270)

17. BORROWINGS

	31-Dec-19 USD '000	31-Mar-19 USD '000
Non-current liabilities (More than one year)		
Loan from Banks:		
Secured	-	212
Unsecured	2,956,716	2,948,956
	2,956,716	2,949,168
Loan from Others - Unsecured	2,524	2,525
Long term obligation- capital lease	-	4,387
	2,959,240	2,956,080
Current liabilities (Less than one year)		
Loan from Banks:		
Secured	67,566	69,558
Unsecured:		
- Working capital loan	212,267	144,569
Current maturities of long term debts	-	691
Interest accrued but not due on loans	20,719	26,028
	300,552	240,846

18. PROVISIONS

	31-Dec-19		31-Mar-19 (Revised)*	
	Long-term provisions USD '000	Short-term provisions USD '000	Long-term provisions USD '000	Short-term provisions USD '000
A) EMPLOYMENT BENEFITS				
Provision for post-employment benefits	21,007	-	20,094	-
Leave entitlement	-	10,942	-	21,623
Total (A)	21,007	10,942	20,094	21,623
*Refer Note 36				
B) OTHER PROVISIONS				
Jubilee provision	232	-	217	-
Environmental provision	1,919	2,648	2,102	5,023
Labour claim	1,831	-	524	-
Provision for litigation*	-	67,707	-	67,707
Other provisions	-	701	-	2,180
Total (B)	3,982	71,056	2,843	74,910
TOTAL PROVISIONS (A+B)	24,989	81,998	22,937	96,533

*Provision for litigation includes litigations and provisions that were recognised on acquisition of Arysta Group for possible litigation as a result of previous claims against Arysta Group.

19. OTHER LONG TERM LIABILITIES

	31-Dec-19	31-Mar-19
	USD '000	USD '000
Deferred payment liability	2,186	11,406
Mark to market losses on derivatives	13,795	7,697
	15,981	19,103

20. TRADE PAYABLES

	31-Dec-19	31-Mar-19 Revised*
	USD '000	USD '000
Sundry creditors for goods	576,201	614,966
Sundry creditors for expenses	203,749	406,219
Trade payables to holding company	449,759	236,215
	1,229,709	1,257,400

*Refer Note 36

21. OTHER PAYABLES

	31-Dec-19	31-Mar-19 Revised*
	USD '000	USD '000
Other payables	168,476	124,611
Advances against orders	87,963	36,083
Trade deposits	1,786	524
Current maturities of deferred payment liability	-	89,833
	258,225	251,051

*Refer Note 36

22. REVENUE FROM OPERATIONS

	Quarter ended 31-Dec-19	Quarter ended 31-Dec-18	Nine Months ended 31-Dec-19	Nine Months ended 31-Dec-18
	USD '000	USD '000	USD '000	USD '000
Sale of products (net)	1,123,683	600,259	3,001,817	1,428,840
Sale of products to holding company	5,609	5,257	23,119	22,071
Other income from operations	2,998	8,239	8,415	13,520
	1,132,290	613,755	3,033,351	1,464,431

	Quarter ended 31-Dec-19	Quarter ended 31-Dec-18	Nine Months ended 31-Dec-19	Nine Months ended 31-Dec-18
<u>Geographical revenue</u>	USD '000	USD '000	USD '000	USD '000
Rest of World	254,786	92,343	655,496	253,992
Europe	103,051	68,113	456,687	209,400
North America	180,315	123,563	437,056	288,543
Latin America	594,138	329,736	1,484,112	712,496
	1,132,290	613,755	3,033,351	1,464,431

23. DIRECT COST

	Quarter ended 31-Dec-19 USD '000	Quarter ended 31-Dec-18 USD '000	Nine Months ended 31-Dec-19 USD '000	Nine Months ended 31-Dec-18 USD '000
Purchases of agro-chemical, bio solution and other products	666,849	344,559	1,757,966	785,937
Power and fuel	2,185	2,223	6,796	5,840
Processing charges	26,367	20,288	77,981	63,145
Rebate, commission and discount	6,082	4,427	12,209	10,978
Effluent disposal charges	1,605	1,211	5,617	3,126
Water charges	236	136	574	353
Non Recoverable taxes-variable cost	988	763	2,246	1,753
Royalty charges	4,233	3,000	7,435	5,512
Transport charges	21,153	14,533	64,360	38,011
	729,698	391,140	1,935,184	914,655

24 (A). FINANCE INCOME

	Quarter ended 31-Dec-19 USD '000	Quarter ended 31-Dec-18 USD '000	Nine Months ended 31-Dec-19 USD '000	Nine Months ended 31-Dec-18 USD '000
Income from Long Term Investments	12	2	30	12
Interest on Loans Deposits etc.	751	4,343	5,484	11,012
	763	4,345	5,514	11,024

24 (B). OTHER INCOME

Rent	32	10	167	35
Gain on disposal of non-financial assets	60	82	84	227
Miscellaneous Receipt	433	6	268	29
Sundry Credit Balances written back	-	171	-	239
	525	269	519	530

25. RESTRUCTURING COSTS

The amount of period USD **19,831** thousand (2018: USD 5,085 thousand) and quarter **USD 5,157** thousand (2018 : USD 725 thousand) which is of an exceptional nature, represents restructuring cost related to Arysta integration. Restructuring is in process and expenses are recognised as and when incurred. Management believes that here are no other known cost which require to be provided for as of 31st December 2019.

26. FINANCE COSTS

	Quarter ended 31-Dec-19 USD '000	Quarter ended 31-Dec-18 USD '000	Nine Months ended 31-Dec-19 USD '000	Nine Months ended 31-Dec-18 USD '000
On Term Loans	39,699	12,423	105,001	31,057
On Cash Credit & Working Capital Demand Loan Accounts	3,580	4,107	16,549	15,837
On Fixed Deposits and Fixed Loan	10	52	33	129
On Others	4,886	3,392	18,546	8,893
Other Financial Charges	1,232	1,477	9,164	5,108
Exchange loss on loans, other receivables and borrowing	13,070	31,926	5,566	24,914
Interest on lease obligation	779	-	2,301	-
Interest cost - on loan from Holding Company	-	3,303	-	4,887
	63,256	56,680	157,160	90,825

27. OTHER EXPENSES

	Quarter ended 31-Dec-19 USD '000	Quarter ended 31-Dec-18 USD '000	Nine Months ended 31-Dec-19 USD '000	Nine Months ended 31-Dec-18 USD '000
Employee benefits expense	**80,557**	49,488	**276,857**	142,637
Stores & Spares Consumed	**2,065**	1,825	**5,247**	4,263
Repairs to Building	**702**	406	**2,569**	1,059
Repairs to Machinery	**2,939**	1,849	**8,184**	5,199
Other Repairs	**4,010**	3,538	**11,909**	8,024
Rent	**2,846**	3,149	**7,715**	9,482
Rates & Taxes	**3,665**	821	**10,565**	3,298
General Insurance Charges	**3,868**	1,638	**11,453**	4,540
Credit Insurance	**971**	637	**2,583**	1,213
Advertisement and Sales Promotion	**16,565**	8,347	**43,309**	17,344
Travelling & Conveyance	**13,310**	7,022	**37,854**	21,087
Legal & Professional Fees	**14,063**	2,810	**44,452**	15,439
Charity & Donations	**132**	127	**661**	270
Exchange Difference (Net)	**(3,413)**	6,455	**10,437**	22,941
Asset written off	**19**	517	**877**	524
Other Expenses	**8,408**	5,148	**29,998**	13,805
Warehousing Costs	**6,405**	3,298	**19,213**	10,064
Communication Costs	**1,921**	686	**5,277**	2,525
Registration Charges	**4,222**	3,221	**11,490**	7,047
Research and Development Exp	**1,410**	522	**5,790**	1,925
Labour Charges	**1,800**	777	**7,781**	2,265
Sundry Credit Balances written back	**626**		**667**	
	167,091	102,281	**554,888**	294,951

Note: Previously, Impairment loss on trade receivables was presented under Other expenses. Management has now presented such impairment loss separately on the face of the Income Statement for better presentation.

28. CONVERTIBLE LOAN NOTES

	31-Dec-19 USD '000	31-Mar-19 USD '000
Non-current		
Amira Nature Foods Limited	-	**5,000**
Current		
Amira Nature Foods Limited	**5,000**	-
	5,000	5,000

The Company made investment of USD 5,000 thousand in 10% convertible loan notes issued by Amira Nature Foods Limited. Interest is payable semi-annually on 2 January and 1 July of each year. The directors are of the opinion that the carrying value of the above investment is fairly stated at amortised cost and has not suffered any impairment in value. The maturity of the convertible loan notes is expected to be expired in September 2020. Hence same has been recognised as current asset.

29. BONDS

	31-Dec-19 USD '000	31-Mar-19 USD '000
Non-current		
USD 500m 3.25% Senior Notes Due 2021	**496,966**	496,966
USD 300m 4.50% Senior Notes Due 2028	**296,560**	295,764
	793,526	792,730

30. Financial Instruments- Fair values

The Group uses the following valuation techniques hierarchy for determining and disclosing the fair value of assets and liabilities:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying amount				Fair value			
THE GROUP	FVTPL	FVTOCI	At Amortized Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
31-Dec-19	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Financial assets								
Financial assets measured at fair value								
Investments stated at fair value through profit and loss	16,206	-	-	16,206	11,279	-	4,927	16,206
Investments stated at fair value OCI	-	4,918	-	4,918	4,918	-	-	4,918
Other Investments	-	-	812	812	-	-	812	812
Financial assets not measured at fair value								
Convertible Loan Notes	-	-	5,000	5,000	-	-	-	-
Trade receivables	-	-	1,567,729	1,567,729	-	-	-	-
Loans	-	-	2,455	2,455	-	-	-	-
Cash and cash equivalents	-	-	259,506	259,506	-	-	-	-
Total financial assets	16,206	4,918	1,835,502	1,856,626	16,197	-	5,739	21,936
Financial liabilities								
Financial liabilities not measured at fair value								
Bonds (listed on Singapore Exchange Limited)	-	-	793,526	793,526	-	-	-	-
Borrowings	-	-	3,259,792	3,259,792	-	-	-	-
Long term lease obligation	-	-	52,929	52,929	-	-	-	-
Trade payables	-	-	1,229,709	1,229,709	-	-	-	-
Other long term liabilities	-	-	15,981	15,981	-	-	-	-
Other payables	-	-	258,225	258,225	-	-	-	-
Total financial liabilities	-	-	5,610,162	5,610,162	-	-	-	-
31-Mar-19								
Financial assets								
Financial assets measured at fair value								
Investments stated at fair value through profit and loss	16,273	-	-	16,273	11,916	-	4,357	16,273
Investments stated at fair value OCI	-	6,337	-	6,337	6,337	-	-	6,337
Other Investments	-	-	1,346	1,346	-	-	1,346	1,346
Financial assets not measured at fair value								
Trade receivables	-	-	1,560,958	1,560,958	-	-	-	-
Loans	-	-	2,024	2,024	-	-	-	-
Cash and cash equivalents	-	-	379,970	379,970	-	-	-	-
Total financial assets	16,273	6,337	1,944,298	1,966,908	18,253	-	5,703	23,956
Financial liabilities								
Financial liabilities not measured at fair value								
Bonds (listed on Singapore Exchange Limited)	-	-	792,730	792,730	-	-	-	-
Borrowings	-	-	3,196,926	3,196,926	-	-	-	-
Trade payables	-	-	1,257,400	1,257,400	-	-	-	-
Other long term liabilities	-	-	19,103	19,103	-	-	-	-
Other payables	-	-	251,051	251,051	-	-	-	-
Total financial liabilities	-	-	5,517,210	5,517,210	-	-	-	-

1. Measurement of fair value: valuation techniques and significant unobservable inputs:

The above table shows the carrying amounts and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Convertible loan notes, trade receivables, loans and cash and cash equivalents

The carrying amount of convertible loan notes, trade receivables, loans and cash and cash equivalents approximate their fair values due to their short term nature. For long term trade receivables the amount is not significant and there is no material impact on account of fair valuation.

Bonds

Financial liabilities include bonds listed on the Singapore Stock Limited and it is valued at amortised cost. The fair value of the bonds are determined from the Singapore Stock Limited and approximate to carrying value.

Trade and other payables

The carrying amount of trade and other payables approximate their fair value due to its short term nature.

Financial assets at fair value through profit and loss ("FVTPL")

Investment classified as FVTPL amounting to USD 4,927 thousand (31 March 2019: USD 4,357 thousand) includes investment in Rogatory letter, Meiji Lukang Pharmaceutical Co. Ltd., Kyoyu Agri and ISAGRO S.P.A. These investments are recently acquired as part of Arysta group acquisition. These investments are kept at cost as per recent acquired value. The Group has used valuation technique as the Price of recent investment calibrated by using qualitative analysis approach. There is no material difference between cost and fair value of such investments .Management will perform qualitative analysis as per its internal policy.

Other financial assets at fair value through other comprehensive income ("FVOCI") and through profit and loss

The fair values of the remaining FVTOCI and FVTPL financial assets amounting to USD 16,197 thousand (31 March 2019: USD 18,253 thousand) are derived from quoted market prices in active markets.

Hence there is no unobservable inputs and sensitivity analysis disclosed in the interim condensed consolidated financial statements.

Borrowings

Borrowings include unsecured loan from banks bearing interest rates 3 month LIBOR + 1.60% amounting to USD 2,956,716 thousand (31 March 2019: USD 2,948,810 thousand) repayable on 29 January 2029. The fair value 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 debt 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 carrying amount of borrowings approximately equals to the fair values since the rate of interest charged is considered to at par with prevailing market rates of interest. The carrying value of Borrowings are approximately equal to their fair values since the rate of interest charged is considered to be at par with prevailing market rate of interest.

30. Financial Instruments- Fair values (Continued)

2. . Transfers between Levels 1 and 2

There is no transfer happened between level 1 and 2 during the period.

3. Level 3 fair values

	Investment stated at fair value through profit and loss	
	31-Dec-19	31-Mar-19
	USD '000	USD '000
Opening balance	**5,703**	1,088
Gain/(loss) included on profit or loss	570	(28)
- Acquisitions or disposals	(534)	4,643
Closing balance	5,739	5,703

31. Litigation cost

A competitor had filed a litigation against a US subsidiary of the Group for infringement of patent, loss of profits and unjust enrichment. On 11 October 2019 a jury in the United States federal district court in Delaware rendered a verdict against the subsidiary, Decco U.S. Post-Harvest, Inc. ('Decco') and in favour of AgroFresh Inc. An aggregate amount of approximately US$ 31,000 thousand has been incurred for the nine months ended 31 December 2019. Hence a provision has been made in that regard and for legal expenses of around $ 7,676 thousand (US $ 3,080 thousand for the quarter). US $ 2,195 thousand provided for is relating to other litigation matters for the nine months ended (US $ 2,146 thousand for the quarter). The above amounts represent the litigation costs expensed during the period and has been included in Note 18 provisions.

32. RELATED PARTY TRANSACTIONS

During the period ended 31 December 2019, the Company traded with related companies . The nature, volume and type of transactions with the companies are as follows:

Name of related companies	Nature of transactions / Balances outstanding	Account Balances as at	Amounts for the nine months ended
		31-Dec-19	31-Dec-19
		USD '000	USD '000
Holding Company	Sales		21,950
	Purchases		468,681
	Dividend		60,000
	Commission		17
	Trade payables	301,948	
	Trade Receivables	16,549	
	Advance receivables	147,153	
Holding company's subsidiaries which are not UPL Corporation's subsidiaries	Sales		1,169
	Purchases		161,459
	Payables	134,347	
	Receivables	1,352	
Associates, Joint ventures and other related parties	Group Recharge		131
	Interest received		548
	Purchase of Goods		2,853
	Royalty		2,084
	Sale of Goods		49,962
	Remuneration		9,900
	Interest receivable	62	
	Loans Receivable	8,265	
	Payables	2,796	
	Receivables	47,095	

33. EVENTS AFTER THE REPORTING DATE

At the board meeting which is scheduled on 11th February, 2020, the Company is planning to approve issuance of bond on the Singapore Stock Limited.

34. SEGMENT REPORTING

The Group is mainly engaged with agro activities and is the main area of the Group's operations. It includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products.
Non agro activity is immaterial hence there is only one segment which is agro-chemical activities which is applicable for the Group. Management only reviews revenue by regions and the ultimate holding company considers the group as one segment being agrochemical.

35. Relevant Standards issued but not yet effective :

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendment is effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant changes. The refinements are not intended to alter the concept of materiality.

Definition of a Business (Amendments to IFRS 3)

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

• Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
• Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
• Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

Since the amendments apply prospectively to transactions or other events that occur on or the after the date of first application, the Group will not be affected by these amendments on the date of transition.

Revised Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:
• increasing the prominence of stewardship in the objective of financial reporting
• reinstating prudence as a component of neutrality
• defining a reporting entity, which may be a legal entity, or a portion of an entity
• revising the definitions of an asset and a liability
• removing the probability threshold for recognition and adding guidance on derecognition
• adding guidance on different measurement basis, and
• stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting policies as on date of financial statements.

36 (a) Correction of errors / restatement of financial statements

During the period under review, management noted that there were classification inconsistencies on the interim condensed consolidated financial statements as compared to the classification in the annual financial statement as at 31 March 2019. However, there is no impact on the measurement of these items. Refer to the below description to understand the nature of the reclassification/correction of errors.

Following corrections of errors have been made in the current period:-

A. Loans and Advances	In the prior years, loans and advances included non financial assets such as advance taxes, advance to related party and other receivables (statutory prepayments and advances recoverable in cash or kind). The measurement basis and nature for the aforesaid assets for the loans portion is different and therefore should have been disclosed separately together with items with similar measurement basis.
B. Investments in FVOCI	Investment measured at FVTOCI was wrongly included within interim condensed consolidated financial statements caption as investment measured at FVTPL in the previous periods. As both investments are of different nature and classification, separate presentation are mandated for each type of investment.
C. DTA to Advance taxes	In January 2019, the Company acquired Arysta Lifesciences Inc. Upon consolidation, the subsidiary's deferred tax assets was mapped to loans and advances instead of deferred tax.
D. Current tax liabilities / Provisions	Current tax liabilities was shown within interim condensed consolidated caption "Provisions". In line with IAS 1.54 (n), current tax liabilities should be disclosed separately on the face of SOFP.
E. Assets Held for Sale	Assets held for sale are assets which are short term in nature and was incorrectly classified previously as "non -current assets".

36 (b) Revision pursuant to finalisation of Arysta Purchase Price Allocation ("PPA")

On 31st January 2019, the Group acquired the entire share capital of Arysta Lifescience Inc., a global provider of innovative crop protection solutions including BioSolutions and Seed Treatment. As a result the Group obtained control of Arysta and it's subsidiaries.

In the financial statements for year ended 31st March 2019, the amounts of assets and liabilities recognized for Arysta were all provisional, as valuation activity was ongoing considering nature and size of Arysta's market presence. The final acquisition-date value of consideration, after adjustments for working capital, was US $ 4,447, 837 thousand.

In these interim condensed consolidated financial statements, the Company has retrospectively revised the comparative balance sheet amounts at 31st March 2019 to reflect the final acquisition-date fair values of the acquired assets and liabilities. These revisions are presented in the table in Note 36 (c).

36 (c) Impact on account of correction of errors and finalisation of PPA

The following tables summarises the combined effect of restatements and revisions on the financial statements:

Statement of financial position

At 31 March 2019	As previously reported	Prior year adjustments [Ref 36 (a)]	Revision due to PPA finalisation [Ref 36 (b)]	As restated and revised
		Restatement	*Revision*	
	USD '000	USD '000	USD '000	USD '000
Non Current assets				
Goodwill	2,264,253	-	228,032	2,492,285
Intangible assets	1,718,351	-	(197,311)	1,521,040
Intangible assets under development	79,167	-	10,330	89,497
Property, plant and equipment	313,209	-	5,092	318,301
Capital work-in-progress	49,684	-	-	49,684
Financial assets at fair value through profit or loss (B)	22,610	(6,337)	-	16,273
Financial assets at fair value through other comprehensive income (B)	-	6,337	-	6,337
Investment in associate	45,902	-	-	45,902
Investment in joint ventures	10,581	-	-	10,581
Trade receivables	491	-	-	491
Other receivables (A)	-	29,221	9,900	39,121
Other investments at amortised cost	1,063	-	-	1,063
Advances to Related Parties (A)	-	8,360	-	8,360
Convertible loan notes	5,000	-	-	5,000
Deferred tax assets (C)	103,288	69,376	-	172,664
Advance tax (A)	-	24,567	-	24,567
Assets classified as held for sale (E)	3,730	(3,730)	-	-
Loans and Advance (A)	62,149	(62,149)	-	-
Total non-current assets	4,679,478	65,645	56,043	4,801,166
Current assets				
Other Investments at amortised cost	283	-	-	283
Inventories	1,058,381	-	(19,738)	1,038,643
Loan and advances (A) & (C)	376,597	(376,597)	-	-
Loans (A)	-	2,024	-	2,024
Other receivables (A)	-	154,138	-	154,138
Advance tax (A)	-	900	-	900
Convertible loan notes	-	-	-	-
Trade receivables	1,579,696	-	(19,229)	1,560,467
Advances to Related Parties (A)	-	150,160	-	150,160
Cash and cash equivalents	379,970	-	-	379,970
Assets classified as held for sale (E)	-	3,730	15	3,745
Total current assets	3,394,927	(65,645)	(38,952)	3,290,330
TOTAL ASSETS	8,074,405	-	17,091	8,091,496

36 (c) Impact on account of correction of errors and finalisation of PPA (Continued)

Statement of financial position contd.	As previously	Prior year adjustments *Restatement*	Revision due to PPA finalisation *Revision*	As restated and
	USD '000	USD '000	USD '000	USD '000
EQUITY AND LIABILITIES				
Equity				
Stated capital	18,102	-	-	18,102
Share premium	1,314,670	-	-	1,314,670
Retained earnings	853,860	-	8,038	861,898
Cash flow hedge reserve	(11,531)	-	-	(11,531)
Fair value reserves	(7,430)	-	-	(7,430)
Translation reserves	(218,185)	-	4,915	(213,270)
Equity attributable to equity holders of the parent	**1,949,486**	-	**12,953**	**1,962,439**
Non-controlling interest	83,193	-	10,964	94,157
Total equity	**2,032,679**	-	**23,917**	**2,056,596**
Non Current liabilities				
Bonds	792,730	-	-	792,730
Borrowings	2,956,080	-	-	2,956,080
Long term lease obligation	-	-	-	-
Deferred tax liabilities	419,727	-	(107,758)	311,969
Provisions	22,937	-	-	22,937
Other long term liabilities	19,103	-	-	19,103
Total non-current liabilities	**4,210,577**	-	**(107,758)**	**4,102,819**
Current liabilities				
Borrowings	240,846	-	-	240,846
Current maturity of lease obligation	-	-	-	-
Trade payables	1,196,112	-	61,288	1,257,400
Other payables	221,114	-	29,937	251,051
Current tax liabilities (D)	-	86,251	-	86,251
Employee benefits	-	-	-	-
Provisions (D)	173,077	(86,251)	9,707	96,533
Total current liabilities	**1,831,149**	-	**100,932**	**1,932,081**
Total liabilities	6,041,726	-	(6,826)	6,034,900
TOTAL EQUITY AND LIABILITIES	8,074,405	-	17,091	8,091,496

Note : There is no impact on account of restatement to Cash flows and Other Comprehensive Income

UPL CORPORATION LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

UPL CORPORATION LIMITED
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

CONTENTS	**PAGES**

		Date of appointment:	Date of resignation:
DIRECTORS	: Gyaneshwarnath **Gowrea**	12-Jan-09	-
	Uttam **Danayah**	2-Feb-12	18-Jul-18
	Jimmy Erach **Dadrewalla**	30-Aug-16	13-Mar-19
	Doomraj **Sooneelall**	13-Mar-18	-
	Roberta Bromberg **Bowman**	22-Jan-19	-
	Jerome Andre Etienne **Peribere**	22-Jan-19	-
	Davor **Pisk**	22-Jan-19	-
	Vikram Rajnikant **Shroff**	18-Jan-19	-
	Jaidev Rajnikant **Shroff**	18-Jan-19	-
	Hardeep **Singh**	4-Dec-18	-
	Puneet **Bhatia**	30-Jan-19	-
	Uttam **Danayah**	13-Mar-19	-
	Peter Deane **Scala**	30-Jan-19	-
	Stephen Gerald **Dyer**	18-Mar-19	-

ADMINISTRATOR & CORPORATE SECRETARY : IQ EQ Corporate Services (Mauritius) Ltd
(Formerly known as SGG Corporate Services (Mauritius) Ltd)
33, Edith Cavell Street
Port Louis, 11324
Republic of Mauritius

REGISTERED & BUSINESS OFFICE ADDRESS : 5th Floor, Newport Building
Louis Pasteur Street
Port Louis
Republic of Mauritius

BANKERS : Barclays Bank Mauritius Limited
SBM Bank (Mauritius) Limited
Barclays Private Clients International Limited, Isle of Man
Citibank NA, Hong Kong Branch

AUDITORS : **Crowe ATA**
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Republic of Mauritius

The directors present their commentary together with the consolidated and separate financial statements of **UPL CORPORATION LIMITED** (the "Company") and its subsidiaries together referred to as the "Group" for the financial year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The Company was incorporated on 30 July 1993 and the main activities of the Company and its subsidiaries are those of manufacturing and marketing of crop protection chemicals, speciality chemicals, seeds, investment holding and providing management and financial support to group companies and international trading.

AMALGAMATION

Effective from 28 February 2018, UPL Limited, Mauritius a wholly owned subsidiary of the Company was amalgamated with the Company and accordingly all its assets, liabilities and retained earnings were transferred to the Company as described in note 52 of these financial statements.

RESULTS AND DIVIDENDS

The results for the year are shown in the consolidated and separate statement of profit or loss and other comprehensive income.

The directors take note that an interim dividend of USD 60,000 thousand was paid during the year (2018: USD 55,250 thousand). The directors do not recommend the payment of any further dividend for the year under review.

DIRECTORS

The present membership of the Board is set out on page 1. All the directors served office throughout the year except for Mrs Sonia Lutchmiah who has resigned on 13 March 2018 and Mr Doomraj Sooneelall who has been appointed on 13 March 2018 in her stead.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors have prepared the consolidated and separate financial statements for the financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Group and of the Company. In preparing those consolidated and separate financial statements, the directors have:

- Selected suitable accounting policies and then apply them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated and separate financial statements; and
- Prepared the consolidated and separate financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the consolidated and separate financial statements are properly prepared in accordance with IFRS. They have confirmed that they have complied with the above requirements in preparing the consolidated and separate financial statements.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe ATA**, have indicated their willingness to continue in office, until the next annual meeting.

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **UPL CORPORATION LIMITED** (the "Company") under the Mauritius Companies Act 2001 for the financial year ended 31 March 2019.

For **IQ EQ Corporate Services (Mauritius) Ltd**
Secretary

Date: 13 May 2019

IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port-Louis, 11324, Mauritius

T: +230 212 9800 mauritius@iqeq.com
F: +230 212 9833 www.iqeq.com

Regulated by the Financial Services Commission as holder of a management licence. Licence type – FS-3.1A Management Licence
Incorporated in Mauritius No: BRN C09004928.

Crowe

Crowe ATA
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Main +230 467 8684
+230 466 2992
Fax +230 467 7478
www.crowe.com/mu

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of UPL CORPORATION LIMLITED (the "Company") and its subsidiaries (together referred as the "Group"), as set out on pages 8 to 91, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group and of the Company as at 31 March 2019, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

The Company has prepared a separate set of financial statements for the year ended 31 March 2019 in accordance with International Financial Reporting Standards and the Mauritius Companies Act 2001 and on which we issued a separate auditors' report to the shareholders of the Company dated 13 May 2019.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated financial statements (Continued)

Other information

The directors are responsible for the other information. The other information comprises the Commentary of the directors, the Company Secretary's certificate, which we obtained prior to the date of this auditors' report. Other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Crowe

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated financial statements (Continued)

Auditors' responsibilities for the audit of the consolidated financial statements (Continued)

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

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' 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 Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

Crowe

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated financial statements (Continued)

Auditors' responsibilities for the audit of the consolidated financial statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

In forming our opinion, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to them those matters we are required to state in our auditors' report and no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for opinion we have formed.

Crowe ATA

Crowe Horwath ATA
Public Accountants
Ebene, Mauritius

Date: 13 May 2019

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
	Notes	**USD '000**	USD '000	**USD '000**	USD '000
ASSETS					
Non-current assets					
Goodwill	*7(a)*	**2,264,253**	159,718	**-**	-
Intangible assets	*7(b)*	**1,718,351**	115,338	**6,956**	5,480
Intangible assets under development	*7(d)*	**79,167**	29,129	**-**	-
Property, plant and equipment	*8(a)*	**308,421**	128,886	**40**	42
Capital work in progress	*8(b)*	**49,684**	71,224	**-**	-
Aircraft	*9*	**4,788**	6,053	**-**	-
Investment in subsidiaries	*10*	**-**	-	**2,521,634**	671,885
Investments stated at fair value through profit and loss	*11*	**22,610**	79,278	**-**	-
Investment in associates	*12*	**45,902**	47,568	**-**	-
Investment in joint ventures	*13 & 34 (ii)*	**10,581**	7,899	**329**	329
Deferred tax assets	*35*	**103,288**	72,194	**-**	-
Trade and other receivables	*15*	**491**	225	**-**	-
Non-current assets held for sale	*16*	**3,730**	3,057	**-**	-
Loans and advances	*14*	**62,149**	22,653	**2,674,082**	191,764
Non current investments	*53 (i)*	**1,063**	1,091	**-**	-
Convertible loan notes	*46*	**5,000**	5,000	**5,000**	5,000
Total non-current assets		**4,679,478**	749,313	**5,208,041**	874,500
Current assets					
Current investments	*53(ii)*	**283**	-	**-**	-
Inventories	*17*	**1,058,381**	460,992	**1,627**	2,445
Trade and other receivables	*15*	**1,579,696**	779,813	**317,003**	305,146
Loans and advances	*14*	**376,597**	79,683	**351,960**	402,441
Cash and cash equivalents	*18*	**379,970**	416,600	**9,083**	84,582
Total current assets		**3,394,927**	1,737,088	**679,673**	794,614
TOTAL ASSETS		**8,074,405**	2,486,401	**5,887,714**	1,669,114

Approved and authorised for issue by the Board of directors on 13 May 2019 and signed on its behalf by:

Doomraj Sooneelall
Director

Uttam Danayah
Director

The notes as set out on pages 14 to 91 form an integral part of these consolidated and separate financial statements.

		THE GROUP		THE COMPANY	
	Notes	**2019** **USD '000**	2018 USD '000	**2019** **USD '000**	2018 USD '000
EQUITY AND LIABILITIES					
Equity					
Stated capital	*19 (a)*	**18,102**	13,600	**18,102**	13,600
Share Premium	*19 (b)*	**1,314,670**	-	**1,314,670**	-
Retained earnings		**853,860**	743,987	**337,752**	342,046
Cash flow hedge reserve		**(11,531)**	-	**(11,531)**	-
Investment revaluation reserve		**(7,430)**	-	-	-
Translation reserves	*20*	**(218,185)**	(112,254)	**(6,748)**	(8,040)
Equity attributable to equity holders of the parent		**1,949,486**	645,333	**1,652,245**	347,606
Non-controlling interests		**83,193**	97,747	-	-
Total equity		**2,032,679**	743,080	**1,652,245**	347,606
Non-current liabilities					
Bonds	*47*	**792,730**	792,713	**792,730**	792,713
Borrowings	*21*	**2,956,080**	132,419	**3,208,762**	344,322
Trade and other payables	*24*	-	-	**3,659**	4,617
Deferred tax liabilities	*35*	**419,727**	6,672	-	-
Provisions	*22*	**22,937**	10,723	-	-
Other long term liabilities	*23*	**19,103**	14,384	-	-
Total non-current liabilities		**4,210,577**	956,911	**4,005,151**	1,141,652
Current liabilities					
Borrowings	*21*	**240,846**	59,904	**77,332**	15,000
Trade and other payables	*24*	**1,196,112**	625,578	**152,342**	164,170
Other payables	*25*	**221,114**	89,005	-	-
Provisions	*22*	**173,077**	11,923	**644**	686
Total current liabilities		**1,831,149**	786,410	**230,318**	179,856
Total liabilities		**6,041,726**	1,743,321	**4,235,469**	1,321,508
TOTAL EQUITY AND LIABILITIES		**8,074,405**	2,486,401	**5,887,714**	1,669,114

Approved and authorised for issue by the Board of directors on 13 May 2019 and signed on its behalf by:

Doomraj Sooneelall
Director

Uttam Danayah
Director

The notes as set out on pages 14 to 91 form an integral part of these consolidated and separate financial statements.

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
Income	*Notes*	**USD '000**	USD '000	**USD '000**	USD '000
Revenue from operation	*26*	**2,602,822**	2,139,904	**244,633**	366,145
Cost of sales	*27*	**(1,522,732)**	(1,194,975)	**(205,859)**	(303,779)
Direct costs	*28*	**(199,450)**	(187,060)	**-**	-
Gross profit		**880,640**	757,869	**38,774**	62,366
Other income	*29*	**18,389**	14,507	**120,324**	40,432
		899,029	772,376	**159,098**	102,798
Less: Expenses					
Administration expenses	*30*	**(88,820)**	(66,650)	**(7,782)**	(8,036)
Other expenses	*31(a)*	**(341,472)**	(298,563)	**(54)**	(6,079)
Exchange (loss) / gain	*31(b)*	**(34,890)**	156	**-**	-
Depreciation and impairment		**(23,329)**	(18,505)	**(12)**	(19)
Gain on disposal of investment in subsidiary		**-**	-	**293**	-
Amortisation		**(62,895)**	(37,163)	**(2,967)**	(1,825)
Finance costs	*33*	**(142,325)**	(93,829)	**(80,021)**	(55,666)
Profit from operations		**205,298**	257,822	**68,555**	31,173
Provision/(reversal) of diminution of investment		**(1,846)**	1,998	**-**	-
Arysta Acquisition/Integration Cost	*49*	**(52,918)**	-	**(11,759)**	-
Restructuring cost	*32*	**(2)**	(4,535)	**-**	(906)
Share of loss from associates	*34(i)*	**366**	(16,389)	**-**	-
Share of profit from joint ventures	*34(ii)*	**1,622**	1,048	**-**	-
Product contamination and counterfeiting	*45*	**(11,272)**	(2,008)	**-**	-
Fine on due amount of ICMS		**-**	(776)	**-**	-
Others			(88)	**-**	-
Customer compensation claim		**-**	(1,208)	**-**	-
Profit before taxation		**141,248**	235,864	**56,796**	30,267
Taxation	*35*	**(7,726)**	(29,013)	**(1,090)**	(1,281)
Profit for the year		**133,522**	206,851	**55,706**	28,986
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Currency translation differences	*20*	**(105,931)**	(527)	**1,292**	23,470
Items that may be reclassified subsequently to profit or loss:		**-**	-	**-**	-
Cash flow from hedging		**(11,531)**	-	**(11,531)**	-
Fair value of investment		**(7,430)**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,630**	206,324	**45,467**	52,456
PROFIT FOR THE YEAR ATTRIBUTABLE TO:					
Equity holders of the parent		**130,518**	205,285	**55,706**	28,986
Non-controlling interests		**3,004**	1,566	**-**	-
		133,522	206,851	**55,706**	28,986

The notes as set out on pages 14 to 91 form an integral part of these consolidated and separate financial statements.

THE GROUP

	Stated capital	Share Premium reserve	Fair value on investment	Translation reserves	Cash flow hedge	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
At 1 April 2017	13,600	-		(111,727)	-	618,398	520,271	70,751	591,022
Total comprehensive income for the year	-	-		(527)	-	205,285	204,758	1,566	206,324
Acquisition of non-controlling interest	-	-		-	-	(22,880)	(22,880)	19,388	(3,492)
Acquisition under common control in Advanta Indonesia	-	-		-	-	(1,566)	(1,566)	1,566	-
Currency translation difference	-	-		-	-	-	-	6,384	6,384
Dividends	-	-		-	-	(55,250)	(55,250)	(1,908)	(57,158)
At 31 March 2018	13,600	-	-	(112,254)	-	743,987	645,333	97,747	743,080
Total comprehensive income for the year	-	-	(7,430)	-	-	130,518	123,088	3,004	126,092
Issue of shares at premium	4,502	-	-			-	4,502	-	4,502
TPG and ADIA contribution		1,195,980					1,195,980		1,195,980
UPL India contribution		143,518					143,518		143,518
Share issue expenses		(24,828)					(24,828)		(24,828)
Cash flow from hedging	-	-	-	-	(11,531)	-	(11,531)	-	(11,531)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(37,023)	(37,023)
Acquisition under common control in Advanta Group	-	-	-	-	-	39,690	39,690	(39,690)	-
Arysta of non-controlling interest as on opening balance sheet	-	-	-	-	-	-	-	69,785	69,785
Actuarial valuation	-	-	-	-	-	(336)	(336)	-	(336)
Currency translation difference	-		-	(105,931)	-	-	(105,931)	(8,138)	(114,069)
Dividends	-		-	-	-	(60,000)	(60,000)	(2,492)	(62,492)
At 31 March 2019	18,102	1,314,670	(7,430)	(218,185)	(11,531)	853,860	1,949,486	83,193	2,032,679

THE COMPANY

	Stated capital	Cash flow hedge	Share Premium reserve	Translation reserves	Retained earnings	Total equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
At 1 April 2017	13,600	-	-	(31,510)	150,716	132,806
Translation reserve:						
Arising during the year (Note 20)	-	-	-	23,470	-	23,470
Effect of amalgamation (note 52)	-	-	-	-	217,594	217,594
Profit for the year	-	-	-	-	28,986	28,986
Dividends	-	-	-	-	(55,250)	(55,250)
At 31 March 2018	13,600	-	-	(8,040)	342,046	347,606
Translation reserve:						
Arising during the year (Note 20)	-	-	-	1,292	-	1,292
Issue of shares at premium	4,502	-	-	-	-	4,502
TPG and ADIA contribution	-	-	1,195,980	-	-	1,195,980
UPL India contribution	-	-	143,518	-	-	143,518
Share issue expenses	-	-	(24,828)	-	-	(24,828)
Dvidend paid	-	-	-	-	(60,000)	(60,000)
Cash flow from hedging	-	(11,531)	-	-	-	(11,531)
Effect of amalgamation (note 52)	-	-	-	-	-	-
Profit for the year	-	-	-	-	55,706	55,706
At 31 March 2019	18,102	(11,531)	1,314,670	(6,748)	337,752	1,652,245

The notes as set out on pages 14 to 91 form an integral part of these consolidated and separate financial statements.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	USD '000	USD '000	**USD '000**	USD '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**141,248**	235,864	**56,796**	30,267
Adjustments for:				
Depreciation and amortisation	**86,225**	55,669	**6,835**	2,673
Gain on disposal of investment in subsidiary	**-**	-	**(293)**	-
Finance costs	**142,325**	93,829	**-**	-
Reversal of / provision for doubtful debts and advances	**(10,923)**	932	**-**	-
Assets written off	**620**	136	**-**	-
Bad debts written off	**1,354**	312	**-**	-
(Reversal of) / provision for diminution in value of investment	**1,846**	(1,998)	**-**	-
Gain on sale of assets (net)	**(382)**	(286)	**-**	-
Bargain purchase on step acquisition	**-**	(79)	**-**	-
Interest income	**(15,123)**	(14,288)	**-**	
Excess provisions in respect of earlier years written (off)/back (net)	**(1,589)**	418	**-**	-
Net gain on disposal of current investments	**28**	-	**-**	-
Share of (profit) / loss from associates	**(366)**	16,388	**-**	-
Share of profits of joint ventures	**(1,622)**	(1,048)	**-**	-
Operating profit before working capital changes	**343,641**	385,849	**63,338**	32,940
(Increase) / decrease in inventories	**(12,405)**	(20,260)	**818**	801
Decrease / (increase) in trade and other receivables	**78,847**	(24,654)	**(11,857)**	(129,918)
Decrease in other current assets	**6,278**	3,146	**-**	-
Decrease /(increase) in long term and short term loans and advances	**22,163**	(656)	**-**	-
Increase / (decrease) in trade and other payables	**84,768**	48,488	**(12,786)**	17,414
Increase / (decrease) in long term and short term provisions	**(1,443)**	1,162	**-**	-
Decrease in other liabilities	**(59,027)**	(19,726)	**-**	-
Cash generated from/(absorbed by) operations	**462,822**	373,349	**39,513**	(78,763)
Tax paid	**(38,743)**	(16,677)	**(1,132)**	(1,026)
Net cash from/(used in) operating activities	**424,079**	356,672	**38,381**	(79,789)

The notes as set out on pages 14 to 91 form an integral part of these consolidated and separate financial statements.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	USD '000	USD '000	**USD '000**	USD '000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment including capital work in progress and capital advances	**(69,127)**	(97,258)	**(10)**	(13)
Acquisition of intangible assets	**-**	-	**(4,443)**	(3,078)
Proceeds from sale of property, plant and equipment	**988**	1,513	**-**	-
Investment in associates	**-**	(44,950)	**-**	-
Payment for acquisition of Arysta Group	**(4,358,004)**	-	**-**	-
Payment for acquisition of additional stake in subsidiaries	**-**	(3,413)	**-**	-
Proceeds from disposal of investment in subsidiary	**64,895**	-	**1,332**	-
Acquisition of subsidiaries, net of cash	**-**	-	**-**	-
Investment in subsidiaries	**-**	-	**(1,850,788)**	(58,082)
Purchase of investments	**(13,714)**	(65,936)	**-**	-
Loan to related parties	**-**	-	**(2,431,837)**	(117,960)
Sundry loans received (net)	**(134,559)**	2,324	**-**	-
Payment to current investment	**(28)**	-	**-**	-
Interest received	**15,123**	14,288	**-**	-
Net cash used in investing activities	**(4,494,426)**	(193,432)	**(4,285,746)**	(179,133)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from issuance of bonds	**-**	-	**-**	298,020
Bonds transaction cost	**-**	-	**-**	(2,807)
Borrowings (Net)	**2,873,452**	(6,314)	**2,922,933**	(11,239)
Interest paid and other financial charges	**(131,207)**	(100,791)	**-**	-
Dividend paid to minority shareholders by subsidiaries	**(2,492)**	(1,908)	**-**	-
Payment to non-controlling interest share holder on redemption of preference shares	**(37,023)**	-	**-**	-
Share capital by UPL (with premium)	**144,000**	-	**144,000**	-
Share capital by ADIA and TPG (with premiun)	**1,200,000**	-	**1,200,000**	-
Issue of share expenses	**(24,828)**	-	**(24,828)**	-
Dividends paid	**(60,000)**	(55,250)	**(60,000)**	(55,250)
Net cash (used in)/from financing activities	**3,961,902**	(164,263)	**4,182,105**	228,724
Net decrease in cash and cash equivalents	**(108,445)**	(1,023)	**(65,260)**	(30,198)
Cash and cash equivalents at start of the year	**416,600**	423,906	**84,582**	117,809
Cash and cash equivalent on acquisition of subsidiaries	**147,488**	-	**-**	-
Effect of cash flow hedge	**-**	-	**(11,531)**	-
Effect of amalgamation	**-**	-	**-**	219
Effect of exchange rate difference	**(75,673)**	(6,284)	**1,292**	(3,248)
Cash and cash equivalents at end of the year	**379,970**	416,600	**9,083**	84,582

The notes as set out on pages 14 to 91 form an integral part of these consolidated and separate financial statements.

1. GENERAL INFORMATION

UPL CORPORATION LIMITED (the "Company") was incorporated in Mauritius, under the Mauritius Companies Act 1984, now governed by the Mauritius Companies Act 2001, as a private company on 30 July 1993 with limited liability by shares and subsequently, on 26 September 2016, it was converted into a public company. The Company also holds a Category 1 Global Business License issued by the Financial Services Commission. The Company's registered office address is at Newport Building, Louis Pasteur, Port Louis, Mauritius.

The Company's and subsidiaries' main activities are those of manufacturing and marketing of crop protection chemicals, speciality chemicals, seeds, investment holding, providing management and financial support to group companies and international trading.

The consolidated and separate financial statements of the Company are expressed in United States dollar ("USD"). The Company's functional currency is the USD, the currency of the primary economic and regulatory environment in which the Company operates.

2. STATEMENT OF COMPLIANCE WITH IFRS

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and which comprise of standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that remain in effect.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of presentation

The preparation of the consolidated and separate financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the reported amounts and disclosures in the consolidated and separate financial statements. Actual results may differ from these estimates.

The subsidiaries' financial statements have been prepared in accordance with accounting standards and relevant legislations prevailing in their respective countries of incorporation. As a result, the subsidiaries use the historical cost concept in preparing their financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group and in compliance with IFRS.

All significant intercompany transactions and balances between group entities are eliminated on consolidation.

On acquisition, the identifiable assets and liabilities of a subsidiaries are measured at their fair values at the date of acquisition. The non-controlling interests are stated at the minority's proportion of the fair values of the identifiable assets and liabilities. As it is impracticable to compute non-controlling interest based on the fair values of the identifiable assets and liabilities of the subsidiaries acquired, the directors have used the net assets of those subsidiaries based on their audited financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of presentation (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated and separate statement of profit or loss and comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(b) Basis of accounting

The consolidated and separate financial statements are prepared under the historical cost convention, except for the measurement at fair value of financial instruments carried on the consolidated and separate statement of financial position.

(c) Basis of consolidation

The consolidated and separate financial statements of the Group comprise of the financial statements of the Company and its subsidiaries.

Subsidiaries are consolidated and separate from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances, transactions, income and expenses are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to the consolidated and separate statement of comprehensive income or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investment in subsidiaries

Subsidiary undertakings are those entities in which the Company has control if all of the following elements are present:

(i) power over the investee;
(ii) exposure to variable returns from the investee, and
(iii) the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

(i) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
(ii) Substantive potential voting rights held by the Company and by other parties;
(iii) Other contractual arrangements; and

Investment in subsidiary is shown at cost, less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Investments in associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the consolidated and separate statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the year in which the investment is acquired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investments in associates (Continued)

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the consolidated and separate profit or loss. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated and separate profit or loss.

The financial statements of the associates are usually prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the consolidated and separate profit or loss.

Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have a joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in the consolidated and separate financial statements using the equity method of accounting, except when investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss of the joint venture. When the Company's share of the loss of the joint venture exceeds the Company's interest in the joint venture, the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments of the joint venture.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investment in joint ventures (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit and loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable of the investment subsequently increases.

(d) Revenue recognition

Income is recognised on the following basis:

(i) Interest is recognised as it accrues, unless collectability is in doubt;

(ii) Dividend income from investments is recognised when the shareholder's right to receive payment have been established;

(iii) Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers; and

(iv) Management fees, commission income, licence fees, royalty income and other income are recognised on an accrual basis.

(v) Royalty income is recognised on accrual basis in accordance with the substance with the relevant agreement. Royalties accrued 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.

(e) Expense recognition

All expenses are accounted for in the consolidated and separate statement of profit or loss on an accrual basis.

(f) Foreign currency translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency translation (Continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the consolidated and separate profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of other comprehensive income for the year. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated and separate financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the statement of other comprehensive income in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation (if any) are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment and depreciation

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 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

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 & Equipment	3 - 15 Years
4.	Improvements-Leasehold	6 - 10 Years
5.	Laboratory equipment	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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

Classification and measurement of financial assets

The Group had early adopted IFRS 9 last year. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments at amortised cost

A 'debt instrument' is measured at its 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.

c)

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 Fair Value Through Other Comprehensive Income (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 Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition 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 Fair Value Through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as 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').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Equity investments

All equity investments in scope of IFRS 9 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 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 recognised 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.

Impairment of financial assets

In accordance with IFRS 9, 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) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15 (referred to as 'contractual revenue receivables' in these financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

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 Group 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or Fair value through profit or loss. A financial liability is classified as at Fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at Fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition- Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(i) Financial assets

(a) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting year.

Initial measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Subsequent measurement

Financial assets at fair value through other comprehensive income are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any impairment.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Financial assets (continued)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides funds, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months of reporting period or non-current assets for maturities greater than twelve months. Other receivables are stated at the principal amount, net of any allowance for collectible amount.

(b) Cash and cash equivalents

Cash comprises of cash at bank and cash in hand. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(ii) Financial liabilities

(a) Trade and other payables

Trade and other payables are stated at their nominal value.

(b) Bonds- Senior Notes

Bonds are recognised at value being their issue proceeds net of transaction costs incurred. Bonds are classified as non-current liabilities unless settlement of the liability is at least twelve months after the reporting date.

(c) Borrowings

Borrowings are recognised at value being their issue proceeds net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(i) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Derivative financial instruments and hedge accounting (Continued)

Intangible assets

Expenditure incurred on product acquisitions are amortised on straight line basis over a period of fifteen years from the month of addition to match their expected future economic benefits.

Germplasm are amortised on straight line basis over a period of ten to fifteen years.

All other intangible assets are amortised on straight line basis over a period of three to five years.

Equity

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity.

Retained earnings include all current and prior period results as disclosed in the consolidated and separate statement of profit or loss and other comprehensive income.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. They include provisions for retirement benefits, leave encashment and gratuity.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Related parties

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity;
(vi) If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a); and
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

(k) Employee benefits

(i) The Group's subsidiaries are having a defined benefit pension plan which covers all full-time employees of the Company. Funding of the plan is made through payment to various funds managed by a third party and is in accordance with the funding requirements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation within the respective jurisdiction in which the Company and its subsidiaries operate.

(m) Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rate and tax laws substantively enacted at reporting date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax assets can be realised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Inventories

Inventories are stated at the lower of cost and net realisable value.

(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. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(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 costing basis which approximates the actual cost.

(iii) Traded goods are valued at lower of cost or net realisable value.

(o) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairment losses (if any) are recognised as an expense in the consolidated and separate statement of profit or loss.

(p) Sale of trade receivable

The Group sells insured trade receivables to banks whereby significant risks and rewards are transferred and this transfer is treated as "true sale" for both legal and financial reporting purposes and accordingly, these receivables are not reflected in the of the consolidated and separate statement of financial position.

(q) Non-current assets held-for-sale

Non-current assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale of transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Aircraft

Aircraft is recorded at cost less depreciation and provision for impairment, if any. Cost comprises of the purchase price and any attributable cost of bringing the aircraft to its working condition for its intended use. Depreciation is computed on the straight line method, based on the useful life of the aircraft on 100% of the acquisition cost and with a zero residual value. Annual depreciation rates used is 12.5% per annum.

Normal disbursements for repairs and maintenance are charged to the consolidated and separate profit or loss and significant costs that improve the efficiency and extend the useful life of the aircraft, are capitalised.

Repairs and maintenance

The Company utilises the built-in overhaul method to account for the major maintenance of the aircraft. Under the built-in overhaul method, the cost of the initial major maintenance activity is recorded as a deferred charge and is amortised over a period of 8 years.

(s) Biological Assets

Sinagro Produtos Agropecuários S.A. and 3SB Produtos Agrícolas 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 consolidated and separate statement of profit and loss.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(a) New standards and amendments – applicable 1 April 2018

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 April 2018:

IFRS 9 Financial Instruments and associated amendments to various other standards

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes introduce:

- a third measurement category (FVOCI) for certain financial assets that are debt instruments
- a new expected credit loss (ECL) model which involves a three stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial years commencing before 1 February 2015, entities could elect to apply IFRS 9 early for any of the following:

- the own credit risk requirements for financial liabilities
- classification and measurement (C&M) requirements for financial assets
- C&M requirements for financial assets and financial liabilities, or
- C&M requirements for financial assets and liabilities and hedge accounting.

After 1 February 2015, the new rules must be adopted in their entirety.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) New standards and amendments – applicable 1 April 2018 (Continued)

IFRS 15 Revenue from contracts with customers and associated amendments to various other standards

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:
• identify contracts with customers
• identify the separate performance obligation
• determine the transaction price of the contract
• allocate the transaction price to each of the separate performance obligations, and
• recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:
• Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
• Revenue may be recognised earlier than under previous standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal.
• The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
• There are new specific rules on licences, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.

• As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

The adoption of IFRS 15 did not have any impact on the Group's financial position and performance.

Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2

The amendments made to IFRS 2 in June 2016 clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. They also introduce an exception to the classification principles in IFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature.

Entities with the following arrangements are likely to be affected by these changes:
• equity-settled awards that include net settlement features relating to tax obligations
• cash-settled share-based payments that include performance conditions, and
• cash-settled arrangements that are modified to equity-settled sharebased payments.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) New standards and amendments – applicable 1 April 2018 (Continued)

Annual improvements 2014-2016 cycle

The following improvements were finalised in December 2016:

• IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.

• IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

(b) Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 March 2019.

IFRS 16 Leases

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Standards issued but not yet effective (continued)

Interpretation 23 Uncertainty over Income Tax Treatments

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

Prepayment Features with Negative Compensation – Amendments to IFRS 9

The narrow-scope amendments made to AASB 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.

To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128 Investments in Associates and Joint Ventures.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Standards issued but not yet effective (continued)

Annual Improvements to IFRS Standards 2015-2017 Cycle

The following improvements were finalised in December 2017:

• IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.

• IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

• IAS 12 - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

• IAS 23 - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Plan Amendment, Curtailment or Settlement – Amendments to IAS 19

The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must :

• calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
• any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
• separately recognise any changes in the asset ceiling through other comprehensive income.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investors in the associate or joint venture. The amendments apply prospectively.

In December the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the management's judgements made in applying the accounting policies of the Group that have the most significant effect on the consolidated and separate financial statements.

(a) Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 1, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar ("USD").

(b) Impairment of financial assets

IFRS 9 effectively incorporates an impairment review for financial assets that are measured at fair value, as any fall in fair value is taken to profit or loss or other comprehensive income for the year, depending upon the classification of the financial asset.

For financial assets designated to be measured at amortised cost, management has based on its assessment at each reporting date noted that there are no evidence or any such indications of events which may have impact on future cash flows of the Company. As at reporting date, management has reviewed the receivables from non-group customers based on the ECL model and since based on group policies these receivables are not overdue for more than 270 days, there was no requirement to provide for an impairment loss allowance. Therefore, they believe no impairment provision is required to be made to the financial statements.

(c) 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.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Translation reserve

The Company has granted a quasi-equity long term foreign currency loan for some investment activities by its subsidiaries. As settlement date of the loan is not determined as at the reporting date, exchange differences arising on translation of the loan has been recognised in other comprehensive income and under translation reserve in equity. The translation reserve amounting to USD 6,748 thousand (2018: USD 8,040 thousand) appearing under equity represents those translation differences on the conversion of the quasi-equity loan to USD.

(e) Share of results of associates

The associate's financial statements cover a 12 months period up to 31 December and also to 31 March and that of the group ends on 31 March. As the result of the amount for the 3 months to 31 March is not significant, directors have not made any adjustment in respect thereto.

6. ESTIMATION UNCERTAINTY

While preparing the consolidated and separate financial statements, the directors undertake a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

7. INTANGIBLE ASSETS

(a) Goodwill

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	USD '000	USD '000	**USD '000**	USD '000
At 31 March	**2,264,253**	159,718	**-**	-

(b) Net boook values

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	USD '000	USD '000	**USD '000**	USD '000
Customer list	**360,842**	208	-	-
Right to use assets	**276**	394	-	-
Germplasm	**541**	1,200	-	-
Brand/ Trade Marks	**54,237**	-		
Non-compete agreements	**34,861**	-		
Product registration/acquisition	**1,260,862**	112,494	**6,956**	5,480
Software	**6,732**	1,042	**-**	-
	1,718,351	115,338	**6,956**	5,480

(c) Intangible assets consisting of know-how and product registration data are shown at historical costs, have a finite life and are carried at cost less accumulated amortisation.

(d) INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development amounting to **USD 79,167** thousand (2018: USD 29,129 thousand) represent development of assets which are still under progress. Once development has been completed, these assets are transferred to intangible assets and amortisation are carried out accordingly.

THE GROUP

	Right to use assets	Germplasm	Brand/ Trade Marks	Non-compete agreements	Product Registration/ Acquisition	Software/ License Fees	Customer Lists	Goodwill	Total
	USD '000	USD '000			USD '000	USD '000	USD '000	USD '000	USD '000
COST									
At 1 April 2018	446	11,216	-	-	424,290	6,579	1,500	159,718	603,749
Acquisitions	-	-	58,828	49,414	1,719,021	42,196	404,226	2,114,866	4,388,551
Additions	-	-	248	-	20,650	1,054	-	-	21,952
Disposals	-	-	-	-	(11,921)	(269)	-	-	(12,190)
Impairment	-	-	-	-	-	-	-	(182)	(182)
Exchange difference	(42)	-	-	-	(27,093)	(580)	-	(10,149)	(37,864)
Other adjustments	-	-	702	-	(600)	-	-	-	102
At 31 March 2019	**404**	**11,216**	**59,778**	**49,414**	**2,124,347**	**48,980**	**405,726**	**2,264,253**	**4,964,118**
AMORTISATION									
At 1 April 2018	52	10,016	-	-	311,796	5,537	1,292	-	328,693
Charge on acquisitions	-		4,759	13,426	529,306	36,504	39,332	-	623,327
Charge on additions	81	659	64	1,209	55,039	904	4,261	-	62,217
Disposal	-		-	(50)	(11,392)	(270)	-	-	(11,712)
Other adjustments			718	(32)	(650)	65	(1)	-	100
Exchange difference	(5)		-		(20,614)	(492)	-	-	(21,111)
At 31 March 2019	**128**	**10,675**	**5,541**	**14,553**	**863,485**	**42,248**	**44,884**	**-**	**981,514**
NET BOOK VALUES									
At 31 March 2019	**276**	**541**	**54,237**	**34,861**	**1,260,862**	**6,732**	**360,842**	**2,264,253**	**3,982,604**
At 31 March 2018	394	1,200	-	-	112,494	1,042	208	159,718	275,056

8. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP / THE COMPANY

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	USD '000	USD '000	**USD '000**	USD '000
Net book values				
Freehold land	**24,759**	19,523	-	-
Land – leasehold	**13,746**	1,760	-	-
Building	**100,414**	27,398	-	-
Plant and machinery	**136,554**	57,858	-	-
Laboratory equipment	**3,393**	3,644	-	-
Furniture, fixture and equipment	**7,026**	2,575	-	-
Vehicles	**13,981**	7,097	-	-
Leased vehicles	**24**	55	-	-
Office equipment	**4,056**	4,276	**40**	42
Land improvements	**125**	172	-	-
Building improvements	**3,484**	3,611	-	-
Building - leasehold	**859**	864	-	-
Furniture, fixture and equipment taken on lease	**0**	53	-	-
	308,421	128,886	**40**	42

(b) CAPITAL WORK IN PROGRESS

Capital work in progress amounted to **USD 49,684** thousand (2018: USD 71,224 thousand) represents the projects which are still under progress. Once these projects have been completed, they are transferred to property, plant and equipment and depreciation are carried out accordingly.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP

	Freehold Land	Leasehold Land	Building	Leasehold Building	Plant and Machinery	Laboratory Equipment	Furniture Fixtures and Equipment	Vehicles	Land Improvements	Building Improvements	Office Equipment	Vehicles under finance lease	Furniture Fixture Equipment under finance lease	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
COST														
At 1 April 2018	19,523	1,879	54,584	4,156	203,848	8,056	5,608	13,525	2,735	5,267	9,635	160	97	329,073
Acquisitions	5,584	17,788	100,670	-	151,954	-	13,897	14,199	-	-	-	-	-	304,092
Additions	339	66	30,022	286	42,748	423	956	4,359	-	408	1,339	(10)	-	80,936
Disposals	(6)	(316)	(97)	-	(7,829)	(128)	(520)	(1,407)	-	(30)	(414)	-	(85)	(10,832)
Exchange differences	(681)	(212)	(3,162)	(387)	(15,174)	(461)	(345)	(1,316)	(257)	(177)	(630)	(12)	(12)	(22,826)
Other adjustments	-	-	(50)	-	253	-	(79)	(122)	-	-	-	-	-	2
At 31 March 2019	**24,759**	**19,205**	**181,967**	**4,055**	**375,800**	**7,890**	**19,517**	**29,238**	**2,478**	**5,468**	**9,930**	**138**	**-**	**680,445**
DEPRECIATION														
At 1 April 2018	-	119	27,186	3,292	145,990	4,412	3,033	6,428	2,563	1,656	5,359	105	44	200,187
Charge on acquisitions	-	5,253	53,785	-	100,281	-	9,299	7,559	-	-	-	-	-	176,177
Charge on additions	-	150	2,674	211	11,632	517	638	3,066	31	394	1,283	16	1	20,613
Disposal	-	(61)	(93)	-	(7,555)	(110)	(409)	(1,069)	-	(12)	(394)	-	(40)	(9,743)
Exchange differences	-	(2)	(1,999)	(307)	(10,982)	(322)	(200)	(617)	(241)	(54)	(374)	(7)	(5)	(15,110)
Other adjustments	-	-	-	-	(120)	-	130	(110)	-	-	-	-	-	(100)
At 31 March 2019	**-**	**5,459**	**81,553**	**3,196**	**239,246**	**4,497**	**12,491**	**15,257**	**2,353**	**1,984**	**5,874**	**114**	**-**	**372,024**
NET BOOK VALUES														
At 31 March 2019	**24,759**	**13,746**	**100,414**	**859**	**136,554**	**3,393**	**7,026**	**13,981**	**125**	**3,484**	**4,056**	**24**	**-**	**308,421**
At 31 March 2018	19,523	1,760	27,398	864	57,858	3,644	2,575	7,097	172	3,611	4,276	55	53	128,886

9. AIRCRAFT

THE GROUP

	Total
	USD '000
COST	
At 1 April 2018	12,162
Additional	
At 31 March 2019	**12,162**
DEPRECIATION	
At 1 April 2018	6,109
Charge for year	1,265
At 31 March 2019	**7,374**
NET BOOK VALUES	
At 31 March 2019	**4,788**
At 31 March 2018	6,053

10. INVESTMENT IN SUBSIDIARIES

THE COMPANY

	THE COMPANY	
	2019	2018
	USD '000	USD '000
Investments - Unquoted		
At 1 April	**671,885**	614,108
Additions	**1,850,788**	58,082
Disposal	**(1,039)**	-
Effect of amalgamation (note 52)	**-**	(305)
At 31 March	**2,521,634**	671,885

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)
The list of subsidiaries, associates and joint venture companies considered for consolidation together with the proportion of shareholding held by the Group is as follows:

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
1	UPL Europe Limited	Crop protection	United Kingdom		100%	100%
2	UPL Deutschland GmbH	Crop protection	Germany		100%	100%
3	UPL Polska Sp z.o.o.	Crop protection	Poland		100%	100%
4	UPL Benelux B.V.	Crop protection	Netherlands		100%	100%
5	Cerexagri B.V.	Crop protection	Netherlands		100%	100%
6	Blue Star B.V.	Crop protection	Netherlands	#4	-	100%
7	United Phosphorus Holdings Cooperatief U.A.	Crop protection	Netherlands		100%	100%
8	United Phosphorus Holdings B.V.	Crop protection	Netherlands		100%	100%
9	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Crop protection	Netherlands		100%	100%
10	Decco Worldwide Post-Harvest Holdings B.V.	Crop protection	Netherlands		100%	100%
11	United Phosphorus Holding, Brazil B.V.	Crop protection	Netherlands		100%	100%
12	UPL Italia S.R.L.	Crop protection	Italy		100%	100%
13	UPL Iberia, S.A.	Crop protection	Spain		100%	100%
14	Decco Iberica Postcosecha, S.A.U.	Crop protection	Spain		100%	100%
15	Transterra Invest, S. L. U.	Crop protection	Spain		100%	100%
16	Cerexagri S.A.S.	Crop protection	France		100%	100%
17	Neo-Fog S.A.	Crop protection	France		100%	100%
18	UPL France	Crop protection	France		100%	100%
19	United Phosphorus Switzerland Limited	Crop protection	Switzerland		100%	100%
20	Agrodan, ApS	Crop protection	Denmark		100%	100%
21	Decco Italia SRL	Crop protection	Italy		100%	100%
22	Limited Liability Company "UPL"	Crop protection	Russia		100%	100%
23	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal Unipessoal LDA)	Crop protection	Portugal		100%	100%
24	United Phosphorus Inc.	Crop protection	USA		100%	100%
25	UPI Finance LLC	Crop protection	USA		100%	100%
26	Cerexagri, Inc. (PA)	Crop protection	USA		100%	100%
27	UPL Delaware, Inc.	Crop protection	USA		100%	100%
28	Canegrass LLC	Crop protection	USA		70%	70%
29	Decco US Post-Harvest Inc	Crop protection	USA		100%	100%
30	RiceCo LLC	Crop protection	USA		100%	100%
31	Riceco International, Inc.	Crop protection	Bahamas		100%	100%
32	UPL Corporation Limited	Crop protection	Mauritius		100%	100%
33	UPL Limited	Crop protection	Mauritius	#	-	100%
34	UPL Management DMCC	Crop protection	United Arab Emirates		100%	100%

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
35	UPL Limited	Crop protection	Gibraltar		100%	100%
36	UPL Agro S.A. de C.V.	Crop protection	Mexico		100%	100%
37	Decco Jifkins Mexico Sapi	Crop protection	Mexico		100%	100%
38	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	Crop protection	Brazil		100%	100%
39	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	Crop protection	Brazil		100%	100%
40	UPL Costa Rica S.A.	Crop protection	Costa Rica		100%	100%
41	UPL Bolivia S.R.L	Crop protection	Bolivia		100%	100%
42	UPL Paraguay S.A.	Crop protection	Paraguay		100%	100%
43	Icona Sanluis S.A.	Crop protection	Argentina		100%	100%
44	DVA Technology Argentina S.A.	Crop protection	Argentina	#1	-	100%
45	UPL Argentina S A	Crop protection	Argentina		100%	100%
46	Decco Chile SpA	Crop protection	Chile		100%	100%
47	UPL Colombia SAS	Crop protection	Colombia		100%	100%
48	United Phosphorus Cayman Limited	Crop protection	Cayman Islands		100%	100%
49	UP Aviation Limited	Crop protection	Cayman Islands		100%	100%
50	UPL Australia Limited	Crop protection	Australia		100%	100%
51	UPL New Zealand Limited	Crop protection	New Zealand		100%	100%
52	UPL Shanghai Limited	Crop protection	China		100%	100%
53	UPL Limited (Korea)	Crop protection	Korea		100%	100%
54	PT.UPL Indonesia	Crop protection	Indonesia		100%	100%
55	PT Catur Agrodaya Mandiri	Crop protection	Indonesia		100%	100%
56	UPL Limited	Crop protection	Hong Kong		100%	100%
57	UPL Philippines Inc.	Crop protection	Philippines		100%	100%
58	UPL Vietnam Co. Limited	Crop protection	Vietnam		100%	100%
59	UPL Limited, Japan	Crop protection	Japan		100%	100%
60	Anning Decco Fine Chemical Co. Limited	Crop protection	China		55%	55%
61	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi	Crop protection	Turkey		100%	100%
62	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Crop protection	Turkey	#2	100%	100%
63	Safepack Products Limited	Crop protection	Israel		100%	100%
64	Citrashine (Pty) Ltd	Crop protection	South Africa		100%	100%
65	UPL Africa SARL	Crop protection	Senegal	#6	-	-
66	Prolong Limited	Crop protection	Israel	#3	100%	100%
67	Perrey Participações S.A	Crop protection	Brazil		100%	100%
68	Advanta Netherlands Holding B.V.	Seed Business	Netherlands		100%	100%
69	Advanta Semillas SAIC	Seed Business	Argentina		100%	100%
70	Advanta Holdings B.V.	Seed Business	Netherlands		100%	100%
71	Advanta Seeds International	Seed Business	Mauritius		100%	100%

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
72	Pacific Seeds Holdings (Thailand) Limited	Seed Business	Thailand		100%	100%
73	Pacific Seeds (Thai) Limited	Seed Business	Thailand		100%	100%
74	Advanta Seeds Pty Ltd	Seed Business	Australia		100%	100%
75	Advanta US LLC (formerly known as Advanta U.S. Inc.)	Seed Business	USA		100%	100%
76	Advanta Comercio De Sementes LTDA.	Seed Business	Brazil		100%	100%
77	PT Advanta Seeds Indonesia	Seed Business	Indonesia		100%	100%
78	Advanta Seeds DMCC	Seed Business	United Arab Emirates		100%	100%
79	Essentiv LCC	Crop protection	USA		50%	50%
80	UPL Limited Mauritius (Formely known as UPL Agro Limited Mauritius)	Crop protection	Mauritius	`@3	100%	100%
80	UPL Jiangsu Limited	Crop protection	China	`@2	70%	70%
80	Riceco International Bangladesh Ltd	Crop protection	Bangladesh	`@3	100%	100%
80	Uniphos Malaysia Sdn Bhd	Crop protection	Malaysia	`@3	100%	100%
80	Advanta Seeds Ukraine LLC	Seed Business	Ukraine		100%	100%
80	Decco Gıda Tarım ve Zirai Ürünler San. Tic A.S.	Crop protection	Turkey	@	100%	-
80	Arysta LifeScience Investments LLC	Crop protection	USA	@1	100%	-
80	Arysta LifeScience America Inc.	Crop protection	USA	@1	100%	-
80	ANESA S.A.	Crop protection	Belgium	@1	100%	-
80	Arysta LifeScience Management Company, LLC	Crop protection	USA	@1	100%	-
80	Arysta LifeScience SPC, LLC	Crop protection	USA	@1	100%	-
80	Arysta LifeScience India Limited	Crop protection	India	@1	100%	-
80	Arysta LifeScience Agriservice Private Limited	Crop protection	India	@1	100%	-
80	Arysta LifeScience Togo SAU	Crop protection	Togo	@1	100%	-
80	Arysta Agro Private Limited	Crop protection	India	@1	100%	-
80	Arysta LifeScience do Brasil Indústria Química e Agropecuária SA	Crop protection	Brazil	@1	87%	-
80	Volcano Agrociencia Industria e Comercio de Defensivos Agricolas Ltda	Crop protection	Brazil	@1	100%	-
80	GBM USA LLC	Crop protection	USA	@1	100%	-
80	Arysta LifeScience Canada, Inc.	Crop protection	Canada	@1	100%	-
80	Arysta LifeScience Canada BC Inc.	Crop protection	Canada	@1	100%	-
80	Arysta LifeScience North America, LLC	Crop protection	USA	@1	100%	-
80	Arysta LifeScience NA Holding LLC	Crop protection	USA	@1	100%	-
80	Arysta LifeScience Inc.	Crop protection	USA	@1	100%	-
80	Arysta LifeScience Services LLP	Crop protection	India	@1	100%	-
80	Arysta LifeScience France SAS	Crop protection	France	@1	100%	-
80	Arysta LifeScience Benelux SPRL	Crop protection	Belgium	@1	100%	-
80	Arysta LifeScience (Mauritius) Ltd	Crop protection	Mauritius	@1	100%	-
80	Arysta LifeScience South Africa (Pty) Ltd	Crop protection	South Africa	@1	100%	-
80	Arysta Health and Nutrition Sciences Corporation	Health Nutrition Solution	Japan	@1	100%	-

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
109	Arysta LifeScience Corporation	Crop protection	Japan	@1	100%	-
110	Arysta LifeScience S.A.S.	Crop protection	France	@1	100%	-
111	Arysta LifeScience Chile S.A.	Crop protection	Chile	@1	100%	-
112	Arysta LifeScience Mexico, S.A.de C.V	Crop protection	Mexico	@1	100%	-
113	Grupo Bioquimico Mexicano, S.A. de C.V.	Crop protection	Mexico	@1	100%	-
114	MacDermid Agricultural Solutions Netherlands Cooperatief UA	Crop protection	Netherlands	@1	100%	-
115	Arysta LifeScience UK & Ireland Ltd	Crop protection	U.K.	@1	100%	-
116	Arysta LifeScience Europe Sarl	Crop protection	France	@1	100%	-
117	MacDermid Agricultural Solutions Italy Srl	Crop protection	Italy	@1	100%	-
118	Platform Sales Suisse GmbH	Crop protection	Switzerland	@1	100%	-
119	MacDermid Agricultural Solutions Holdings BV	Crop protection	Netherlands	@1	100%	-
120	Dutch Agricultural Investment Partners LLC	Crop protection	USA	@1	100%	-
121	Netherlands Agricultural Investment Partners LLC	Crop protection	USA	@1	100%	-
122	Arysta LifeScience Bulgaria EOOD	Crop protection	Bulgaria	@1	100%	-
123	Arysta LifeScience Romania SRL	Crop protection	Romania	@1	100%	-
124	Arysta LifeScience Kiev LLC	Crop protection	Ukraine	@1	100%	-
125	Arysta LifeScience Great Britain Ltd	Crop protection	U.K.	@1	100%	-
126	Arysta LifeScience Technology BV	Crop protection	Netherlands	@1	100%	-
127	Arysta LifeScience Netherlands BV	Crop protection	Netherlands	@1	100%	-
128	Arysta LifeScience RUS LLC	Crop protection	Russia	@1	100%	-
129	Netherlands Agricultural Technologies CV	Crop protection	Netherlands	@1	100%	-
130	Dutch Agricultural Formations CV	Crop protection	Netherlands	@1	100%	-
131	Arysta LifeScience Turkey Tarim Urunleri Limited Sirketi	Crop protection	Turkey	@1	100%	-
132	Arysta LifeScience Australia Pty Ltd.	Crop protection	Australia	@1	100%	-
133	Chemtura (Thailand) Ltd	Crop protection	Thailand	@1	100%	-
134	MacDermid (Shanghai) Chemical Ltd.	Crop protection	China	@1	100%	-
135	Arysta-LifeScience Ecuador S.A.	Crop protection	Ecuador	@1	100%	-
136	Arysta LifeScience Ougrée Production Sprl	Crop protection	Belgium	@1	100%	-
137	Arysta LifeScience Hellas S.A. Plant Protection, Nutrition and Other Related Products and Services	Crop protection	Greece	@1	100%	-
138	Arysta LifeScience Iberia SLU	Crop protection	Spain	@1	100%	-
139	Arysta Lifescience Italia SrL	Crop protection	Italy	@1	100%	-
140	Agriphar Poland Sp. Zoo	Crop protection	Poland	@1	100%	-
141	Arysta LifeScience Switzerland Sarl	Crop protection	Switzerland	@1	100%	-
142	Arysta Animal Health SAS	Animal Health	France	@1	100%	-
143	PPWJ Sci	Animal Health	France	@1	100%	-
144	Santamix Iberica SL	Animal Health	Spain	@1	100%	-
145	Arysta LifeScience Global Services Limited	Crop protection	Ireland	@1	100%	-

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
146	Arysta LifeScience European Investments Limited	Crop protection	U.K.	@1	100%	-
147	Arysta LifeScience U.K. Limited	Crop protection	U.K.	@1	100%	-
148	Arysta LifeScience U.K. CAD Limited	Crop protection	U.K.	@1	100%	-
149	Arysta LifeScience U.K. EUR Limited	Crop protection	U.K.	@1	100%	-
150	Arysta LifeScience U.K. JPY Limited	Crop protection	U.K.	@1	100%	-
151	Arysta LifeScience U.K. USD Limited	Crop protection	U.K.	@1	100%	-
152	Arysta Lifescience U.K. Holdings Limited	Crop protection	U.K.	@1	100%	-
153	Arysta LifeScience Japan Holdings Goudou Kaisha	Crop protection	Japan	@1	100%	-
154	Arysta LifeScience Cameroun SA	Crop protection	Cameroon	@1	100%	-
155	Callivoire SGFD S.A.	Crop protection	Cote D'Ivoire	@1	100%	-
156	Arysta LifeScience Egypt Ltd	Crop protection	Egypt	@1	100%	-
157	Calli Ghana Ltd.	Crop protection	Ghana	@1	100%	-
158	Arysta LifeScience Kenya Ltd.	Crop protection	Kenya	@1	100%	-
159	Mali Protection Des Cultures (M.P.C.) SA	Crop protection	Mali	@1	85%	-
160	Agrifocus Limitada	Crop protection	Mozambique	@1	100%	-
161	Arysta LifeScience Holdings SA (Pty) Ltd	Crop protection	South Africa	@1	100%	-
162	Anchorprops 39 (Pty) Ltd	Crop protection	South Africa	@1	100%	-
163	Callietha Investments (Pty) Ltd	Crop protection	South Africa	@1	100%	-
164	Sidewalk Trading (Pty) Ltd	Crop protection	South Africa	@1	100%	-
165	Volcano Agroscience (Pty) Ltd	Crop protection	South Africa	@1	100%	-
166	Volcano Chemicals (Pty) Ltd	Crop protection	South Africa	@1	100%	-
167	Arysta LifeScience Tanzania Ltd	Crop protection	Tanzania	@1	100%	-
168	Arysta LifeScience (Shanghai) Co., Ltd.	Crop protection	China	@1	100%	-
169	Pt. Arysta LifeScience Tirta Indonesia	Crop protection	Indonesia	@1	50%	-
170	Arysta LifeScience Korea Ltd.	Crop protection	Korea	@1	100%	-
171	Arysta LifeScience Pakistan (Pvt.) LTD.	Crop protection	Pakistan	@1	100%	-
172	Arysta LifeScience Philippines Inc.	Crop protection	Philippines	@1	100%	-
173	Arysta LifeScience Asia Pte., Ltd.	Crop protection	Singapore	@1	100%	-
174	Arysta LifeScience (Thailand) Co., Ltd.	Crop protection	Thailand	@1	100%	-
175	Arysta LifeScience Vietnam Co., Ltd.	Crop protection	Vietnam	@1	100%	-
176	Arysta LifeScience Holdings France SAS	Crop protection	France	@1	100%	-
177	Goëmar Développement SAS	Crop protection	France	@1	100%	-
178	Laboratoires Goëmar SAS	Crop protection	France	@1	100%	-
179	Natural Plant Protection S.A.S.	Crop protection	France	@1	100%	-
180	Arysta LifeScience Czech s.r.o.	Crop protection	Czech Rpb	@1	100%	-
181	Arysta LifeScience Germany GmbH	Crop protection	Germany	@1	100%	-

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
182	Arysta LifeScience Magyarorszag Kft.	Crop protection	Hungary	@1	100%	-
183	Arysta LifeScience Polska Sp. z.o.o	Crop protection	Poland	@1	100%	-
184	Betel Reunion S.A.	Crop protection	Reunion(Fr)	@1	66%	-
185	Arysta LifeScience Vostok Ltd.	Crop protection	Russia	@1	100%	-
186	Arysta LifeScience Slovakia S.R.O.	Crop protection	Slovakia	@1	100%	-
187	Arysta LifeScience Ukraine LLC	Crop protection	Ukraine	@1	100%	-
188	Arysta LifeScience Global Limited	Crop protection	U.K.	@1	100%	-
189	Arysta LifeScience Argentina S.A.	Crop protection	Argentina	@1	100%	-
190	Arysta LifeScience Colombia S.A.S	Crop protection	Colombia	@1	100%	-
191	Arysta LifeScience CentroAmerica, S.A.	Crop protection	Guatemala	@1	100%	-
192	Arysta LifeScience Mexico Holding S.A.de C.V	Crop protection	Mexico	@1	100%	-
193	Bioenzymas S.A. de C.V.	Crop protection	Mexico	@1	100%	-
194	Desarrollos Inmobiliarios Alianza de Coahuila, S.A. de C.V.	Crop protection	Mexico	@1	100%	-
195	Omega Agroindustrial, S.A. de C.V.	Crop protection	Mexico	@1	100%	-
196	Agroquimicos y Semillas, S.A. de C.V.	Crop protection	Mexico	@1	100%	-
197	Servicios Agricolas Mundiales SA de CV	Crop protection	Mexico	@1	100%	-
198	Tecno Extractos Vegetales, S.A. de C.V.	Crop protection	Mexico	@1	100%	-
199	Tesaurus Mexico S.A. de C.V.	Crop protection	Mexico	@1	100%	-
200	Arysta LifeScience Paraguay S.R.L.	Crop protection	Paraguay	@1	100%	-
201	Arysta LifeScience Peru S.A.C	Crop protection	Peru	@1	100%	-
202	Arysta LifeScience Costa Rica SA.	Crop protection	Costa Rica	@1	100%	-
203	Arysta LifeScience de Guatemala, S.A.	Crop protection	Guatemala	@1	100%	-
204	Arysta LifeScience S.R.L.	Crop protection	Bolivia	@1	67%	-
205	Myanmar Arysta LifeScience Co., Ltd.	Crop protection	Myanmar	@1	100%	-
206	Arysta LifeScience U.K. BRL Limited	Crop protection	U.K.	@1	100%	-
207	Etec Crop Solutions Limited	Crop protection	New Zealand	@1	100%	-
208	MacDermid Agricultural Solutions Australia Pty Ltd	Crop protection	Australia	@1	100%	-
209	Arvesta Corporation	Crop protection	USA	@1	100%	-
210	Arysta LifeScience Registrations Great Britain Ltd	Crop protection	U.K.	@1	100%	-
211	Agriphar SDN BHD	Crop protection	Malaysia	@1	100%	-
212	Agriphar de Costa Rica SA	Crop protection	Costa Rica	@1	100%	-
213	Agriphar de Colombia SAS	Crop protection	Colombia	@1	100%	-
214	Industrias Agriphar SA	Crop protection	Guatemala	@1	100%	-
215	Kempton Chemicals (Pty) Ltd	Crop protection	South Africa	@1	100%	-
216	Agripraza Ltda.	Crop protection	Portugal	@1	100%	-
217	Arysta LifeScience Corporation Republica Dominicana, SRL	Crop protection	Dominican Rpb	@1	100%	-
218	Grupo Bioquimico Mexicano Republica Dominicana SA	Crop protection	Dominican Rpb	@1	100%	-

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Principal activities	Country of incorporation	Ref	Holdings	
					2019	2018
219	Arysta LifeScience Ecuador S.A.	Crop protection	Ecuador	@1	100%	-
220	Arvesta Paraguay S.A.	Crop protection	Paraguay	@1	100%	-
221	Arysta Agroquimicos y Fertilzantes Uruguay SA	Crop protection	Uruguay	@1	100%	-
222	Arysta LifeScience U.K. USD-2 Limited	Crop protection	U.K.	@1	100%	-
223	Veto-Pharma SA	Animal Health	France	@1, #5	100%	-
224	Wyjolab S.A.	Animal Health	France	@1, #5	100%	-
225	MacDermid (Nanjing) Chemical Ltd.	Crop protection	China	@1, #1	0%	-

@ Subsidiary formed during the year
@ 1 Subsidiary acquired during the year
@ 2 Subsidiary formed during the previous year
'@3 Subsidiary acquired during during year
During the previous year UPL Limited, Mauritius merged in UPL Corporation Limited, Mauritius
1 Subsidiary divested during the year.
2 During the previous year, the Group through its step down wholly owned subsidiary, has increased its stake from 51% to 100%
3 During the previous year, the Group through its step down wholly owned subsidiary, has increased its stake from 50% to 100%
4 During the year, Blue Star B.V. was merged into United Phosphorus Holdings B.V.
5 During the year, Veto-Pharma SA and Wyjolab S.A. were merged into Arysta Animal Health SAS
6 Subsidiary divested during the previous year.

Associates

Sr. No.	Associate Companies		Country of incorporation		31.03.2019 % of Group Holding	31.03.2018 % of Group Holding
1	Polycoat Technologies 2010 Limited	##	Israel		20%	20%
2	Sinagro Produtos Agropecuários S.A.	$$$, #	Brazil		45%	49%
3	3SB Produtos Agricolas S . A	$$$, #	Brazil		45%	49%
4	Seara Comercial Agricola Ltda.		Brazil		**	**
5	Serra Bonita Sementes S.A.	$$	Brazil		33%	33%
6	Bioplanta Nutricao Vegetal, Industria e Comercio S.A.		Brazil		***	***
7	Agri Fokus (Pty) Ltd.	$	South Africa		25%	0%
8	Novon Retail Company (Pty) Ltd.	$	South Africa		25%	0%
9	Agronamic (Pty) Ltd.	$	South Africa		28%	0%
10	Novon Protecta (Pty) Ltd	$	South Africa		25%	0%
11	Silvix Forestry (Pty) Ltd.	$	South Africa		25%	0%
12	Nexus AG (Pty) Ltd	$	South Africa		25%	0%
13	Dalian Advanced Chemical Co.Ltd.	$	China		21%	0%
14	Société des Produits Industriels et Agricoles	$	Senegal		32%	0%
15	CGNS Limited	$	United Kingdom		25%	0%
16	Callitogo SA	$	Togo		35%	0%

$ Investment during the year
$$ Investment made during the previous year ended 2017-18
$$$ 5% stake divested during the year
** This is 51% step-down subsidiary of Sinagro Produtos Agropecuários S.A.
*** These are 33.33% Joint ventures of Sinagro Produtos Agropecuários S.A.
# Additional 9% stake acquired during the previous year
Divested during the year

Joint Venture

Sr. No.	Joint Venture Company		Country of incorporation		31.03.2019 % of Group Holding	31.03.2018 % of Group Holding
1	Hodogaya UPL Co. Limited		Japan		40%	40%
2	Longreach Plant Breeders Management Pty Limited		Australia		69%	69%
3	United Phosphorus (Bangladesh) Limited		Bangladesh		50%	50%

11. INVESTMENTS STATED AT FAIR VALUE THROUGH PROFIT AND LOSS

THE GROUP

	Carrying amounts	
	2019	2018
Unquoted & Quoted investments	**USD '000**	USD '000
Ishihara Sangyo Kaisha Ltd. (Quoted)	**11,916**	14,379
Agrofresh	**6,337**	-
IBI Debentures (Unquoted)	**-**	64,895
Others (Unquoted)	**4,357**	4
	22,610	79,278

12. INVESTMENT IN ASSOCIATES

THE GROUP

Name of associates	**Country of incorporation**	**% holding**	**2019 USD '000**	2018 USD '000
Sinagro Produtos Agropecuários S.A.	Brasil	40	**-**	-
3SB Produtos Agricolas S.A	Brasil	40	**12,926**	15,704
Seara Bonita	Brasil	33.33	**27,501**	31,864
Dalian Advanced Chemical Co.Ltd.			**84**	-
Agronamic (Pty) Ltd.			**708**	-
Novon Protecta (Pty) Ltd			**1,066**	-
Novon Retail Company (Pty) Ltd.			**1,036**	
Silvix Forestry (Pty) Ltd.			**39**	-
Société des Produits Industriels et Agricoles			**607**	
Agri Fokus (Pty) Ltd.			**517**	
Nexus AG (Pty) Ltd			**1,418**	-
			45,902	47,568

13. INVESTMENT IN JOINT VENTURE

THE GROUP	**2019 USD '000**	2018 USD '000
Longreach Plant Breeders Management Pty Ltd,Australia	**7,226**	4,733
United Phosphorous (Bangladesh) Limited	**7**	7
Hodogaya UPL Co. Limited(Note (a))	**3,348**	3,159
	10,581	7,899

(a) The Group has 40% ownership interest in Hodogaya UPL Co. Limited, a jointly controlled entity incorporated in Japan.

THE COMPANY	**2019 USD '000**	2018 USD '000
United Phosphorous (Bangladesh) Limited	**329**	329

The Company had acquired 50% of the share capital of United Phosphorous (Bangladesh) Limited, representing 1,627 of TK 1,000 each, from its sole shareholder for a total consideration of USD 329 thousand. The investment has been stated at cost.

14. LOAN AND ADVANCES

THE GROUP	2019 USD '000	2018 USD '000
Non-current assets (More than one year)		
Advance recoverable in cash and kind	3,774	4,469
Loans and advances to employees	-	5
Long term loans to related party	8,360	9,052
Long term MAT entitlement	40	867
Advance tax	24,527	2,959
Long term advances others	3,409	2,558
Sundry deposits	2,826	2,547
Others	19,093	-
Long term- Deposits with the Collectorate of Central Excise	120	196
	62,149	22,653
Current assets (Less than one year)		
Advance recoverable in cash and kind	149,136	49,739
Loans and advances to employees	1,829	705
Loan to related party	150,160	15,601
Sundry deposits	5,002	4,689
Payment of taxes	70,275	4,183
Interest receivable	195	4,766
	376,597	79,683

15. TRADE AND OTHER RECEIVABLES

	2019 USD '000	2018 USD '000 Restated
THE GROUP		
Non-current asset (More than one year)		
Debtors	491	225
Current assets (Less than one year)		
Debtors – Others	1,546,301	760,300
Receivables from holding company	33,395	19,513
	1,579,696	779,813

THE COMPANY	2019 USD '000	2018 USD '000
Non-current assets (More than one year)		
Amount receivable from group companies (Note 39)	2,674,082	191,764
	2,674,082	191,764

Current assets (Less than one year)	2019 USD '000	2018 USD '000
Trade debtors	2,604	3,998
Effect of Amalgamation -trade receivables (note 52)	-	18,167
Effect of Amalgamation -group receivables (notes 39 & 52)	-	7
Other receivables	3,591	1,599
Loans and advances	351,960	402,441
Trade debtors - group (Note 39)	310,808	281,375
	668,963	707,587

The average credit period on sales of goods on credit is 180 days. Interest and commission fees is charged on outstanding invoices. No other provision for doubtful trade receivables is required and the directors have assessed that the outstanding balances will be fully recoverable.

The director believes that the carrying amount of the trade and other receivables are approximate to their fair value. The ageing analysis of the trade receivables are as follows:

	Group		Company	
	2019 USD '000	2018 USD '000	2019 USD '000	2018 USD '000
Within 1 year trade receivables	1,579,696	779,813	245,043	281,382
More than 1 year trade receivables	491	225	-	-
	1,580,187	780,038	245,043	281,382

At the reporting date, none of the trade receivables was impaired.

Before accepting any new customer, management assesses the credit quality of the customer and defines the terms accordingly. In determining the recoverability of a trade receivable, management considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting year.

16. NON-CURRENT ASSETS HELD FOR SALE

Assets held for sale represents assets amounted to **USD 3,730** thousand (2018: USD 3,057 thousand) acquired from customers who have not been able to settle their debts in cash.

17. INVENTORIES

THE GROUP	2019 USD '000	2018 USD '000
Stores and Spares	4,890	4,687
Packing Materials	9,675	10,114
Finished Products	663,510	290,005
By - Products	152	137
Semi-finished products	39,044	34,205
Traded goods	88,510	58,654
Raw materials	237,643	63,190
Work in Progress	14,957	-
	1,058,381	460,992

THE COMPANY	2019 USD '000	2018 USD '000
Goods held at third party warehouse	-	-
Goods in transit	1,627	2,445
	1,627	2,445

18. CASH AND CASH EQUIVALENTS

THE GROUP	2019 USD '000	2018 USD '000
Cash at bank		
Current accounts	292,752	238,001
Fixed deposits	87,127	178,519
Cash in hand	91	80
	379,970	416,600

THE COMPANY	2019 USD '000	2018 USD '000
Cash at bank		
Fixed deposit	-	83,868
Current account	9,083	714
Petty cash	0.04	0.12
	9,083	84,582

19 (a). STATED CAPITAL

THE COMPANY	2019 USD '000	2018 USD '000
Ordinary shares of USD 100 each		
At 1 April	**13,600**	13,600
Additions	**4,502**	-
At 31 March	**18,102**	13,600
Number of ordinary shares	**181,022**	136,000

The stated capital of the Company comprises of 181,022 (2018: 136,000) ordinary shares with a par value of USD 100 per share. These shares are entitled to voting rights and to dividends. The shareholder has various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

19 (b). SHARE PREMIUM

	THE GROUP		THE COMPANY	
	2019 USD '000	2018 USD '000	2019 USD '000	2018 USD '000
At 1 April	-	-	-	-
TPG and ADIA Contribution	**1,195,980**	-	**1,195,980**	-
UPL Limited, India Contribution	**143,518**	-	**143,518**	-
Share issue expenses	**(24,828)**	-	**(24,828)**	-
At 31 March	**1,314,670**	-	**1,314,670**	-

During the year, the Company issued 40,198 Ordinary shares of USD 100 each at a premium of USD 29,752.23 per share and 4,824 Ordinary shares of USD 100 each at a premium of USD 29,750.75 per share. The share issue expenses represent cost incurred in relation to additional investments made by TPG and ADIA.

20. TRANSLATION RESERVE

	THE GROUP		THE COMPANY	
	2019 USD '000	2018 USD '000	2019 USD '000	2018 USD '000
At 1 April	**(112,254)**	(111,727)	**(8,040)**	(31,510)
Movements during the year	**(105,931)**	(527)	**1,292**	23,470
At 31 March (Note 5(d))	**(218,185)**	(112,254)	**(6,748)**	(8,040)

21. BORROWINGS

THE GROUP	2019 USD '000	2018 USD '000
Non-current liabilities (More than one year)		
Loan from Banks:		
Secured	**212**	462
Unsecured	**2,948,956**	379
Loan from Others - Unsecured	**2,525**	2,945
Long term obligation - Capital lease	**4,387**	-
Loans and advances from holding company	**-**	128,633
	2,956,080	132,419
Current liabilities (Less than one year)		
Loan from Banks:		
Secured	**69,558**	1,946
Unsecured:		
- Working capital loan/ PCFC	**144,569**	33,397
- Acceptances	**-**	1
Current maturities of Capital Lease	**509**	-
Current maturities of long term debts	**182**	15,663
Interest accrued but not due on loans	**26,028**	8,897
	240,846	59,904

21. BORROWINGS (CONTINUED)

Below notes are for more than one year and current maturity of those borrowings.

(a) Foreign currency loan from banks (Unsecured)

(i) Unsecured loan from banks bears interest rates 3.4% and Prime + 2% amounting to **USD 146** thousand (previous year: USD 607 thousand) repayable within 1-5 years.

(ii) Unsecured loan from banks bears interest rates 3 month LIBOR + 1.60% amounting to **USD 2,948,810** thousand (previous year: USD nil thousand) repayable on 29 January 2029.

(b) Foreign currency loan from banks (secured)

Foreign currency loan from banks includes **USD 394** thousand (previous year: USD 856 thousand) secured by way of collateral of accounts receivable, fixed assets and inventories carrying interest rate of 6.15% - 13.85% payable within 1-3 years.

(c) From others (Unsecured)

Unsecured term loan from others amounting to **USD 2,525** thousand (Previous year: USD 2,983 thousand) carrying interest rate of 2 %.

(d) Bond

(i) Bonds are listed on Singapore Stock exchange at amortised cost amounted to **USD 496,966** thousand (2018: USD 495,520 thousand) and are recorded at amortised cost bearing an interest rate of 3.25 %, repayable on 13th October 2021.

(ii) Another bonds are listed on Singapore Stock exchange at amortised cost amounted to **USD 295,764** thousand (2018: USD 297,193 thousand) and are recorded at amortised cost bearing an interest rate of 4.50 %, repayable on 8th March 2028.

THE COMPANY

	2019	2018
Non-current liabilities (More than one year)	**USD '000**	USD '000
Loan from group companies (Note 21 (a) below)	**259,952**	344,322
Loan from Banks(Note 21 (b) below)	**2,948,810**	-
	3,208,762	344,322
Current liabilities (Less than one year)		
Loan from group companies (Note 39(ii) and 21(a) below)	**52,332**	15,000
Loan from banks (Note 21 (b) below)	**25,000**	-
	77,332	15,000

(a) The loan bears interest at the rate between LIBOR + 2% to LIBOR + 2.5%, is unsecured and is repayable as follows:

	2019	2018
	USD '000	USD '000
Within one year	**52,332**	15,000
After one year and before five years	**259,952**	344,322
	312,284	359,322

(b) The loan from banks were unsecured, had interest at the rate of LIBOR +1.5% and is repayable as follows:

	2019	2018
	USD '000	USD '000
Within one year	**25,000**	-
After one year and before five years	**2,948,810**	-
	2,973,810	-

(c) The carrying amounts of borrowings approximate their fair values.

22. PROVISIONS

	2019		2018	
	Long-term provisions USD '000	**Short-term provisions USD '000**	Long-term provisions USD '000	Short-term provisions USD '000
Provision for post-employment benefits	**20,094**	-	7,614	-
Jubilee provision	**217**	-	210	-
Environmental provision (Note (a) and (b))	**2,102**	**5,023**	1,982	-
Labour claim (Note (a) and (d))	**524**	-	917	-
Contingent liability provision on PPA	-	**58,000**	-	-
Provision for taxes	-	**86,251**	-	8,673
Leave encashment	-	**21,623**	-	2,376
Provision for contingencies (Note (a) and (e))	-	**2,180**	-	874
	22,937	**173,077**	10,723	11,923

The Company has a tax liability of **USD 644** thousand (2018: USD 686 thousand) – Refer to note 35

(a)

	Environmental provision	**Labour / Employee Claim provision**	**Reorganisation provision**	**Provision for contingencies**
	31-Mar-19 USD '000	**31-Mar-19 USD '000**	**31-Mar-19 USD '000**	**31-Mar-19 USD '000**
Opening balances	**1,982**	**917**	-	**874**
Provisions:				
- Created	**254**	**103**	-	**1,360**
- Utilised	-	**(372)**	-	-
Foreign currency translation effect	**(134)**	**(124)**	-	**(54)**
Closing balances	**2,102**	**524**	-	**2,180**

(b) 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.

22. PROVISIONS (CONTINUED)

(c) Reorganisation 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.

(d) 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 cessations of the respective events.

(e) 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.

23. OTHER LONG TERM LIABILITIES

THE GROUP	**2019**	2018
	USD '000	USD '000
Deferred payment liability	**11,406**	14,384
Other long term liabilities	**7,697**	-
	19,103	14,384

24. TRADE AND OTHER PAYABLES

	2019	2018
THE GROUP	**USD '000**	USD '000
Current		
Sundry creditors for goods	**614,966**	329,859
Sundry creditors for expenses	**344,931**	215,360
Trade payables to holding company	**236,215**	80,359
	1,196,112	625,578

24. TRADE AND OTHER PAYABLES (CONTINUED)

THE COMPANY	2019	2018
	USD '000	USD '000
Non-current		
Other payables	3,659	4,617
Current		
Amount payable to group companies (Note 39(iii))	77,895	86,723
Amount payable to group associate (Notes 39(iii) & 52)	-	29,931
Other payables and accruals	74,447	47,516
	152,342	164,170

The carrying amounts of trade and other payables approximate their fair value, the non-current part is repayable after 1 year and the current part is repayable within 3 months and 1 year.

Other payables includes refundable security-cum performance deposit amount aggregating to USD 3,987 thousand (2018: USD 8,778 thousand) received by the Company from Pengo SA. on behalf of Mr Carlos Alberto De Paiva Pellicer ("Carlos"). The deposit has been made in relation to the Share Purchase Agreement entered between Carlos and United Phosphorus Indústria E Comércio de Produtos Químicos Ltda for the disposal of the entire shares held by Carlos in UPL Do Brazil Industria E Comercio De Insumos Agropecuarios SA and the refund of which is subject to fulfilment of conditions in the Share Purchase Agreement.

25. OTHER PAYABLES

THE GROUP	2019	2018
	USD '000	USD '000
Other payables	116,688	61,344
Advances against orders	36,083	22,115
Trade deposits	524	1,384
Current maturities of deferred payment liability	67,819	4,162
	221,114	89,005

26. REVENUE FROM OPERATIONS

THE GROUP	2019	2018
	USD '000	USD '000
Sale of products	2,559,799	2,105,364
Sale of products to holding company	27,208	32,988
Cash discount	(6,454)	(12,235)
NPV on sales	(1,184)	
Other income from operations (Note 26 (a))	23,453	13,787
	2,602,822	2,139,904

(a) OTHER INCOME FROM OPERATIONS	2019	2018
	USD '000	USD '000
Job work/service income	2,099	722
Discount received	237	129
Commission received - Group	9,382	4,819
Other operating income	7,336	6,509
Excess provision in respect of earlier year written back	3,456	1,355
Export incentives	52	47
Royalty income	891	206
	23,453	13,787

26. REVENUE FROM OPERATIONS (CONTINUED)

THE COMPANY	2019 USD '000	2018 USD '000
Sale of products	**244,633**	366,145

27. COST OF SALES

	THE GROUP		THE COMPANY	
	2019 **USD '000**	2018 USD '000	**2019** **USD '000**	2018 USD '000
Cost of goods sold	**1,522,732**	1,194,975	**205,859**	303,779

28. DIRECT COSTS

THE GROUP	2019 USD '000	2018 USD '000
Power and fuel	**8,542**	7,770
Processing charges	**100,550**	80,983
Rebate, commission and discount	**14,543**	29,723
Effluent disposal charges	**5,006**	4,440
Water charges	**523**	527
Non Recoverable taxes-variable cost	**2,274**	2,324
Transport charges	**61,099**	58,380
Royalty charges	**6,913**	2,913
	199,450	187,060

29. OTHER INCOME

THE GROUP	2019 USD '000	2018 USD '000
Income from long term investments	**17**	15
Interest on loan deposits	**15,107**	14,273
Rent	**39**	14
Loss on sale of investments	**(28)**	-
Miscellaneous receipts	**1,049**	336
Profit on sale of fixed assets	**382**	286
NPV on Trade receivables	**234**	-
Sundry credit balances written (off) / back	**1,589**	(417)
	18,389	14,507

29. OTHER INCOME (CONTINUED)

THE COMPANY	2019	2018
	USD '000	USD '000
Management fees	-	-
Interest income	42,996	20,258
Dividend income	30,000	-
Income received from group company	42,370	5,257
Exchange difference (net)	4,958	14,917
	120,324	40,432

30. ADMINISTRATIVE EXPENSES

THE GROUP	2019	2018
	USD '000	USD '000
Rent	15,569	11,865
Travelling and conveyance	33,074	26,441
Subscription/ Membership	2,847	2,592
Service costs	2,515	1,112
Entertainment	1,981	1,558
Security services	1,357	1,485
Training and seminar	1,914	1,250
Office supplies	1,046	620
Sundry expenses	14,097	7,278
Registration charges	9,638	9,259
Labour charges	4,782	3,190
	88,820	66,650

THE COMPANY	2019	2018
	USD '000	USD '000
Auditors' remuneration	83	87
Travelling expenses	966	1,038
Other expenses	352	182
Registration fees	-	1
Rent	185	313
Salaries	729	1,127
Management fees	4,000	3,500
Postage	21	19
Printing and stationary	2	1
Other fees and charges	1,444	1,768
	7,782	8,036

31 (a) OTHER EXPENSES

THE GROUP

	2019	2018
	USD '000	USD '000
Employee benefits expense	**216,491**	185,655
Stores and spares consumed	**6,710**	4,190
Repairs to building	**2,248**	1,245
Repairs to machinery	**7,854**	7,629
General repairs	**11,731**	8,775
Rates and taxes	**6,391**	6,328
General insurance charges	**7,174**	6,320
Credit insurance	**1,905**	2,297
Advertisement and sales promotion	**34,216**	21,813
Legal and professional fees	**31,951**	28,509
Charity and donations	**513**	391
Bad debts written off	**1,354**	312
(Reversal) / provision for doubtful debts and advances	**(10,923)**	932
Assets written off	**620**	136
Warehousing costs	**14,669**	17,449
Communication costs	**4,451**	4,368
Research and development expenses	**4,117**	2,214
	341,472	298,563

THE COMPANY

	2019	2018
	USD '000	USD '000
Commission to group companies	**-**	3,473
Sales promotion expenses	**12**	6
Commission expenses	**22**	2,600
Rebate and Discount	**20**	
	54	6,079

31 (b) Exchange difference

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	USD '000	USD '000	USD '000	USD '000
Exchange difference (net) *	**34,890**	(156)	**-**	-

* Current year exchange difference (net) mainly includes loss due to devaluation of currencies in Latin

32. RESTRUCTURING COST

THE GROUP

The amount of **USD 2 thousand** (2018: USD 4,535 thousand) which is of an exceptional nature, represents restructuring cost related to the Company's business in the Latin America.

THE COMPANY

The restructuring cost **USD nil** (2018: USD 906 thousand) represent expenses incurred in relation to the restructuring of Advanta group companies in the latin America regions and is of exceptional nature

33. FINANCE COSTS

THE GROUP

	2019 USD '000	2018 USD '000
Interest:		
On term loans	**58,297**	32,433
On cash credit and working capital demand loan accounts	**22,750**	15,831
On fixed deposit and fixed loan	**77**	48
Other loan interest	**11,016**	6,124
	92,140	54,436
Exchange difference	**29,600**	26,156
Other financial charges	**7,118**	7,036
Interest cost from holding company	**5,808**	6,201
NPV-Interest and Finance	**7,659**	-
	50,185	39,393
	142,325	93,829

THE COMPANY

	2019 USD '000	2018 USD '000
Bonds interest, transaction cost, bank interest, amortisation cost	**57,310**	24,118
Interest expense on amount owed to group	**6,917**	5,439
Financial services charges and bank charges	**1,044**	608
Net foreign exchange transaction loss	**28,522**	25,680
Derivative transaction	**(13,772)**	(179)
	80,021	55,666

The Company has entered into SWAP agreements with banks to hedge against fluctuations in interest rates.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES

THE GROUP

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates

(a) The Group has a 45 % (2018: 49 %) interest in 3SB Produtos Agropecuarios S.A. , which is involved in business of planting,cultivation and commericialization of agriculture products. 3SB Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in 3SB Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of 3SB Produtos Agropecuarios S.A. as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.The following table illustrates the summarised financial information of the Group's investment in 3SB Produtos Agropecuarios S.A.:

Summaried balance sheet

	2019 **USD '000**	2018 USD '000
Current assets	**33,915**	37,473
Non-current assets	**32,245**	43,054
Current liabilities	**(48,172)**	(57,543)
Non-current liabilities	**(9,854)**	(13,955)
Equity	**8,134**	9,029
Proportion of the Group's ownership (%)	**45%**	49%
Carrying amount of the investment excluding Goodwill	**3,660**	4,424
Goodwill	**9,610**	11,266
Additional investment during Jan-March'18	**-**	14
Impact of dilution of equity holding	**(344)**	-
Carrying amount of the investment	**12,926**	15,704

Summaried statement of profit and loss

	2019 **USD '000**	2018 USD '000
Revenue	**44,323**	63,231
Loss for the year	**(338)**	(1,106)
Other Comprehensive Income(OCI)	**-**	-
Total comprehensive income for the year	**(338)**	(1,106)
Group's share of loss for the year	**(152)**	(542)

The associate had no contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(b) The Group has a 45% (2018: 49%) interest in Sinagro Produtos Agropecuarios S.A., which is involved in the business of retail sales and commercial representation of crop protection chemical and seeds. Sinagro Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in Sinagro Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of Sinagro Produtos Agropecuarios S.A.as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in Sinagro Produtos Agropecuarios S.A.:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	**152,122**	148,170
Non-current assets	**48,497**	58,652
Current liabilities	**(207,976)**	(207,896)
Non-current liabilities	**(9,309)**	(23,463)
Non-controlling interest	**(2,048)**	(1,825)
Equity	**(18,714)**	(26,362)
Proportion of the Group's ownership (%)	**45%**	49%
Carrying amount of the investment excluding Goodwill	**(8,421)**	(12,917)
Goodwill	**6,314**	7,402
Additional investment during relevant period	**2,107**	5,515
Carrying amount of the investment	**(0)**	(0)

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	**257,337**	311,751
Loss for the year	**(2,936)**	(32,581)
Other Comprehensive Income (OCI)	**-**	-
Total comprehensive income for the year	**(2,936)**	(32,581)
Group's share of loss for the year	**(1,321)**	(15,965)
Group's share of loss for the year, restricting loss from associate	**-**	-

The associate has contingent liabilities amounted to USD 1,582 thousand (2018: 2,170 thousand) towards possible losses as assessed by legal advisors.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(c) The group has a 28.4% interest in Agronamic Proprietary Limited, which is involved in the buying and selling of agricultural chemicals. Agronamic Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Agronamic Proprietary Limited is accounted for using the equity method in the consolidated financial statements.The following table summarizes the financial information of Agronamic Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Agronamic Proprietary Limited:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	**7,880**	-
Non-current assets	**25**	-
Current liabilities	**(7,513)**	-
Non-current liabilities	-	-
Non-controlling interest	-	-
Equity	**392**	-
Proportion of the Group's ownership (%)	**28.40%**	0
Carrying amount of the investment excluding Goodwill	**111**	-
Goodwill	**596**	-
Additional investment during relevant period	-	-
Carrying amount of the investment	**707**	-

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	**5,156**	-
Profit for the year	**110**	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	110	-
Group's share of profit for the year	30	-

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(d) The group has a 25.1% interest in Silvix Forestry Proprietary Limited, which is involved in the distribution of chemicals. Silvix Forestry Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Silvix Forestry Proprietary Limited is accounted for using the equity method in the consolidated financial statements.The following table summarizes the financial information of Silvix Forestry Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Silvix Forestry Proprietary Limited:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	**1,374**	-
Non-current assets	-	-
Current liabilities	**(1,223)**	-
Non-current liabilities	-	-
Non-controlling interest	-	-
Equity	151	-
Proportion of the Group's ownership (%)	**25.10%**	-
Carrying amount of the investment excluding Goodwill	**38**	-
Goodwill	**1**	-
Additional investment during relevant period	-	-
Carrying amount of the investment	39	-

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	**738**	-
Profit for the year	**13**	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	13	-
Group's share of profit for the year	3	-

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(e)The group has a 25.1% interest in Agrifokus Proprietary Limited, which is involved in the trading chemicals, insecticides and herbicides. Agrifokus Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Agrifokus Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of Agrifokus Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Agrifokus Proprietary Limited:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	13,413	-
Non-current assets	360	-
Current liabilities	(8,916)	-
Non-current liabilities	-	-
Non-controlling interest	-	-
Equity	4,857	-
Proportion of the Group's ownership (%)	25.1%	0
Carrying amount of the investment excluding Goodwill	1,214	-
Goodwill	(697)	-
Additional investment during relevant period	-	-
Carrying amount of the investment	517	-

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	1,238	-
Profit for the year	113	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	113	-
Group's share of profit for the year	28	-

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(f) The group has a 25.1% interest in Novon Retail Company Proprietary Limited, which is involved in the selling of fertilizers and chemicals. Novon Retail Company Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Novon Retail Company Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of Novon Retail Company Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Novon Retail Company Proprietary Limited:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	8,911	-
Non-current assets	948	-
Current liabilities	(7,888)	-
Non-current liabilities	(83)	-
Non-controlling interest	-	-
Equity	1,888	-
Proportion of the Group's ownership (%)	25.10%	-
Carrying amount of the investment excluding Goodwill	474	-
Goodwill	563	-
Additional investment during relevant period	-	-
Carrying amount of the investment	1,037	-

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	3,035	-
Profit for the year	255	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	255	-
Group's share of profit for the year	64	-

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(g)The group has a 25.1% interest in Novon Protecta Proprietary Limited, which is involved in the distribution of agricultural chemicals. Novon Protecta Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in Novon Protecta Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of Novon Protecta Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in Novon Protecta Proprietary Limited:

Summaried balance sheet

	2019	2018
	USD '000	USD '000
Current assets	**23,072**	-
Non-current assets	**517**	-
Current liabilities	**(18,228)**	-
Non-current liabilities	**(96)**	-
Non-controlling interest	**-**	-
Equity	**5,265**	-
Proportion of the Group's ownership (%)	**25.10%**	-
Carrying amount of the investment excluding Goodwill	**1,316**	-
Goodwill	**(250)**	-
Additional investment during relevant period	**-**	-
Carrying amount of the investment	**1,066**	-

Summaried statement of profit and loss

	2019	2018
	USD '000	USD '000
Revenue	**5,005**	-
Profit for the year	**189**	-
Other Comprehensive Income (OCI)	**-**	-
Total comprehensive income for the year	**189**	-
Group's share of profit for the year	**47**	-

Contingent liability consists of claims against the group not acknowledged as debt amounting to USD 289 thousand as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(h)The group has a 25.1% interest in NexusAG Proprietary Limited, which is involved in the wholesale of agricultural chemicals for crop protection and fertilizer products for plant nutrition. NexusAG Proprietary Limited is a private entity that is not listed on any public exchange. The groups interest in NexusAG Proprietary Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of NexusAG Proprietary Limited as included in it's own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarized financial information of the Group's investment in NexusAG Proprietary Limited:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	17,276	-
Non-current assets	2,560	-
Current liabilities	(15,861)	-
Non-current liabilities	(832)	-
Non-controlling interest	-	-
Equity	3,143	-
Proportion of the Group's ownership (%)	25.10%	-
Carrying amount of the investment excluding Goodwill	786	-
Goodwill	633	-
Additional investment during relevant period	-	-
Carrying amount of the investment	1,419	-

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	8,157	-
Profit for the year	71	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	71	-
Group's share of profit for the year	18	-

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(i) The group has a 21% interest in Dalian Advanced Chemical Co.Ltd.(DAC) which is involved in the formulation of Chloropicrin. DAC is private entity that is not listed on any public exchange. DAC is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of DAC as included in its own financials statements, adjusted for faire value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in DAC.:

Summaried balance sheet

	2019	2018
	USD '000	USD '000
Current assets	**68**	-
Non-current assets	**356**	-
Current liabilities	**(22)**	-
Non-current liabilities	-	-
Non-controlling interest	-	-
Equity	402	-
Proportion of the Group's ownership (%)	**21%**	-
Carrying amount of the investment excluding Goodwill	84	-
Goodwill	-	-
Additional investment during relevant period	-	-
Carrying amount of the investment	84	-

Summaried statement of profit and loss

	2019	2018
	USD '000	USD '000
Revenue	**9**	-
Loss for the year	**(21)**	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	**(21)**	-
Group's share of loss for the year	**(4)**	-

The associate had no contingent liabilities or capital commitments as at 31 March 2019.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(j) During the year the Group has acquired 33.33% (2018: 33.33%) interest in Serra Bonita Sementes S.A, which is mainly engaged in producing certified soy beans & crop seeds, producing soy beans, corn grains, sorghum grains, millet grains & beans.The Group's interest in Sinagro Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of Serra Bonita Sementes S.A. as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in Serra Bonita Sementes S.A:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	26,558	18,285
Non-current assets	81,273	105,258
Current liabilities	(13,005)	(16,910)
Non-current liabilities	(6,972)	(4,767)
Non-controlling interest	-	-
Equity	87,854	101,866
Proportion of the Group's ownership (%)	33.33%	33.33%
Carrying amount of the investment excluding Goodwill	29,282	33,952
Goodwill	(1,781)	(2,088)
Carrying amount of the investment	27,501	31,864

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	29,804	27,025
Profit for the year	995	354
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	995	354
Group's share of profit for the year	332	118

The associate had no contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

(ii) 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:

Summaried balance sheet

	2019 USD '000	2018 USD '000
Current assets	20,613	20,846
Non-current assets	128	1
Current liabilities	(12,370)	(12,950)
Non-current liabilities	-	-
Non-controlling interest	-	-
Equity	8,371	7,897
Proportion of the Group's ownership (%)	40%	40%
Carrying amount of the investment	3,348	3,159

The group does not have Goodwill

Summaried statement of profit and loss

	2019 USD '000	2018 USD '000
Revenue	31,055	33,266
Profit for the year	818	487
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	818	487
Group's share of profit for the year	327	195

The group had no contingent liabilities or capital commitments relating to its interest in Hodogaya UPL Co. Limited as at 31 March 2019 and 31 March 2018. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(ii) Investment in Joint Ventures (Continued)

(b) The Group has a 69% (2018: 37%) 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:

Summaried balance sheet

	2019	2018
	USD '000	USD '000
Current assets	10,916	10,509
Non-current assets	7,091	6,990
Current liabilities	(11,331)	(12,297)
Non-current liabilities	(18)	(12)
Non-controlling interest	-	-
Equity	6,658	5,190
Proportion of the Group's ownership (%)	69%	37%
Carrying amount of the investment before goodwill	4,613	1,903
Goodwill	2,613	2,830
Carrying amount of the investment	7,226	4,733

Summaried statement of profit and loss

	2019	2018
	USD '000	USD '000
Revenue	6,289	7,495
Profit for the year	1,869	2,327
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	1,869	2,327
Group's share of profit for the year	1,295	853

The group had no contingent liabilities or capital commitments relating to its interest in Longreach Plant Breeders Management Pty Limited as at 31 March 2019 and 31 March 2018. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.

In the years ended 31 March 2019 and 31 March 2018, 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.

35. TAXATION

THE GROUP

	2019	2018
	USD '000	USD '000
Current tax	47,575	17,006
Deferred tax	(39,849)	12,007
	7,726	29,013

THE COMPANY

Under current laws and regulations in Mauritius, the Company, being holder a Category 1 Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income tax.

35. TAXATION (CONTINUED)

A reconciliation between the profit before taxation and taxable profit is as follows:

	2019	2018
	USD '000	USD '000
Profit before taxation	**56,796**	30,267
Add underlying tax	**-**	-
	56,796	30,267
Tax at 15%	**8,520**	4,540
Annual allowance	**(152)**	(113)
Non-allowable expenses	**3,428**	741
Non-taxable income	**(6,600)**	-
	5,196	5,168
Less: tax credit	**(4,164)**	(4,134)
	1,032	1,034
Tax paid under Advance Payment System	**(388)**	(348)
Tax liability (refer to note 22)	**644**	686

The Company has applied the most appropriate tax credits by reference to each item of foreign source income separately.

	2019	2018
	USD '000	USD '000
Prior year tax provision	**-**	247
Current year tax	**1,032**	1,034
Withholding tax	**58**	-
	1,090	1,281

DEFERRED TAX ASSETS

THE GROUP	**2019**	2018
	USD '000	USD '000
At 1 April	**72,194**	85,054
Movement during the year	**31,094**	(12,860)
At 31 March	**103,288**	72,194

DEFERRED TAX LIABILITIES

THE GROUP	**2019**	2018
	USD '000	USD '000
At 1 April	**6,672**	4,713
Movement during the year	**413,055**	1,959
At 31 March	**419,727**	6,672

36. FINANCIAL INSTRUMENTS

THE COMPANY

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2019 USD '000	**Financial liabilities 2019 USD '000**	Financial assets 2018 USD '000	Financial liabilities 2018 USD '000
Great Britain pound	**7,953**	**6,065**	11,479	113
Japanese yen	**401,425**	**-**	-	-
Australian dollar	**4,783**	**2,349**	5,364	622
Mauritian rupee	**3**	**3**	-	1
United States dollar	**1,424,135**	**4,224,628**	763,591	1,296,287
EURO	**1,517,854**	**1,780**	207,508	23,799
	3,356,153	**4,234,825**	987,942	1,320,822

Prepayments of USD 975 thousand (2018: USD 991 thousand) have not been included in financial assets and tax provision of USD 644 thousand (2018: tax provision USD 686 thousand) has not been included in the financial liabilities.

Currency risk

The Group is exposed to various currencies in different part of the world and manages the currency exposure through natural hedge or forward cover where possible.

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 illustrates the aged analysis of the Group's financial liabilities.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

31-Mar-19	**Within one year USD '000**	**More than one year USD '000**	**Total USD '000**
THE GROUP			
Bonds	**-**	**792,730**	**792,730**
Borrowings	**240,846**	**2,956,080**	**3,196,926**
Other long term liabilities	**-**	**19,103**	**19,103**
Trade and other payables	**1,196,112**	**-**	**1,196,112**
Other payables	**221,114**	**-**	**221,114**
	1,658,072	**3,767,913**	**5,425,985**

	3 months to one year USD '000	**More than one year USD '000**	**Total USD '000**
THE COMPANY			
Bonds	**-**	**792,730**	**792,730**
Borrowings	**77,332**	**3,208,762**	**3,286,094**
Trade and other payables	**152,342**	**3,659**	**156,001**
	229,674	**4,005,151**	**4,234,825**

31-Mar-18	Within one year USD '000	More than one year USD '000	Total USD '000
THE GROUP			
Bonds	-	792,713	792,713
Borrowings	59,904	132,419	192,323
Other long term liabilities	-	14,384	14,384
Trade payables	625,578	-	625,578
Other payables	89,004	-	89,004
	774,486	939,516	1,714,002

31-Mar-18	Within one year USD '000	More than one year USD '000	Total USD '000
THE COMPANY			
Bonds	-	792,713	792,713
Borrowings	15,000	344,322	359,322
Trade and other payables	164,170	4,617	168,787
	179,170	1,141,652	1,320,822

36. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Financial assets that potentially expose the Group to credit risk consist principally of investments in cash balances. The extent of the Group's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the consolidated and separate statement of financial position.

According to the Group's investment policy, transactions are carefully allocated to counterparties reflecting the credit worthiness of the financial institution. The Board of directors also constantly monitors the outstanding investments.

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Group's policy is to maintain its cash balance with reputed banking institutions and to monitor the placement of cash balances on an ongoing basis. The Group also limits its credit risk by carrying out transactions with its related parties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

THE GROUP	**2019**	2018
	USD '000	USD '000
Trade and other receivables	**1,580,187**	780,038
Loans and advances	**438,746**	102,336
Cash and cash equivalents	**379,970**	416,600

THE COMPANY	**2019**	2018
	USD '000	USD '000
Trade and other receivables	**317,003**	305,146
Loans and advances	**3,026,042**	594,205
Cash and cash equivalents	**9,083**	84,582

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instrument. The Group's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company's financial assets and liabilities are either interest bearing or non-interest-bearing. The Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The following table details the Company's exposure to interest rate risks.

THE COMPANY		31-Mar-19	
	Interest bearing	Non-interest bearing	Total
	USD '000	USD '000	USD '000
Assets			
Convertible loan notes	5,000	-	5,000
Cash and cash equivalents	8,592	491	9,083
Loan receivables	3,026,042	-	3,026,042
Trade and other receivables	-	317,003	317,003
Total assets	3,039,634	317,494	3,357,128
Liabilities			
Bonds	792,730	-	792,730
Borrowings	3,026,142	259,952	3,286,094
Trade and other payables	-	156,001	156,001
Total liabilities	3,818,872	415,953	4,234,825

		31-Mar-18	
	Interest bearing	Non-interest bearing	Total
	USD '000	USD '000	USD '000
Assets			
Convertible loan notes	5,000	-	5,000
Cash and cash equivalents	83,869	713	84,582
Loan receivables	594,205	-	594,205
Trade and other receivables	-	305,146	305,146
Total assets	683,074	305,859	988,933
Liabilities			
Bonds	792,713	-	792,713
Borrowings	147,311	212,011	359,322
Trade and other payables	-	168,787	168,787
Total liabilities	940,024	380,798	1,320,822

Interest rate sensitivity

A 100 basis point is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the net profit for the year ended 31 March 2019 would increase/decrease by **USD 14,357** thousand (2018: USD 1,399 thousand). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings from the holding company.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

Interest rate sensitivity (Continued)

THE COMPANY

			31-Mar-19 Interest rates	
Financial instrument		**Interest Charge**	**Low**	**High**
	USD '000		**-1.00%**	**1.00%**
Borrowings	**3,077,322**	**24,415**	**18,213**	**30,617**
Impact on net profit of the Company			**6,202**	**(6,202)**

			31-Mar-18 Interest rates	
Financial instrument		Interest Charge	Low	High
	USD '000		-1.00%	1.00%
Borrowings	147,311	5,415	6,814	4,016
Impact on net profit of the Company			(1,399)	1,399

THE GROUP

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:

	Increase/decrease in basis points	Effect on profit or loss	Effect on equity
		000	000
31-Mar-19			
USD	+50	(5,369)	(5,369)
	-50	5,369	5,369
Others	+100	(354)	(354)
	-100	354	354

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.

Cash flow hedge

Where a derivative financial instrument hedges the exposure to variability in the cash flows of recognised assets and liabilities or anticipated transactions or firm commitments, the effective part of any gain or loss on re-measurement of the hedging instrument is recognised directly in equity. The ineffective part of any gain or loss is recognised in profit or loss

When a hedged anticipated transaction or firm commitment results in the recognition of a non-financial asset or non-financial liability the cumulative gain or loss on the hedging instrument recognised in equity is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss on the hedging instrument recognised in equity is transferred to other comprehensive income at the same time that the hedge transaction affects net profit or loss and included in the same line item as the hedged transaction. If a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, or if

36. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Foreign Currency Exchange Risk and Interest rate risk

The Company has taken a floating rate borrowing in USD and given a loan in EUR and JPY other then its functional currency. In order to hedge its exposure arising from variability of functional currency equivalent cash flows and its interest rate cash flows exposure arising from floating rate of interest, the Company has entered into a Cross Currency Interest Rate Swap ("CCIRS"). Therefore, the Company has established a hedge ratio of 1:1 for all its foreign currency hedging relationships.
Hedge effectiveness is determined at the inception of the hedge and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instruments.

How the entity's hedging activities may affect the amount, timing and uncertainty of its future cash flows;

The summary of quantitative data about the Company's holding of cross currency interest rate swap contracts to hedge the foreign currency and interest rate exposure on its loan given and borrowings is as follows.

Particulars		Currency	31-Mar-19		
			Average rate	Average	Notional Value
Foreign exchange contracts				Interest rate	Thousands
Cross currency interest rate swap		EUR	1.129	1.47%	1,328,872
Cross currency interest rate swap		JPY	110.750	1.13%	44,300,000

The effect that hedge accounting has had on the entity's balance sheet, statement of profit and loss and statement of changes in equity

The impact of hedging instruments designated in hedging relationships on the statement of financial position of the Company is, as follows:

Particulars	Currency	31-Mar-19			
		Nominal amount	Carrying amount	Change in fair value of hedging instrument*	Change in fair value of hedging item*
Assets					
Foreign exchange contracts					
- CCIRS	EUR'000	995,588	2,399	2,439	(2,439)
	JPY '000	44,300,000	345	397	(397)
Liabilities					
Foreign exchange contracts					
- CCIRS	EUR'000	333,284	(563)	(532)	532

* used as the basis for hedge ineffectiveness

Cash flow hedges		Hedging gain or loss recognised in OCI	Line item in statement of profit or loss	Amount reclassified from OCI to Profit or loss	Line item in statement of profit or loss
		USD '000		USD '000	
Foreign currency exchange risk and Interest rate risk					
- CCIRS		2,304	Forex gain/(loss)	(7,623)	Forex gain/(loss)
			Interest on borrowing	(6,213)	Interest on borrowing

Reconciliation of reserves
Cash flow hedge reserves

Particulars		Amount
		USD'000
Opening balance		-
Hedging gain or loss		2,304
Amount reclassified to P&L because the hedged item affected P&L		(13,835)
Closing balance		**(11,531)**

37. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its shareholders, return capital to its shareholder, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

The gearing as at 31 March 2019 and 31 March 2018 were as follows:

THE GROUP

	2019	2018
	USD '000	USD '000
Bonds	**792,730**	792,713
Borrowings	**3,196,926**	192,323
Less: cash and cash equivalents	**(379,970)**	(416,600)
Net debt	**3,609,686**	568,436
Total equity	**2,032,679**	743,080
Gearing ratio	**1.78**	0.76

THE COMPANY

	2019	2018
	USD '000	USD '000
Bonds	**792,730**	792,713
Borrowings	**3,286,094**	359,322
Less: cash and cash equivalents	**(9,083)**	(84,582)
Net debt	**4,069,741**	1,067,453
Total equity	**1,652,245**	347,606
Gearing ratio	**2.46**	3.07

38. FAIR VALUATION HIERARCHY

The Group uses the following valuation techniques hierarchy for determining and disclosing the fair value of assets and liabilities:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

THE GROUP	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
31-Mar-19				
Assets				
Convertible Loan Notes	-	-	**5,000**	**5,000**
Aircraft	-	-	**4,788**	**4,788**
Investments stated at fair value through profit and loss	**11,916**	-	**4,357**	**16,273**
Trade and other receivables	-	-	**1,580,187**	**1,580,187**
Non-current assets held for sale	-	-	**3,730**	**3,730**
Loans and advances	-	-	**438,746**	**438,746**
Cash and cash equivalents	-	-	**379,970**	**379,970**
Total assets	**11,916**	-	**2,416,778**	**2,428,694**
Liabilities				
Bonds	**792,730**	-	-	**792,730**
Borrowings	-	-	**3,196,926**	**3,196,926**
Trade and other payables	-	-	**1,196,112**	**1,196,112**
Other long term liabilities	-	-	**19,103**	**19,103**
Other payables	-	-	**221,114**	**221,114**
Total liabilities	**792,730**	-	**4,633,255**	**5,425,985**
31-Mar-18				
Assets				
Convertible Loan Notes	-	-	5,000	5,000
Aircraft	-	-	6,053	6,053
Investments stated at fair value through profit and loss	14,379	-	4	14,383
Trade and other receivables	-	-	780,038	780,038
Non-current assets held for sale	-	-	3,057	3,057
Loans and advances	-	-	102,336	102,336
Cash and cash equivalents	-	-	416,600	416,600
Total assets	14,379	-	1,313,088	1,327,467
Liabilities				
Bonds	792,713	-	-	792,713
Borrowings	-	-	192,323	192,323
Trade and other payables	-	-	625,578	625,578
Other long term liabilities	-	-	14,384	14,384
Other payables	-	-	89,005	89,005
Total liabilities	792,713	-	921,290	1,714,003

38. FAIR VALUATION HIERARCHY (CONTINUED)

THE COMPANY	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
31-Mar-19				
Assets				
Convertible Loan Notes	-	-	**5,000**	**5,000**
Loan and advances	-	-	**3,026,042**	**3,026,042**
Trade and other receivables	-	-	**317,003**	**317,003**
Cash and cash equivalents	-	-	**9,083**	**9,083**
Total assets	-	-	**3,357,128**	**3,357,128**
Liabilities				
Bonds	**792,730**	-	-	**792,730**
Borrowings	-	-	**3,286,094**	**3,286,094**
Trade and other payables	-	-	**156,001**	**156,001**
Total liabilities	**792,730**	-	**3,442,095**	**4,234,825**
31-Mar-18				
Assets				
Convertible Loan Notes	-	-	5,000	5,000
Loan and advances	-	-	594,205	594,205
Trade and other receivables	-	-	305,146	305,146
Cash and cash equivalents	-	-	84,582	84,582
Total assets	-	-	988,933	988,933
Liabilities				
Bonds	792,713	-	-	792,713
Borrowings	-	-	359,322	359,322
Trade and other payables	-	-	168,787	168,787
Total liabilities	792,713	-	528,109	1,320,822

The fair values of trade and other receivables, cash and cash equivalents and trade and other payables approximate their carrying values due to their short-term nature.

39. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2019, the Group traded with related companies. The nature, volume and type of transactions with the companies are as follows:

THE GROUP

Name of related companies	Nature of transactions	2019	2018
		USD '000	USD '000
Holding company	Purchases	497,546	430,553
	Dividend paid	60,000	55,250
	Sales	27,073	32,857
	Property plant and Equipment	-	76
	Intangible assets	145	402
	Intangible assets under development	-	52
	Commission export	3,739	4,781
	Write off of receivables	288	3
	Reimbursement made	6,458	799
	Reimbursement received	1,294	216
	Receivables	44,971	19,913
	Payables	11,857	65,695
	Loans and advances taken	-	142,558
	Guarantees taken from holding company	19,232	76,253
	Loan/Inter corporate deposits taken	-	-
	Interest paid	5,895	5,418
	Repayment of loans taken	134,336	-
	Interest payable	-	1,075
	Guarantees taken from holding company during the year	161	859
	Research and Development Income	-	206
	Guarantees cancelled during the year	-	47,306
	Issue of shares (including share premium	144,000	-
		956,995	884,272
Holding company's subsidiaries which are not UPL Corporation's subsidiaries	Purchases	215,387	97,939
	Payables	84,777	18,856
		300,164	116,795
Associates, joint ventures and other related parties	Sales of goods	24,763	26,328
	Purchases	2,915	3,131
	Purchase of registration	-	-
	Rent Given	1,073	812
	Remuneration	8,402	4,627
	Group recharge	178	197
	Payables (including trade advances)	3,243	4,176
	Receivables (including trade advances)	17,701	33,048
	Other expenses	-	-
	Interest Given	-	6,570
	Interest received	784	829
	Royalty	6,872	9,511
	Loan given	8,361	28,523
	Interest receivables	65	71
		74,357	117,823

39. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended 31 March 2019, the Company traded with related companies. The nature, volume and type of transactions with the companies are as follows:

THE COMPANY

Name of related companies	Nature of transactions	2019 USD '000	2018 USD '000
Holding company	Commission income	**3,596**	4,819
	Cash Discount	**1,967**	-
	Equity dividend	**60,000**	55,250
	Issue of shares	**482**	-
	Share premium	**143,518**	-
	Interest expense	**5,808**	5,394
	Purchases	**148,235**	136,614
	Sales	**847**	988
Subsidiaries and sub subsidiaries	Commission paid	**-**	3,473
	Commission income	**36,090**	-
	Dividend income	**30,000**	-
	Interest expense	**1,109**	45
	Interest income	**41,335**	19,569
	Management fee income	**-**	-
	Management fee expense	**4,000**	3,500
	Purchases	**56,922**	130,202
	Licence fees	**361**	438
	Sales	**239,972**	349,845
	Cash Discount	**355**	-
	Expense recharge	**43,119**	.
Management company	Professional fees	**11**	26
		817,727	710,163

As at 31 March, the balances outstanding with related companies were as follows:

(i) Receivables

	2019 USD '000	2018 USD '000
Non-current		
Amount receivable from subsidiaries and sub subsidiaries (Note 15)	**2,674,082**	191,764
Current		
Loan and advances	**351,960**	402,441
Amount receivable from holding company	**55,317**	3,125
Amount receivable from subsidiaries and sub subsidiaries	**255,491**	278,257
Total Current receivables (Note 15)	**662,768**	683,823
Total	**3,336,850**	875,587

39. RELATED PARTY TRANSACTIONS (CONTINUED)

THE COMPANY (CONTINUED)

(ii) Borrowings

	2019 USD '000	2018 USD '000
Non-current		
Amount payable to holding company	-	127,558
Amount payable to subsidiaries and sub subsidiaries	259,952	216,764
Current		
Amount payable to holding company (Note 21)	-	15,000
Amount payable to subsidiaries and sub subsidiaries	52,332	-
Total	312,284	359,322

(iii) Trade and other payables

	2019 USD '000	2018 USD '000
Current		
Amount payable to holding company	77,895	10,194
Amount payable to subsidiaries and sub subsidiaries	-	106,460
Total (Note 24)	77,895	116,654

40. CAPITAL COMMITMENTS

	2019 USD'000	2018 USD'000
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	895	13,010

41. CONTINGENTS

(a) CONTINGENT LIABILITIES

The details of the contingent liabilities are as follows:

Particulars	2019 USD'000	2018 USD'000
Disputed Sales-tax Liability	-	6,727
Guarantees given by the Group to Third Parties	769	1,365
Hybrid and Parent Seeds Growers	3,121	1,995
Canola Insurance	-	-
Guarantees given on behalf of the company for usage of electricity	66	58
Claims against the Group not acknowledged as debts	-	-
Earn out fees	786	868
Customer claims	1,143	-
Product claim from growers in the zone of Cordoba	250	-
Penatly to pay foreign exchange regulation	347	-
Penalty to pay local invoices in foreign currency	513	-
Contingent Liabilities for Letter of credit	126	-
Claims against the Associates not acknowledged as debts.	689	3,562
	7,810	14,575

Agrofresh Inc (USA) had filed a litigation against one subsidiary of the Group and the other shareholders of the subsidiary inter alia for infringement of patents owned by Agrofresh in respect of a product, for loss of profits and for breach of contract .During the previous year, the Group had provided USD 198 thousand towards amounts expected to be paid in this regard being the estimated profits earned from the product till December 2016. During the year, the Group's has obtained a favorable ruling resulting in invalidation of Agrofresh's patent.

The Group had filed for dissolution of the subsidary and a counter claim of USD 2,500 thousand has been filed for the proposed dissolution.The Group understands that this claim, if any, should be against the non controlling interest shareholder and is likely to be rejected in its present form. The Group plea for dissolution of subsidiary has been upheld. Agrofresh has appealed this outcome. The litigation for the loss of profits, damages and breach of contract for the main claim is in progress. While effect of all the above is not ascertainable, the Group does not expect this to materially affect its financial statements.

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

i. plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

ii. the proceedings are in early stages;

iii. there is uncertainty as to the outcome of pending appeals or motions or negotiations;

iv. there are significant factual issues to be resolved; and/or

v. there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Group's financial condition, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period.

(b) CONTINGENT ASSETS

During the previous year the company settled its claim of USD 2,108 thousand against agrochemicals trader regarding illegal parallel-trading of unauthorised copies of UPL's product. No gain had been recognised during the previous financial year because the receipt of the additional consideration was not virtually certain as it was dependent on the ability of the party to pay the compensation.

42. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the number of ordinary shares in issue during the year.

	2019 USD'000	2018 USD'000
Profit for the year	133,522	206,851
Profit attributable to non-controlling interest	(3,004)	(1,566)
Profit attributable to equity holders of the parent	130,518	205,285
Average number of shares in issue in thousand	136	136
Basic earnings per share	960	1,509

43. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT THE REPORTING DATE

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-19 Amount outstanding		31-Mar-18 Amount outstanding		Purpose - Hedging/ Speculation
			Local currency in '000	USD '000	Local currency in '000	USD '000	
(a)	Forward contracts - Sell	USD	**125,564**	**125,564**	3,874	3,874	Hedging
	Forward contracts - Sell	AUD	**10,650**	**7,708**	-	-	Hedging
	Forward contracts - Sell	EUR	**39,552**	**44,418**	2,893	3,587	Hedging
	Forward contracts - Sell	JPY	-	-	-	-	Hedging
	Forward contracts - Sell	CAD	**3,200**	**2,386**	-	-	Hedging
	Forward contracts - Sell	NZD	**814**	**553**	-	-	Hedging
	Forward contracts - Buy	USD	**401,574**	**401,574**	52,051	52,051	Hedging
	Forward contracts - Buy	AUD	-	-	-	-	Hedging
	Forward contracts - Buy	EUR	**33,687**	**37,832**	-	-	Hedging
	Forward contracts - Buy	JPY	**440,167**	**3,974**	-	-	Hedging
	Forward contracts - Buy	CAD	-	-	-	-	Hedging
	Forward contracts - Buy	NZD	-	-	-	-	Hedging
(b)	Derivative contracts						
(i)	(a) Option receivable	USD	**10,000**	**10000**	-	-	Hedging
	(b) Option payable	USD	-	-	-	-	Hedging
(ii)	Full Currency Interest Rate Swap contracts - Buy	USD	-	-	-	-	Hedging (refer to note 1 below)
	Full Currency Interest Rate Swap contracts - Buy	EUR	-	-	-	-	Hedging (refer to note 1 below)
(iii)	Cross Currency Interest Rate Swaps on Loans Payable	EUR	**1,328,872**	**1,492,390**	-	-	Hedging (refer to note 2 below)
	Cross Currency Interest Rate Swaps on Loans Payable	JPY	**44,300,000**	**400,000**	-	-	Hedging (refer to note 2 below)

Note 1:-
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.

Note 2:-
Hedging against the underlying USD borrowings by which:
- Group will receive principal in USD and pay in EUR and JPY.
- Group will receive fixed interest in USD and pay fixed / floating interest in EUR and JPY.

43. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT THE REPORTING DATE (CONTINUED)

Derivatives not designated as hedging instruments (continued)

Nature of Instrument	Currency	31-Mar-19 Amount outstanding Local currency in '000	31-Mar-19 Amount outstanding USD '000	31-Mar-18 Amount outstanding Local currency in '000	31-Mar-18 Amount outstanding USD '000	Purpose - Hedging/ Speculation
(c) Un-hedged Foreign Currency Exposure on:						
1 Payable (including Foreign Currency payable in respect of derivative contracts as mentioned in (b) (ii) and (iii) above)	USD	1,879,321	1,879,321	145,757	145,757	
	EUR	174,830	196,343	1,894	2,348	
	GBP	19,870	26,043	6,792	9,611	
	JPY	44,641,717	397,116	-	-	
	CHF	448	450	5	6	
	DKK	3,643	548	878	146	
	CLP	878,658	1,291	-	-	
	AED	21	6	1,076	293	
	NZD	-	-	-	-	
	INR	2,697	39	-	-	
	PLN	11	3	11	3	
	CAD	11,595	8,645	146	113	
	BRL	677	173	-	-	
	MUR	776	22	-	-	
	AUD	1,800	1,277	-	-	
	COP	14,861,709	4,685	7,361,730	2,644	
	ARS	177,319	4,065	-	-	
	CZK	24,105	1,048	-	-	
	HUF	93,837	328	-	-	
	CFA/XOF	170,633	292	-	-	
	TRY	59	10	-	-	
	ZAR	4,660	321	-	-	
	RMB/CNY	-	-	-	-	
	PYG	823,512	133	-	-	
	RON	-	-	-	-	
	RUB	-	-	-	-	
	THB	-	-	421	13	
2 Receivable	USD	992,666	992,666	334,009	334,009	
	EUR	162,169	182,124	5,696	7,062	
	GBP	29,210	38,284	5,085	7,196	
	JPY	44,659,602	397,276	104,924	990	
	CHF	-	-	665	699	
	DKK	932	140	834	139	
	CLP	2,545,931	3,740	-	-	
	AED	946	257	8	2	
	NZD	24	16	-	-	
	INR	-	-	-	-	
	PLN	4,092	1,068	3,431	1,011	
	CAD	85,528	63,765	7,978	6,196	
	BRL	-	-	-	-	
	MUR	-	-	-	-	
	AUD	3,494	2,478	1,450	1,114	
	COP	25,415,945	8,012	3,456,462	1,241	
	ARS	610,999	14,007	-	-	
	CZK	-	-	-	-	
	HUF	-	-	-	-	
	CFA/XOF	2,948	5	-	-	
	TRY	-	-	-	-	
	ZAR	577,495	39,746	-	-	
	RMB/CNY	-	-	-	-	
	PYG	25,030	4	-	-	
	RON	5,841	1,377	-	-	
	RUB	238,602	3,680	-	-	
	THB	-	-	-	-	

44. LEASE COMMITMENTS

	31-Mar-19 USD '000	31-Mar-18 USD '000
a) Finance Leases		
Future Minimum Lease Payments in respect of assets acquired under finance leases are as under:		
(i) Payable not later than 1 year	**309**	138
(ii) Payable later than 1 year and not later than 5 years	**2,483**	35
Total Minimum Lease Payments	**2,792**	173
Less: Future Finance Charges	**(556)**	(19)
Present Value of Minimum Lease Payments	**2,236**	154

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.

b) Operating Leases

The minimum annual rentals under the non cancellable operating leases are as under:		
i) within one year	**5,863**	4,813
ii) between two and five years	**5,735**	5,402
iii) above five years	**853**	316

There is no contingent rent recognised in the consolidated and separate statement of profit and loss.

General description of the leasing arrangement:

The Group has entered into operating lease arrangements for its office premises (including utilities), storage locations and residential premises.

45. CONTAMINATION

During the year, the Group incurred an amount of **USD 11,272** thousand (2018: USD 2,008 thousand) towards legal expenses for pursuing legal actions against companies and individuals alleged to be counterfeiting its

46. CONVERTIBLE LOAN NOTES

THE GROUP AND THE COMPANY

	2019	2018
	USD '000	USD '000
Amira Nature Foods Limited	**5,000**	5,000
	5,000	5,000

The Company invested USD 5,000 thousand in 10% convertible loan notes issued by Amira Nature Foods Limited and convertible at USD 10.50 per share. Interest is payable semi-annually on 2 January and 1 July of each year. The directors are of the opinion that the carrying value of the above investment is fairly stated at cost and has not suffered any impairment in value.

47. BONDS

THE GROUP AND THE COMPANY

	2019	2018
	USD '000	USD '000
Non-current		
USD 500m 3.25% Senior Notes Due 2021	**496,966**	495,520
USD 300m 4.50% Senior Notes Due 2028	**295,764**	297,193
	792,730	792,713

During the year ended 31 March 2019, the Company issued USD 300 million 4.50% Senior Notes due 2028, which is being recorded at amortised cost. The net proceeds of the notes was USD 298,020 million and maturity date is 8 March 2028.These bonds are listed in the Singapore Exchange Limited.

48. 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 USD 17,497 thousand as on March 31, 2018 (USD 35,596 thousand as on March 31, 2017), UPL group has settled USD 7,809 thousand during the year (USD 17,031 thousand in the year ended March 31, 2018) with previous shareholders. Out of the amount payable, the amount payable within one year from the balance sheet date amounting USD 289 thousand (USD 4,143 thousand in March 31, 2018) has been

49. ONE TIME OTHER COST

	THE GROUP		**THE COMPANY**	
	2019	2018	**2019**	2018
	USD '000	USD '000	**USD '000**	USD '000
Arysta Acquisition/Integration Cost	**52,918**	-	**11,759**	-

This expense referred to cost in relation to the aquistion of Arysta LifeScience Inc. and its subsidiaries which is of exceptional nature.

50. FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

This note presents information about the Company's exposure to each of the risks as disclosed in note 36, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

51. HOLDING COMPANY

The holding company is UPL Limited (Formerly known as United Phosphorus Limited), incorporated in India and has its registered office at 3-11, G.I.D.C., Vapi, Valsad, Gujarat - 396 195.

52. EFFECT OF AMALGAMATION

Last year, pursuant to a certificate of Amalgamation of 28 February 2018 issued by the Registrar of Companies in relation to the amalgamation of UPL Limited, Mauritius with the Company, the following assets, retained earnings and liabilities were transferred to the Company:

	2019	2018
Assets	USD '000	USD '000
Intangible assets	-	1,980
Property, plant and equipment	-	3
Loan receivables	-	227,895
Trade and other receivables	-	18,174
Cash and cash equivalents	-	219
Total Assets	-	248,271
Equity and Liabilities		
Retained earnings	-	217,594
Trade and other payables	-	29,931
Total Liabilities	-	247,525

Last year, the borrowings of USD 441 thousand to UPL Limited and investment of USD 305 thousand held by the company in UPL Limited were accordingly eliminated.

53 (i). NON-CURRENT INVESTMENT

	2019	2018
Group	USD '000	USD '000
Investments in task force	1,063	1,091
	1,063	1,091

53 (ii). CURRENT INVESTMENT

	2019	2018
Group	USD '000	USD '000
Investment in Mutual Fund	283	-
	283	-

The Group makes contribution to task force which are engaged in conducting studies related to processes for products manufactured by Group / new products. The investment balance in task force represents share of the Group in the bank balances of task force. These investments are measure at fair value.

54. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the consolidated and separate financial statements for the year ended 31 March 2019.

55. ACQUISITION OF SUBSIDIARY

On 31st January 2019, the Group acquired the entire share capital of Arysta Lifescience Inc , a global provider of innovative crop protection solutions including BioSolutions and Seed Treatment. As a result the Group obtained control of Arysta and it's subsidiaries.

For the two months ended 31st March 2019, the Group's result include a revenue of USD 279,863 thousand and a profit of USD 18,629 thousand without fair vlauation adjustments pertaining to business combination of Arysta Lifescience Inc and its subsidiaries. Acquisition occurred towards the end of year and considering size and spread of business and different GAAP followed by Arysta Group, it was impracticable to calculate estimated Full year revenue and profit if it would have occurred on 1st April 2018.

A. Consideration

	USD '000
Consideration	4,425,823
Total	4,425,823

The consideration is subject to further adjustments as per the stock purchase agreements signed between the parties based on the level of working capital of the acquired business at the closing date. The maximum additional consideration would be USD 23,136 thousand as required by IFRS 3 - Business Combinations.

The acquisition fulfills UPL's objective of creating an integrated patent and post patent agricultural solutions business with a global footprint. It will enable the group to offer a complete basket of solutions comprising of crop protection chemicals, bio solutions and seeds covering the entire crop value chain from planting to harvest.

B. Acquisition - related costs

The Group incurred acquisition related costs of USD 47,213 thousand related to the acquisition of Arysta Group. These costs have been included under "Exceptional items."

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	USD '000
Property,Plant and Equipment	19,800
Inventories	122,200
Intellectual Property Rights/ technology	850,500
Distribution Network/ Customer Relationships	322,000
Non compete	33,600
Brand	51,600
Current liabilities	(14,000)
Deferred Tax Liability	(398,300)
Contingent Liabilities on PPA	(58,000)
Total identifiable net assets acquired	929,400

Measurement of fair values

The valuation techniques used for measuring the fair values of material assets acquired were as follows:

Assets Acquired	Valuation technique used
Property, Plant and Equipment	The Cost Approach relies upon the principle of substitution and recognizes that a prudent investor will pay no more for an asset than the cost to replace it anew with an identical or similar unit of equal utility. Replacement Cost New (RCN) is the current cost of producing or constructing a similar new item having the nearest equivalent utility as the property being valued. Under this approach, the value is determined by adjusting the replacement / reproduction cost new by the loss in value due to physical deterioration and obsolescence for asset (by passage of time and use of the asset), where applicable. Market Approach: The Market Approach, commonly referred to as the Sales Comparison Approach, measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. When the Market Approach is utilized, data are collected on the prices paid for reasonable comparable assets. Adjustments are made to the comparable assets to compensate for differences between those assets and the asset being valued. The application of the Market Approach results in an estimate of the price reasonably expected to be realized from the sale of the asset.
Intangible Assets	Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets
Inventories	Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Fair values measured on a provisional basis

The Group is in process to finalise purchase price accounting for Arysta Group acquisiton. As it was occurred towards the end of year and considering size of acquisition and spread of Arysta Group business, fair valuation is provisional. It will be finalised within one year from the date of acquisiton as per IFRS 3.

If any new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows

	Note	USD '000
Consideration transferred	(A)	4,425,823
NCI, based on their proportionate interest in the recognised amounts of the assets and		69,785
Net worth on date of acquisition		(1,451,342)
Fair value of identifiable net assets	(C)	(929,400)
		2,114,866

56 DISCLOSURE UNDER IFRS 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged into manufacturing of agrochemicals, industrial chemicals and production and sale of vegetable and field crops. There is no impact on the Group's revenue on applying IFRS 15 from the contract with customers.

Disaggregation of revenue from contracts with customers

(a) The management determines that there is only one segment, that is, Agro Chemical considering materiality. Hence, no seperate disclosures of disaggregation of revenues is reported which is required as per IFRS 15 Revenue from contract with customers.

(b) The Group's performance obligation are satisfied upon shipment and payment is generally due by 45 to 270 days.

(c) Contract balances

	31-Mar-19	31-Mar-18
Particulars	**USD '000**	USD '000
Trade receivables (refer note 15)	**1,580,187**	780,038
Contract liablities (refer note 25)	**36,083**	22,115

(d) Reconciliation of revenue from contract with customer

	31-Mar-19	31-Mar-18
Particulars	**USD '000**	USD '000
Revenue from contract with customer as per the contract price	**2,960,800**	2,494,790
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**(292,003)**	(278,214)
b) Sales Returns /Credits / Reversals	**(89,428)**	(90,459)
Revenue from contract with customer	**2,579,369**	2,126,117
Sale of services	**2,099**	722
Other operating revenue	**21,354**	13,065
Revenue from operations	**2,602,822**	2,139,904

Discounts / Rebates / Incentives

The Group issues multiple discount schemes to its customers in order to capture market share. The Company makes a provision for the discount it expects to give to its customers based on the terms of the scheme as at 31 March 2019. Revenue is adjusted for the expected value of discount to be given.

Sales returns

The Group recognises a provision based on the previous history of sales return. Revenue is adjusted for the expected value of return.

UPL CORPORATION LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

UPL CORPORATION LIMITED
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS	PAGES

			Date of appointment	Date of resignation
DIRECTORS	:	Gyaneshwarnath **Gowrea**	12-Jan-09	-
		Uttam **Danayah**	02-Feb-12	-
		Jimmy Erach **Dadrewalla**	30-Aug-16	-
		Sonia **Lutchmiah**	01-Mar-16	13-Mar-18
		Doomraj **Sooneelall**	13-Mar-16	-

ADMINISTRATOR,
& CORPORATE
SECRETARY : **SGG Corporate Services (Mauritius) Ltd**
(Fomerly known as CIM CORPORATE SERVICES LTD)
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

REGISTERED OFFICE &
BUSINESS OFFICE
ADDRESS : Newport Building
Louis Pasteur Street
Port Louis
Mauritius

AUDITORS : **Crowe Horwath ATA**
Member Crowe Horwath International
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKERS : **Barclays Bank Mauritius Limited**
SBM Bank (Mauritius) Limited
Barclays Private Clients International Limited, Isle of Man
Citibank NA, Hong Kong Branch

The directors present their commentary together with the consolidated and separate financial statements of **UPL CORPORATION LIMITED** (the "Company") and its subsidiaries together referred to as the "Group" for the financial year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The Company was incorporated on 30 July 1993 and the main activities of the Company and its subsidiaries are those of manufacturing and marketing of crop protection chemicals, speciality chemicals, seeds, investment holding and providing management and financial support to group companies and international trading.

AMALGAMATION

Effective from 28 February 2018, UPL Limited, Mauritius a wholly owned subsidiary of the Company was amalgamated with the Company and accordingly all its assets, liabilities and retained earnings were transferred to the Company as described in note 52 of these financial statements.

RESULTS AND DIVIDENDS

The results for the year are shown in the consolidated and separate statement of profit or loss and other comprehensive income.

The directors take note that an interim dividend of USD 55,250 thousand was paid during the year (2017: USD 32,000 thousand). The directors do not recommend the payment of any further dividend for the year under review.

DIRECTORS

The present membership of the Board is set out on page 1. All the directors served office throughout the year except for Mrs Sonia Lutchmiah who has resigned on 13 March 2018 and Mr Doomraj Sooneelall who has been appointed on 13 March 2018 in her stead.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The directors have prepared the consolidated and separate financial statements for the financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Group and of the Company. In preparing those consolidated and separate financial statements, the directors have:

- Selected suitable accounting policies and then apply them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated and separate financial statements; and
- Prepared the consolidated and separate financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the consolidated and separate financial statements are properly prepared in accordance with IFRS. They have confirmed that they have complied with the above requirements in preparing the consolidated and separate financial statements.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office, until the next annual meeting.

UPL CORPORATION LIMITED

CERTIFICATE FROM THE SECRETARY

(SECTION 166 (D) OF THE COMPANIES ACT 2001)

We certify, to the best of our knowledge and belief, that UPL CORPORATION LIMITED (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 for the year ended 31 March 2018.

S. Jhurreea
Authorised signatory

Date: 01 June 2018

SGG Corporate Services (Mauritius) Ltd
33, Edith Cavell Street, Port-Louis, 11324, Mauritius

T +230 212 9800 F +230 212 9833 E mauritius@sggroup.com
BRN C09004928

www.sggroup.com

Crowe Horwath™

Crowe Horwath ATA
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Telephone : (230) 467 8684 / 466 2992
Telefax : (230) 467 7478
www.crowehorwath.mu

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of UPL CORPORATION LIMLITED (the "Company") and its subsidiaries (together referred as the "Group"), as set out on pages 8 to 80, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and of the Company as at 31 March 2018, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The Company has prepared a separate set of financial statements for the year ended 31 March 2018 in accordance with International Financial Reporting Standards and the Mauritius Companies Act 2001 and on which we issued a separate auditors' report to the shareholders of the Company dated 20 April 2018.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated and separate financial statements (Continued)

Other information

The directors are responsible for the other information. The other information comprises the Commentary of the directors, the Company Secretary's certificate, which we obtained prior to the date of this auditors' report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated and separate financial statements (Continued)

Auditors' responsibilities for the audit of the consolidated and separate financial statements (Continued)

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

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' 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 Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Report on the audit of the consolidated and separate financial statements (Continued)

Auditors' responsibilities for the audit of the consolidated and separate financial statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholder, in accordance with Section 205 of Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the shareholder those matters we are required to state in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA

Crowe Horwath ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: 01 June 2018

Ebene, Mauritius

		THE GROUP			THE COMPANY	
		2018	2017	1 April 2016	2018	2017
	Notes	USD '000	USD '000 Restated	USD '000 Restated	USD '000	USD '000
ASSETS						
Non-current assets						
Intangible assets	*7(a)*	275,056	266,222	230,562	5,480	2,247
Intangible assets under development	*7(c)*	29,129	20,944	23,111	-	-
Property, plant and equipment	*8(a)*	128,886	101,919	69,982	42	45
Capital work in progress	*8(b)*	71,224	58,329	16,783	-	-
Aircraft	*9*	6,053	7,232	16,664	-	-
Investment in subsidiaries	*10*	-	-	-	671,885	614,108
Investments stated at fair value through profit and loss	*11*	79,278	11,781	9,024	-	-
Investment in associates	*12*	47,568	17,269	18,293	-	-
Investment in joint ventures	*13 & 34 (ii)*	7,899	6,679	2,629	329	329
Deferred tax assets	*35*	72,194	85,054	63,298	-	-
Convertible loan notes	*46*	-	5,000	-	-	5,000
Trade and other receivables	*15*	225	138	143	191,764	146,367
Non-current assets held for sale	*16*	3,057	6,092	3,010	-	-
Loans and advances	*14*	22,653	32,529	15,667	-	-
Total non-current assets		743,222	619,188	469,166	869,500	768,096
Current assets						
Current investments	*54*	1,091	49	-	-	-
Inventories	*17*	460,992	440,732	298,604	2,445	3,246
Convertible loan notes	*46*	5,000	-	-	5,000	-
Trade and other receivables	*15*	779,813	756,490	624,860	707,587	454,978
Loans and advances	*14*	79,683	71,731	70,386	-	-
Cash and cash equivalents	*18*	416,600	423,906	147,332	84,582	117,809
Total current assets		1,743,179	1,692,908	1,141,182	799,614	576,033
TOTAL ASSETS		2,486,401	2,312,096	1,610,348	1,669,114	1,344,129

Approved and authorised for issue by the Board of directors on 01 June 2018 and signed on its behalf by:

Gyaneshwarnath Gowrea
Director

Uttam Danayah
Director

The notes as set out on pages 14 to 80 form an integral part of these consolidated and separate financial statements.

		THE GROUP			THE COMPANY	
				1 April		
		2018	2017	2016	2018	2017
	Notes	USD '000	USD '000	USD '000	USD '000	USD '000
			Restated	Restated		
EQUITY AND LIABILITIES						
Equity						
Stated capital	*19*	**13,600**	13,600	13,600	**13,600**	13,600
Retained earnings		**743,988**	618,398	471,546	**342,046**	150,716
Translation reserves	*20*	**(112,254)**	(111,727)	(121,782)	**(8,040)**	(31,510)
Equity attributable to equity holders of the parent		**645,334**	520,271	363,364	**347,606**	132,806
Non-controlling interests		**97,747**	70,751	6,382	-	-
Total equity		**743,081**	591,022	369,746	**347,606**	132,806
Non-current liabilities						
Bonds	*47*	**792,713**	494,992	-	**792,713**	494,992
Borrowings	*21*	**132,419**	346,502	348,923	**344,322**	549,709
Trade and other payables	*24*	-	-	-	**4,617**	15,623
Deferred tax liabilities	*35*	**6,672**	4,713	8,613	-	-
Provisions	*22*	**10,723**	8,857	5,943	-	-
Other long term liabilities	*23*	**14,384**	35,841	41,145	-	-
Total non-current liabilities		**956,911**	890,905	404,624	**1,141,652**	1,060,324
Current liabilities						
Borrowings	*21*	**59,904**	156,819	246,035	**15,000**	44,500
Trade and other payables	*24*	**625,578**	572,150	497,102	**164,170**	105,819
Other payables	*25*	**89,004**	91,794	86,188	-	-
Provisions	*22*	**11,923**	9,406	6,653	**686**	680
Total current liabilities		**786,409**	830,169	835,978	**179,856**	150,999
Total liabilities		**1,743,320**	1,721,074	1,240,602	**1,321,508**	1,211,323
TOTAL EQUITY AND LIABILITIES		**2,486,401**	2,312,096	1,610,348	**1,669,114**	1,344,129

Approved and authorised for issue by the Board of directors on 01 June 2018 and signed on its behalf by:

Gyaneshwarnath Gowrea
Director

Uttam Danayah
Director

The notes as set out on pages 14 to 80 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

		THE GROUP		THE COMPANY	
		2018	2017 Restated	**2018**	2017
Income	*Notes*	**USD '000**	USD '000	**USD '000**	USD '000
Revenue from operation	*26*	**2,139,904**	1,793,027	**366,145**	371,850
Cost of sales	*27*	**(1,194,975)**	(1,036,966)	**(303,779)**	(327,840)
Direct costs	*28*	**(187,060)**	(131,268)	**-**	-
Gross profit		**757,869**	624,793	**62,366**	44,010
Other income	*29*	**14,507**	22,585	**40,432**	59,324
		772,376	647,378	**102,798**	103,334
Less: Expenses					
Administration expenses	*30*	**(66,650)**	(48,903)	**(8,036)**	(13,026)
Other expenses	*31*	**(298,407)**	(266,258)	**(6,079)**	(16,537)
Depreciation and impairment		**(18,505)**	(21,140)	**(19)**	(3)
Amortisation		**(37,163)**	(31,790)	**(1,825)**	(1,553)
Finance costs	*33*	**(93,829)**	(75,886)	**(55,666)**	(23,856)
Profit from operations		**257,822**	203,401	**31,173**	48,359
Reversal of diminution of investment		**1,998**	3,700	**-**	-
(Loss) / gain on disposal of investment		**-**	(238)	**-**	2,238
Restructuring cost	*32*	**(4,535)**	(2,387)	**(906)**	-
Share of loss from associates	*34(i)*	**(16,389)**	(2,932)	**-**	-
Share of profit from joint ventures	*34(ii)*	**1,048**	215	**-**	-
Product contamination and counterfeiting	*45*	**(2,008)**	(1,040)	**-**	-
Fine on due amount of ICMS		**(776)**	-	**-**	-
Others		**(88)**	-	**-**	-
Customer compensation claim		**(1,208)**	-	**-**	-
Profit before taxation		**235,864**	200,718	**30,267**	50,597
Taxation	*35*	**(29,013)**	(6,809)	**(1,281)**	(463)
Profit for the year		**206,851**	193,909	**28,986**	50,134
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Currency translation differences	*20*	**(527)**	10,211	**23,470**	60,124
Items that may be reclassified subsequently to profit or loss		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**206,324**	204,120	**52,456**	110,258
PROFIT FOR THE YEAR ATTRIBUTABLE TO:					
Equity holders of the parent		**205,285**	191,911	**28,986**	50,134
Non-controlling interests		**1,566**	1,998	**-**	-
		206,851	193,909	**28,986**	50,134

The notes as set out on pages 14 to 80 form an integral part of these consolidated and separate financial statements.

THE GROUP

	Stated capital	Preference share capital	Translation reserves	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
At 1 April 2016 (as previously stated)	13,600	-	(121,795)	478,863	370,668	6,382	377,050
Early adoption of IFRS 9 (Notes 4 / 53)	-	-	13	(7,317)	(7,304)	-	(7,304)
At 1 April 2016 (as restated)	13,600	-	(121,782)	471,546	363,364	6,382	369,746
Advanta Holding BV preference share held by UPL Ltd in India	-	-	-	-	-	64,924	64,924
Total comprehensive income for the year restated (Notes 4 / 53)	-	-	10,211	191,911	202,122	1,998	204,120
Other adjustment (note 53)			(156)	(13,059)	(13,215)	-	(13,215)
Currency translation difference	-	-	-		-	(710)	(710)
Dividends	-	-	-	(32,000)	(32,000)	(1,843)	(33,843)
At 31 March 2017 (as restated)	13,600	-	(111,727)	618,398	520,271	70,751	591,022
Total comprehensive income for the year	-	-	(527)	205,285	204,758	1,566	206,324
Acquisition of non-controlling interest	-	-	-	(22,880)	(22,880)	19,388	(3,492)
Acquisition under common control in Advanta Indonesia	-	-	-	(1,566)	(1,566)	1,566	-
Currency translation difference	-		-	-	-	6,384	6,384
Dividends	-		-	(55,250)	(55,250)	(1,908)	(57,158)
At 31 March 2018	13,600	-	(112,254)	743,988	645,334	97,747	743,081

THE COMPANY

	Stated capital USD '000	Translation reserves USD '000	Retained earnings USD '000	Total equity USD '000
At 1 April 2016	13,600	(91,634)	132,582	54,548
Translation reserve:				
Arising during the year (Note 20)	-	60,124	-	60,124
Profit for the year	-	-	50,134	50,134
Dividends	-	-	(32,000)	(32,000)
At 31 March 2017	13,600	(31,510)	150,716	132,806
Translation reserve:				
Arising during the year (Note 20)	-	**23,470**	-	**23,470**
Effect of amalgamation (note 52)	-	-	**217,594**	**217,594**
Profit for the year	-	-	**28,986**	**28,986**
Dividends	-	-	**(55,250)**	**(55,250)**
At 31 March 2018	**13,600**	**(8,040)**	**342,046**	**347,606**

The notes as set out on pages 14 to 80 form an integral part of these consolidated and separate financial statements.

	THE GROUP		THE COMPANY	
	2018	2017 Restated	**2018**	2017
	USD '000	USD '000	**USD '000**	USD '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**235,864**	200,718	**30,267**	50,597
Adjustments for:				
Dividend income		-	**-**	(15,000)
Depreciation and amortisation	**55,669**	52,929	**2,673**	2,110
Gain on disposal of investment in subsidiary	**-**	-	**-**	(2,238)
Finance costs	**93,829**	75,886	**-**	-
Provision for doubtful debts and advances	**932**	1,865	**-**	-
Assets written off	**136**	164	**-**	-
Bad debts written off	**312**	1,830	**-**	-
Provision for diminution in value of investment	**(1,998)**	(3,700)	**-**	-
Gain on sale of assets (net)	**(286)**	-	**-**	-
Bargain purchase on step acquisition	**(79)**	-	**-**	-
Gain on disposal of assets (net)	**-**	(521)	**-**	-
Interest income	**(14,288)**	(19,298)	**-**	
Loss on disposal of associate	**-**	238	**-**	-
Excess provisions in respect of earlier years written (off)/back (net)	**418**	(2)	**-**	-
Net gain on disposal of current investments	**-**	(2,213)	**-**	-
Share of loss from associates	**16,388**	2,932	**-**	-
Share of profits of joint ventures	**(1,048)**	(215)	**-**	-
Operating profit before working capital changes	**385,849**	310,613	**32,940**	35,469
(Increase)/decrease in inventories	**(20,260)**	(84,951)	**801**	3,007
Increase in trade and other receivables	**(24,654)**	(19,113)	**(247,878)**	(133,450)
Decrease in other current assets	**3,146**	9,994	**-**	-
(Increase) / decrease in long term and short term loans and advances	**(656)**	148,612	**-**	-
Increase / (decrease) in trade and other payables	**48,488**	(9,593)	**17,414**	28,319
Increase / (decrease) in long term and short term provisions	**1,162**	(1,467)	**-**	-
Decrease in other liabilities	**(19,726)**	(14,454)	**-**	-
Cash generated from/(absorbed by) operations	**373,349**	339,641	**(196,723)**	(66,655)
Tax paid	**(16,677)**	(25,493)	**(1,026)**	(678)
Net cash from/(used in) operating activities	**356,672**	314,148	**(197,749)**	(67,333)

The notes as set out on pages 14 to 80 form an integral part of these consolidated and separate financial statements.

	THE GROUP		THE COMPANY	
	2018	2017 Restated	**2018**	2017
	USD '000	USD '000	**USD '000**	USD '000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment including capital work in progress and capital advances	**(97,258)**	(116,290)	**(13)**	(43)
Acquisition of intangible assets	**-**	-	**(3,078)**	(995)
Proceeds from sale of property, plant and equipment	**1,513**	4,177	**-**	-
Investment in associates	**(44,950)**	-	**-**	-
Payment for acquisition of additional stake in subsidiaries	**(3,413)**	(45,997)	**-**	-
Proceeds from disposal of investment in subsidiary	**-**	995	**-**	3,233
Acquisition of subsidiaries, net of cash	**-**	31,253	**-**	-
Investment in subsidiaries	**-**	-	**(58,082)**	(288,680)
Investment in joint ventures	**-**	-	**-**	(329)
Investment in convertible loan notes	**-**	-	**-**	(5,000)
Purchase of investments	**(65,936)**	(5,175)	**-**	-
Sundry loans received (net)	**2,324**	18,432	**-**	-
Income from current investment	**-**	2,213	**-**	-
Dividend received	**-**	-	**-**	15,000
Interest received	**14,288**	19,298	**-**	-
Net cash used in investing activities	**(193,432)**	(91,094)	**(61,173)**	(276,814)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from issuance of bonds	**-**	-	**298,020**	496,970
Bonds transaction cost	**-**	-	**(2,807)**	(2,532)
Borrowings (Net)	**(6,314)**	146,582	**(11,239)**	(8,925)
Interest paid and other financial charges	**(100,791)**	(64,164)	**-**	-
Dividend paid to minority shareholders by subsidiaries	**(1,908)**	(1,843)	**-**	-
Dividends paid	**(55,250)**	(32,000)	**(55,250)**	(32,000)
Net cash (used in)/from financing activities	**(164,263)**	48,575	**228,724**	453,513
Net (decrease)/increase in cash and cash equivalents	**(1,023)**	271,629	**(30,198)**	109,366
Cash and cash equivalents at start of the year	**423,906**	147,332	**117,809**	9,773
Effect of amalgamation	**-**	-	**219**	-
Effect of exchange rate difference	**(6,284)**	4,945	**(3,248)**	(1,330)
Cash and cash equivalents at end of the year	**416,600**	423,906	**84,582**	117,809

The notes as set out on pages 14 to 80 form an integral part of these consolidated and separate financial statements.

1. GENERAL INFORMATION

UPL CORPORATION LIMITED (the "Company") which was incorporated in Mauritius, under the Mauritius Companies Act 1984, now governed by the Mauritius Companies Act 2001, as a private Company on 30 July 1993 with limited liability by shares and subsequently, on 26 September 2016, it was converted into a public company. The Company's registered office address is at Newport Building, Louis Pasteur Street, Port Louis, Mauritius.

The Company's and subsidiaries' main activities are those of manufacturing and marketing of crop protection chemicals, speciality chemicals, seeds, investment holding, providing management and financial support to group companies and international trading.

The consolidated and separate financial statements of the Company are expressed in United States dollar ("USD"). The Company's functional currency is the USD, the currency of the primary economic and regulatory environment in which the Company operates.

2. STATEMENT OF COMPLIANCE WITH IFRS

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and which comprise of standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that remain in effect.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of presentation

The preparation of the consolidated and separate financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the reported amounts and disclosures in the consolidated and separate financial statements. Actual results may differ from these estimates.

The subsidiaries' financial statements have been prepared in accordance with accounting standards and relevant legislations prevailing in their respective countries of incorporation. As a result, the subsidiaries use the historical cost concept in preparing their financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group and in compliance with IFRS.

All significant intercompany transactions and balances between group entities are eliminated on consolidation.

On acquisition, the identifiable assets and liabilities of a subsidiaries are measured at their fair values at the date of acquisition. The non-controlling interests are stated at the minority's proportion of the fair values of the identifiable assets and liabilities. As it is impracticable to compute non-controlling interest based on the fair values of the identifiable assets and liabilities of the subsidiaries acquired, the directors have used the net assets of those subsidiaries based on their audited financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of presentation (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated and separate statement of profit or loss and comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(b) Basis of accounting

The consolidated and separate financial statements are prepared under the historical cost convention, except for the measurement at fair value of financial instruments carried on the consolidated and separate statement of financial position.

(c) Basis of consolidation

The consolidated and separate financial statements of the Group comprise of the financial statements of the Company and its subsidiaries.

Subsidiaries are consolidated and separate from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances, transactions, income and expenses are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to the consolidated and separate statement of comprehensive income or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investment in subsidiaries

Subsidiary undertakings are those entities in which the Company has control if all of the following elements are present:

(i) power over the investee;
(ii) exposure to variable returns from the investee, and
(iii) the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

(i) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
(ii) Substantive potential voting rights held by the Company and by other parties;
(iii) Other contractual arrangements; and
(iv) Historic patterns in voting attendance.

Investment in subsidiary is shown at cost, less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Investments in associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the consolidated and separate statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the year in which the investment is acquired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investments in associates (Continued)

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the consolidated and separate profit or loss. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated and separate profit or loss.

The financial statements of the associates are usually prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the consolidated and separate profit or loss.

Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have a joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in the consolidated and separate financial statements using the equity method of accounting, except when investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss of the joint venture. When the Company's share of the loss of the joint venture exceeds the Company's interest in the joint venture, the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments of the joint venture.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investment in joint ventures (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit and loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable of the investment subsequently increases.

(d) Revenue recognition

Income is recognised on the following basis:

(i) Interest is recognised as it accrues, unless collectability is in doubt;
(ii) Dividend income from investments is recognised when the shareholder's right to receive payment have been established;
(iii) Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers; and
(iv) Management fees, commission income, licence fees, royalty income and other income are recognised on an accrual basis.
(v) Royalty income is recognised on accrual basis in accordance with the substance with the relevant agreement. Royalties accrued 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.

(e) Expense recognition

All expenses are accounted for in the consolidated and separate statement of profit or loss on an accrual basis.

(f) Foreign currency translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency translation (Continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the consolidated and separate profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of other comprehensive income for the year. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated and separate financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the statement of other comprehensive income in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation (if any) are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment and depreciation

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 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

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 - 35 Years
3.	Furniture, Fixtures & Equipment	3 - 15 Years
4.	Improvements-Leasehold	6 - 10 Years
5.	Land-Leasehold	50 years or term of lease if shorter
6.	Office Equipment	3 - 33 Years
7.	Plant and Equipment	3 - 20 Years
8.	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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

The Group has early adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of 1 April 2016.

IFRS 9 will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39").

IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the early adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. The change did not impact the carrying value of any financial assets on transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

(i) Financial assets

All recognised financial assets are measured at amortised cost or fair value.

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI.

All other debt investments and equity investments are measured at their fair value through profit or loss at the end of subsequent accounting periods. Entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(ii) Financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

(iii) Impairment

In relation to the impairment of financial assets, an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

(iv) Hedging

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on an analysis of the Group's financial assets and financial liabilities as at 31 March 2018 on the basis of the facts and circumstances that exist at that date, the directors of the Company have performed a preliminary assessment of the impact of IFRS 9 to the Group's consolidated financial statements as follows:

Classification and measurement

Loan convertible notes classified as held-to-maturity investments and loans carried at amortised cost: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;

Unlisted shares classified as available-for-sale investments carried at fair value: these shares qualify for designation as measured at FVTOCI. However, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(iv) Hedging (Continued)

Classification and measurement (Continued)

under IFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Group's profit or loss and other comprehensive income but will not affect total comprehensive income.

All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

Impairment

Financial assets measured at amortised cost, that will be carried at FVTOCI under IFRS 9 (see classification and measurement section above), and financial guarantee contracts will be subject to the impairment provisions of IFRS 9.

The Group expects to apply the simplified approach to recognise lifetime expected credit losses for its trade receivables. In relation to the loans to related parties and financial guarantee contracts, whether lifetime or 12-month expected credit losses should be recognised would depend on whether there has been a significant increase in credit risk of these items from initial recognition to the date of initial application of IFRS 9. The directors are currently assessing the extent of this impact.

In general, the directors anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier recognition of credit losses for the respective items and are currently assessing the potential impact.

Hedge accounting

As the new hedge accounting requirements will align more closely with the Group's risk management policies, with generally more qualifying hedging instruments and hedged items, a preliminary assessment of the Group's current hedging relationships indicate that they will qualify as continuing hedging relationships upon application of IFRS 9.

Similar to the Group's current hedge accounting policy, the directors do not intend to exclude the forward element of foreign currency forward contracts from designated hedging relationships. Moreover, the Group has already elected to basis adjust non-financial hedged items with gains/losses arising from effective cash flow hedges under IAS 39, which is mandatory under IFRS 9.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(iv) Hedging (Continued)

Hedge accounting (Continued)

Nevertheless, under IFRS 9, basis adjustments are not considered a reclassification adjustment and therefore they would not affect other comprehensive income. Currently, gains/losses arising from effective cash flow hedges that are subject to basis adjustments are presented in other comprehensive income as amounts that may be subsequently reclassified to profit or loss. The corresponding amount in the current year will be presented as 'will not be subsequently reclassified to profit or loss' upon the application of IFRS 9, which has no overall impact on the Group's profit or loss, other comprehensive income or total comprehensive income. However, in respect of the actual basis adjustment in the current year which affected other comprehensive income, such basis adjustment will no longer affect other comprehensive income upon the application of IFRS 9, resulting in an increase in other comprehensive income and total comprehensive income of the same amount.

Apart from the above, the directors do not anticipate that the application of the IFRS 9 hedge accounting requirements will have a material impact on the Group's consolidated financial statements.

It should be noted that the above assessments were made based on an analysis of the Group's financial assets and financial liabilities as at 31 March 2018 on the basis of the facts and circumstances that existed at that date.

Change in accounting policies – Financial Instruments

The following is the Company's new accounting policy for financial instruments under IFRS 9.

(a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(b) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income.

(c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(d) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive income.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non - cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

Intangible assets

Expenditure incurred on product acquisitions are amortised on straight line basis over a period of fifteen years from the month of addition to match their expected future economic benefits.

Germplasm are amortised on straight line basis over a period of ten to fifteen years.

All other intangible assets are amortised on straight line basis over a period of three to five years.

(i) Equity

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity.

Retained earnings include all current and prior period results as disclosed in the consolidated and separate statement of profit or loss and other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. They include provisions for retirement benefits, leave encashment and gratuity.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

(k) Related parties

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity;
(vi) If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a); and
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Related parties (Continued)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

(l) Employee benefits

1. RiceCo, LLC USA

(i) The Company has a defined benefit pension plan which covers all full-time employees of the Company. Funding of the plan is made through payment to various funds managed by a third party and is in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

(ii) Actuarial gains/ losses are recognised immediately to other comprehensive income.

2. All other subsidiaries

The companies contribute to a defined contribution plan which are charged to profit or loss and as incurred.

(m) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation within the respective jurisdiction in which the Company and its subsidiaries operate.

(n) Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rate and tax laws substantively enacted at reporting date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax assets can be realised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Inventories

Inventories are stated at the lower of cost and net realisable value.

(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. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(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 costing basis which approximates the actual cost.

(iii) Traded goods are valued at lower of cost or net realisable value.

(p) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairment losses (if any) are recognised as an expense in the consolidated and separate statement of profit or loss.

(q) Sale of trade receivable

The Group sells insured trade receivables to banks whereby significant risks and rewards are transferred and this transfer is treated as "true sale" for both legal and financial reporting purposes and accordingly, these receivables are not reflected in the of the consolidated and separate statement of financial position.

(r) Non-current assets held-for-sale

Non-current assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale of transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Aircraft

Aircraft is recorded at cost less depreciation and provision for impairment, if any. Cost comprises of the purchase price and any attributable cost of bringing the aircraft to its working condition for its intended use. Depreciation is computed on the straight line method, based on the useful life of the aircraft on 100% of the acquisition cost and with a zero residual value. Annual depreciation rates used is 12.5% per annum.

Normal disbursements for repairs and maintenance are charged to the consolidated and separate profit or loss and significant costs that improve the efficiency and extend the useful life of the aircraft, are capitalised.

Repairs and maintenance

The Company utilises the built-in overhaul method to account for the major maintenance of the aircraft. Under the built-in overhaul method, the cost of the initial major maintenance activity is recorded as a deferred charge and is amortised over a period of 8 years.

(t) Biological Assets

Sinagro Produtos Agropecuários S.A. and 3SB Produtos Agrícolas 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 consolidated and separate statement of profit and loss.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and revised IFRSs affecting the reported financial performance and financial position

(a) Impact of application of IFRS 9 Financial Instruments

In the current year, the Company has early adopted IFRS 9 Financial Instruments (as revised in July 2014) in advance of their effective dates. IFRS 9 introduces new requirements for; (1) the classification and measurement of financial assets and financial liabilities, (2) impairment for financial assets and (3) general hedge accounting. Details of these new requirements as well as their impact on the Company's financial statements are described below:

The Company has applied IFRS 9 in accordance with the transition provisions set out in the standard.

Classification and measurement of financial assets held as at 31 March 2018

The date of initial application is 01 April 2017. Accordingly, the Company has applied the requirements of IFRS 9 to instruments. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments at amortised cost

A 'debt instrument' is measured at its 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 other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

4. **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)**

New and revised IFRSs affecting the reported financial performance and financial position (continued)

(a) Impact of application of IFRS 9 Financial Instruments (continued)

Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

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 derecognition 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 Fair Value Through Profit and Loss (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 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.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

New and revised IFRSs affecting the reported financial performance and financial position (continued)

(a) Impact of application of IFRS 9 Financial Instruments (continued)

Equity investments

All equity investments in scope of IFRS 9 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.

The directors of the Company reviewed and assessed the financial assets as at 01 April 2017 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- the Company's investments in equity instruments would be classified as financial assets at FVTOCI as they are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and they have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The change in fair value on these equity instruments will be accumulated in the investment revaluation reserve;

- financial assets classified as loans and receivables to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

New and revised IFRSs affecting the reported financial performance and financial position (continued)

(a) Impact of application of IFRS 9 Financial Instruments (continued)

The table below illustrates the classification and measurement of financial assets and financial liabilities under IFRS 9 and IAS 39 at the date of initial application, 01 April 2016.

		Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39 USD'000	Additional (loss) / gain allowance recognised under IFRS 9 USD'000	New carrying amount under IFRS 9 USD'000
1	Convertible Loan Notes (Note 46)	Loan and receivables	Financial assets at amortised cost	5,000	NIL	5,000
2	Trade and other receivables (Note 15)	Loan and receivables	Financial assets at amortised cost	765,143	(8,515)	756,628
3	Cash and cash equivalents (Note 18)	Loan and receivables	Financial assets at amortised cost	423,906	NIL	423,906
4	Bonds (Note 47)	Financial liabilities at amortised cost	Financial liabilities at amortised cost	494,992	NIL	494,992
5	Borrowings (Note 21)	Financial liabilities at amortised cost	Financial liabilities at amortised cost	503,321	NIL	503,321
6	Trade and other payables (Note 24)	Financial liabilities at amortised cost	Financial liabilities at amortised cost	572,150	NIL	572,150

The change in measurement category of the different financial assets has had no impact on their respective carrying amounts on initial application except for trade and other receivables.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

New and revised IFRSs affecting the reported financial performance and financial position (continued)

(a) Impact of application of IFRS 9 Financial Instruments (continued)

Impairment of financial assets

In accordance with IFRS 9, 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) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade 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 Company 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.

The company assesses impairment based on expected credit losses (ECL) model on trade receivables.

This policy is in line with the Group`s policy on Impairment of financial assets.

As at reporting date, the company has reviewed its receivables from non-group customers based on the ECL model and since these receivables are not overdue for more than 270 days, there was no requirement to provide for an impairment loss allowance.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

New and revised IFRSs affecting the reported financial performance and financial position (continued)

(a) Impact of application of IFRS 9 Financial Instruments (continued)

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. There has been no impact on the financial statements.

General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'.

Application of new and revised International Financial Reporting Standards (IFRSs)

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2017:

Amendments to IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(b) Annual Improvements Cycle -2014-2016 Amendments to IFRS 12 Disclosure of Interests in Other Entities:

Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The application of the above amendments has had no material impact on the disclosures in the financial statements.

Standards issued but not yet effective

A number of new standards and amendments to standards and interpretation, that have been issued but are not yet effective up to the date of issuance of the Company's financial statements, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers', establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue standards and interpretations:

- IAS 18 Revenue
- IAS 11 Construction Contracts
- IFRIC 13 Customer loyalty
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 18 Transfers of assets from customers
- SIC 31 Revenue - Barter transactions involving advertising services

IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 Financial Instruments: Recognition and Measurement. The new revenue standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company intends to adopt IFRS 15 no later than the accounting period beginning on or after 01 January 2018.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Standards issued but not yet effective (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(I) The beginning of the reporting period in which the entity first applies the interpretation; or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The interpretation is effective for annual periods beginning on or after 01 January 2018. Early application of interpretation is permitted and must be disclosed.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 01 January 2019, but certain transition reliefs are available.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the management's judgements made in applying the accounting policies of the Group that have the most significant effect on the consolidated and separate financial statements.

(a) Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 1, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar ("USD").

(b) Impairment of available-for-sale financial assets

The Company follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. There are no such indications of events having impact on future cash flows of the Company. Therefore, no impairment provision is required to be made by the Group.

(c) Impairment of financial assets

Management assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. There are no such indications of events having impact on future cash flows of the Company. Therefore, no impairment provision is required to be made by the Group.

(d) Impairment of non-financial assets

In assessing whether a full impairment test is required for the investments in the subsidiary, the Company has considered whether it has recognised a dividend from the investments and evidence is available that:

- the carrying amount of the investments in the separate financial statements exceeds the carrying amount of the net assets of the subsidiaries; or
- the dividend exceeds the total comprehensive income of the subsidiaries in the period in which the dividend is declared.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of non-financial assets (Continued)

The directors have noted that the carrying amount of investments in the separate financial statements is lower than the carrying amount of the net assets of the subsidiaries, except for the investment in Ishihara Sangyo Kaisha Ltd

Therefore, no provision of impairment is required to be made to the investment in the subsidiaries, except for the investment in Ishihara Sangyo Kaisha Ltd where the provision for diminution has been recognised.

(e) Translation reserve

The Company has granted a quasi-equity long term foreign currency loan for some investment activities by its subsidiaries. As settlement date of the loan is not determined as at the reporting date, exchange differences arising on translation of the loan has been recognised in other comprehensive income and under translation reserve in equity. The translation reserve amounting to USD 8,040 thousand (2017: USD 31,510 thousand) appearing under equity represents those translation differences on the conversion of the quasi-equity loan to USD.

(f) Share of results of associates

The associate's financial statements cover a 12 months period up to 31 December and that of the group ends on 31 March. As the result of the amount for the 3 months to 31 March is not significant, directors have not made any adjustment in respect thereto.

6. ESTIMATION UNCERTAINTY

While preparing the consolidated and separate financial statements, the directors undertake a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

7. INTANGIBLE ASSETS

(a) Net boook values

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	USD '000	USD '000 Restated	**USD '000**	USD '000
Goodwill	**159,718**	155,591	-	-
Customer list	**208**	358	-	-
Right to use assets	**394**	-	-	-
Germplasm	**1,200**	2,321	-	-
Product registration/acquisition note (b))	**112,494**	107,249	**5,480**	2,247
Software	**1,042**	703	-	-
	275,056	266,222	**5,480**	2,247

(b) Intangible assets consisting of know-how and product registration data are shown at historical costs, have a finite life and are carried at cost less accumulated amortisation. During the year ended 31 March 2018, expenses incurred in relation to Napromide Registration were capitalised by the Company.

(c) INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development amounting to **USD 29,129** thousand (2017: USD 20,944 thousand) represent development of assets which are still under progress. Once development has been completed, these assets are transferred to intangible assets and amortisation are carried out accordingly.

THE GROUP

	Right to use assets	Germplasm	Product Registration/ Acquisition	Software/ License Fees	Customer Lists	Goodwill	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
COST							
At 1 April 2017 (as restated)	-	11,216	363,250	5,331	1,500	155,591	536,888
Acquisitions	-	-	-	-	-	-	-
Additions	446		35,503	676	-	-	36,625
Disposals	-	-	(2,823)	(6)	-	-	(2,829)
Exchange difference	-	-	28,360	578	-	4,127	33,065
Other adjustments	-	-	-	-	-	-	-
At 31 March 2018	**446**	**11,216**	**424,290**	**6,579**	**1,500**	**159,718**	**603,749**
AMORTISATION							
At 1 April 2017	-	8,895	256,001	4,628	1,142	-	270,666
Charge on acquisitions	-	-	-	-	-	-	-
Charge on additions	52	1,121	34,919	326	150	-	36,568
Disposal	-	-	(1,997)	(6)	-	-	(2,003)
Exchange difference	-	-	22,873	589	-	-	23,462
At 31 March 2018	**52**	**10,016**	**311,796**	**5,537**	**1,292**	-	**328,693**
NET BOOK VALUES							
At 31 March 2018	**394**	**1,200**	**112,494**	**1,042**	**208**	**159,718**	**275,056**
At 31 March 2017	-	2,321	107,249	703	358	155,591	266,222

8. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP / THE COMPANY

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	USD '000	USD '000	**USD '000**	USD '000
Net book values				
Freehold land	**19,523**	19,420	-	-
Land – leasehold	**1,760**	1,787	-	-
Building	**27,398**	21,643	-	-
Plant and machinery	**57,858**	39,763	-	-
Laboratory equipment	**3,644**	2,808	-	-
Furniture, fixture and equipment	**2,575**	2,832	-	-
Vehicles	**7,097**	6,614	-	-
Leased vehicles	**55**	81	-	-
Office equipment	**4,276**	2,302	**42**	45
Land improvements	**172**	171	-	-
Building improvements	**3,611**	3,499	-	-
Building - leasehold	**864**	938	-	-
Furniture, fixture and equipment taken on lease	**53**	61	-	-
	128,886	101,919	**42**	45

(b) CAPITAL WORK IN PROGRESS

Capital work in progress amounted to **USD 71,224** thousand (2017: USD 58,329 thousand) represents the projects which are still under progress. Once these projects have been completed, they are transferred to property, plant and equipment and depreciation are carried out accordingly.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP

	Freehold Land	Leasehold Land	Building	Leasehold Building	Plant and Machinery	Laboratory Equipment	Furniture Fixtures and Equipment	Vehicles	Land Improvements	Building Improvements	Office Equipment	Vehicles under finance lease	Furniture Fixture Equipment under finance lease	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
COST														
At 1 April 2017	19,420	1,896	45,118	3,579	162,197	6,293	5,634	11,985	2,352	4,833	6,704	266	94	270,371
Acquisitions	-	-	-	-	62	-	4	-	-	-	24	-	-	90
Additions	-	-	6,793	13	24,210	1,140	492	3,525	8	349	2,917	-	-	39,447
Disposals	-	-	(44)	-	(596)	-	(177)	(1,817)	-	-	(269)	(109)	-	(3,012)
Exchange differences	103	(17)	2,717	564	17,531	623	117	(168)	375	85	239	3	3	22,175
Other adjustments	-	-	-	-	444	-	(462)	-	-	-	20	-	-	2
At 31 March 2018	**19,523**	**1,879**	**54,584**	**4,156**	**203,848**	**8,056**	**5,608**	**13,525**	**2,735**	**5,267**	**9,635**	**160**	**97**	**329,073**
DEPRECIATION														
At 1 April 2017	-	109	23,475	2,641	122,434	3,485	2,802	5,371	2,181	1,334	4,402	185	33	168,452
Charge on acquisitions	-	-	-	-	51	-	3	-	-	-	12	-	-	66
Charge on additions	-	10	1,289	232	9,848	487	454	2,428	34	310	971	24	10	16,097
Disposal	-	-	(43)	-	(505)	-	(177)	(1,387)	-	-	(250)	(103)	-	(2,465)
Exchange differences	-	-	2,465	419	14,031	440	97	16	348	12	209	-	1	18,038
Other adjustments	-	-	-	-	131	-	(146)	-	-	-	15	(1)	-	(1)
At 31 March 2018	**-**	**119**	**27,186**	**3,292**	**145,990**	**4,412**	**3,033**	**6,428**	**2,563**	**1,656**	**5,359**	**105**	**44**	**200,187**
NET BOOK VALUES														
At 31 March 2018	**19,523**	**1,760**	**27,398**	**864**	**57,858**	**3,644**	**2,575**	**7,097**	**172**	**3,611**	**4,276**	**55**	**53**	**128,886**
At 31 March 2017	19,420	1,787	21,643	938	39,763	2,808	2,832	6,614	171	3,499	2,302	81	61	101,919

9. AIRCRAFT

THE GROUP

	Total
	USD '000
COST	
At 1 April 2017	12,080
Additional	82
At 31 March 2018	**12,162**
DEPRECIATION	
At 1 April 2017	4,848
Charge for year	1,261
At 31 March 2018	**6,109**
NET BOOK VALUES	
At 31 March 2018	**6,053**
At 31 March 2017	7,232

Last year an impairment charge of USD 7,670 thousand was recognised, as the carrying value of the aircraft exceeds its fair value.

10. INVESTMENT IN SUBSIDIARIES

THE COMPANY

	THE COMPANY	
	2018	2017
	USD '000	USD '000
Investments - Unquoted		
At 1 April	**614,108**	325,428
Additions	**58,082**	288,680
Effect of amalgamation (note 52)	**(305)**	-
At 31 March	**671,885**	614,108

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The list of subsidiaries, associates and joint venture companies considered for consolidation together with the proportion of shareholding held by the Group is as follows:

Nos.	Name of the subsidiaries	Ref	Country of incorporation	Holdings	
				2018	2017
1	UPL Europe Limited		United Kingdom	100%	100%
2	UPL Deutschland GmbH		Germany	100%	100%
3	UPL Polska Sp z.o.o.		Poland	100%	100%
4	UPL Benelux B.V.		Netherlands	100%	100%
5	Cerexagri B.V.		Netherlands	100%	100%
6	Blue Star B.V.		Netherlands	100%	100%
7	United Phosphorus Holdings Cooperatief U.A.		Netherlands	100%	100%
8	United Phosphorus Holdings B.V.		Netherlands	100%	100%
9	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.		Netherlands	100%	100%
10	Decco Worldwide Post-Harvest Holdings B.V.		Netherlands	100%	100%
11	United Phosphorus Holding, Brazil B.V.		Netherlands	100%	100%
12	UPL Italia S.R.L.		Italy	100%	100%
13	UPL Iberia, S.A.		Spain	100%	100%
14	Decco Iberica Postcosecha, S.A.U.		Spain	100%	100%
15	Transterra Invest, S. L. U.		Spain	100%	100%
16	Decco Portugal Post Harvest, Unipessoal LDA		Portugal	100%	100%
17	Cerexagri S.A.S.		France	100%	100%
18	Neo-Fog S.A.		France	100%	100%
19	UPL France		France	100%	100%
20	United Phosphorus Switzerland Limited		Switzerland	100%	100%
21	Agrodan, ApS		Denmark	100%	100%
22	Decco Italia SRL		Italy	100%	100%
23	Limited Liability Company "UPL"		Russia	100%	100%
24	United Phosphorus Inc.		USA	100%	100%
25	UPI Finance LLC		USA	100%	100%
26	Cerexagri, Inc. (PA)		USA	100%	100%
27	UPL Delaware, Inc.		USA	100%	100%
28	Canegrass LLC		USA	70%	70%
29	Decco US Post-Harvest Inc		USA	100%	100%
30	RiceCo LLC		USA	100%	100%
31	Riceco International, Inc.		Bahamas	100%	100%
32	UPL Limited	#	Mauritius	100%	100%
33	UPL Limited		Gibraltar	100%	100%
34	UPL Management DMCC		United Arab Emirates	100%	100%

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Ref	Country of incorporation	Holdings	
				2018	2017
35	UPL Agro S.A. de C.V.		Mexico	100%	100%
36	Decco Jifkins Mexico Sapi		Mexico	100%	100%
37	United Phosphorus do Brasil Ltda	# 2	Brazil	0%	100%
38	Uniphos Indústria e Comércio de Produtos Químicos Ltda.		Brazil	100%	100%
39	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.		Brazil	100%	100%
40	DVA Technology Argentina S.A.		Argentina	100%	100%
41	UPL Costa Rica S.A		Costa Rica	100%	100%
42	UPL Bolivia S.R.L		Bolivia	100%	100%
43	Icona Sanluis S A		Argentina	100%	100%
44	UPL Argentina S A		Argentina	100%	100%
45	Decco Chile SpA		Chile	100%	100%
46	UPL Colombia SAS		Colombia	100%	100%
47	UPL Paraguay S.A.		Paraguay	100%	100%
48	United Phosphorus Cayman Limited		Cayman Islands	100%	100%
49	UP Aviation Limited		Cayman Islands	100%	100%
50	UPL Australia Limited		Australia	100%	100%
51	UPL New Zealand Limited		New Zealand	100%	100%
52	UPL Shanghai Limited		China	100%	100%
53	UPL Limited (Korea)		Korea	100%	100%
54	PT.UPL Indonesia		Indonesia	100%	100%
55	PT Catur Agrodaya Mandiri		Indonesia	100%	100%
56	UPL Limited		Hong Kong	100%	100%
57	UPL Philippines Inc.		Philippines	100%	100%
58	UPL Vietnam Co. Limited		Vietnam	100%	100%
59	UPL Limited, Japan		Japan	100%	100%
60	Anning Decco Fine Chemical Co. Limited		China	55%	55%
61	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi		Turkey	100%	100%
62	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	# 3	Turkey	100%	51%
63	Safepack Products Limited		Israel	100%	100%
64	Citrashine (Pty) Ltd.		South Africa	100%	100%
65	UPL Africa SARL	# 1	Senegal	0%	100%
66	Prolong Limited	# 4	Israel	100%	50%
67	Perrey Participacoes S.A		Brazil	100%	100%
68	Advanta Netherland Holding B.V.	# 5	Netherlands	99%	52%
69	Advanta Semillas SAIC	# 5	Argentina	99%	52%
70	Advanta Holdings B.V.	# 5	Netherlands	99%	52%
71	Advanta Seeds International		Mauritius	52%	52%

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Ref	Country of incorporation	Holdings	
				2018	2017
72	Pacific Seeds Holdings (Thailand) Limited	# 5	Thailand	99%	52%
73	Pacific Seeds (Thai) Limited	# 5	Thailand	99%	52%
74	Advanta Seeds Pty Ltd	# 5	Autralia	99%	52%
75	Advanta US Inc	# 6	USA	100%	52%
76	Advanta Comercio De Sementes LTDA	# 5	Brazil	99%	52%
77	PT Advanta Seeds Indonesia	@ 1	Indonesia	47%	0%
78	Advanta Seeds DMCC		United Arab Emirates	52%	52%
79	Essentiv LCC	@ 2	USA	50%	50%
80	UPL Agro Limited Mauritius	@1	Mauritius	100%	0%
81	UPL Jiangsu Limited	@	China	70%	0%
82	Riceco International Bangladesh Ltd	@1	Bangladesh	100%	0%
83	Uniphos Malaysia Sdn Bhd	@1	Malaysia	100%	0%
84	Advanta Seeds Ukraine LLC	@ 2, # 5	Ukraine	99%	52%

@ 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%
\# 5 During the year, the Group through its step down wholly owned subsidiary, has increased its stake from 52% to 99%
\# 6 During the year, the Group through its step down wholly owned subsidiary, has increased its stake from 52% to 100%

Associates

Sr. No.	Associate Companies		Country of incorporation	**31.03.2018 % of Group Holding**	31.03.2017 % of Group Holding
1	Polycoat Technologies 2010 Limited		Israel	20%	20%
2	Sinagro Produtos Agropecuários S.A.	#	Brazil	49%	40%
3	3SB Produtos Agricolas S . A	#	Brazil	49%	40%
4	Seara Comercial Agricola Ltda.		Brazil	*	*
5	Serra Bonita Sementes S.A.	$	Brazil	33%	**
6	Bioplanta Nutricao Vegetal, Industria e Comercio S.A.		Brazil	**	**

$ Investment during the year
* This is 51% step-down subsidiary of Sinagro Produtos Agropecuários S.A.
** These are 33.33% Joint ventures of Sinagro Produtos Agropecuários S.A.
\# Additional 9% stake acquired during the year

Joint Venture

Sr. No.	Joint Venture Company		Country of incorporation	**31.03.2018 % of Group Holding**	31.03.2017 % of Group Holding
1	Hodogaya UPL Co. Limited		Japan	40%	40%
2	Longreach Plant Breeders Management Pty Limited	*	Australia	69%	37%
3	United Phosphorus (Bangladesh) Limited		Bangladesh	50%	50%

* Additional 32% stake acquired during the year

11. INVESTMENTS STATED AT FAIR VALUE THROUGH PROFIT AND LOSS

THE GROUP

	Carrying amounts	
	2018	2017
Unquoted & Quoted investments	**USD '000**	USD '000
Ishihara Sangyo Kaisha Ltd. (Quoted)	**14,379**	11,651
IBI Debentures (Unquoted)	**64,895**	-
Others (Unquoted)	**4**	130
	79,278	11,781

12. INVESTMENT IN ASSOCIATES

THE GROUP

Name of associates	Country of incorporation	% holding	2018 USD '000	2017 USD '000
Sinagro Produtos Agropecuários S.A.	Brasil	40	-	5,483
3SB Produtos Agricolas S.A	Brasil	40	**15,704**	11,786
Seara Bonita	Brasil	33.33	**31,864**	-
			47,568	17,269

13. INVESTMENT IN JOINT VENTURE

THE GROUP	2018 USD '000	2017 USD '000
Longreach Plant Breeders Management Pty Ltd,Australia	**4,733**	3,871
United Phosphorous (Bangladesh) Limited	**7**	7
Hodogaya UPL Co. Limited(Note (a))	**3,159**	2,801
	7,899	6,679

(a) The Group has 40% ownership interest in Hodogaya UPL Co. Limited, a jointly controlled entity incorporated in Japan.

THE COMPANY	2018 USD '000	2017 USD '000
United Phosphorous (Bangladesh) Limited	**329**	329

The Company had acquired 50% of the share capital of United Phosphorous (Bangladesh) Limited, representing 1,627 of TK 1,000 each, from its sole shareholder for a total consideration of USD 329 thousand. The investment has been stated at cost.

14. LOAN AND ADVANCES

THE GROUP	2018 USD '000	2017 USD '000
Non-current assets (More than one year)		
Advance recoverable in cash and kind	4,469	4,165
Loans and advances to employees	5	19
Long term loans to related party	9,052	19,464
Long term MAT entitlement	867	1,795
Advance tax	2,959	2,447
Long term advances others	2,558	2,017
Sundry deposits	2,547	2,408
Long term- Deposits with the Collectorate of Central Excise	196	214
	22,653	32,529
Current assets (Less than one year)		
Advance recoverable in cash and kind	49,739	41,605
Loans and advances to employees	705	2129
Loan to related party	15,601	17,925
Sundry deposits	4,689	60
Payment of taxes	4,183	1,805
Interest receivable	4,766	8,207
	79,683	71,731

15. TRADE AND OTHER RECEIVABLES

	2018 USD '000	2017 USD '000 Restated
THE GROUP		
Non-current asset (More than one year)		
Debtors	225	138
Current assets (Less than one year)		
Debtors – Others	760,300	719,754
Receivables from holding company	19,513	36,736
	779,813	756,490

THE COMPANY	2018 USD '000	2017 USD '000
Non-current assets (More than one year)		
Amount receivable from group companies (Note 39)	191,764	146,367
	191,764	146,367

Current assets (Less than one year)	2018 USD '000	2017 USD '000
Trade debtors	3,998	2,830
Effect of Amalgamation -trade receivables (note 52)	18,167	-
Effect of Amalgamation -group receivables (notes 39 & 52)	7	-
Other receivables	1,599	1,738
Amount receivable from group companies (Note 39)	683,816	450,410
	707,587	454,978

The average credit period on sales of goods on credit is 180 days. Interest and commission fees is charged on outstanding invoices. No other provision for doubtful trade receivables is required and the directors have assessed that the outstanding balances will be fully recoverable.

The director believes that the carrying amount of the trade and other receivables are approximate to their fair value. The ageing analysis of the trade receivables are as follows:

	Group		Company	
	2018 USD '000	2017 USD '000	2018 USD '000	2017 USD '000
Within 1 year trade receivables	779,813	756,490	281,382	173,488
More than 1 year trade receivables	225	138	-	-
	780,038	756,628	281,382	173,488

At the reporting date, none of the trade receivables was impaired.

Before accepting any new customer, management assesses the credit quality of the customer and defines the terms accordingly. In determining the recoverability of a trade receivable, management considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting year.

16. NON-CURRENT ASSETS HELD FOR SALE

Assets held for sale represents assets amounted to **USD 3,057** thousand (2017: USD 6,092 thousand) acquired from customers who have not been able to settle their debts in cash.

17. INVENTORIES

THE GROUP	2018 USD '000	2017 USD '000
Stores and Spares	**4,687**	4,476
Packing Materials	**10,114**	8,481
Finished Products	**290,005**	276,260
By - Products	**137**	128
Semi-finished products	**34,205**	31,100
Traded goods	**58,654**	53,474
Raw materials	**63,190**	66,813
	460,992	440,732

THE COMPANY	2018 USD '000	2017 USD '000
Goods held at third party warehouse	-	3,092
Goods in transit	**2,445**	154
	2,445	3,246

18. CASH AND CASH EQUIVALENTS

THE GROUP	2018 USD '000	2017 USD '000
Cash at bank		
Current accounts	**238,001**	231,884
Fixed deposits	**178,519**	191,284
Cash in hand	**80**	738
	416,600	423,906

THE COMPANY	2018 USD '000	2017 USD '000
Cash at bank		
Fixed deposit	**83,868**	110,385
Current account	**714**	7,424
Petty cash	**0.12**	0.05
	84,582	117,809

19. STATED CAPITAL

THE COMPANY	2018	2017
	USD '000	USD '000
Ordinary shares of USD 100 each		
At 31 March	13,600	13,600
Number of ordinary shares	136	136

The stated capital of the Company comprises of 136,000 (2017: 136,000) ordinary shares with a par value of USD 100 per share. These shares are entitled to voting rights and to dividends. The shareholder has various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

20. TRANSLATION RESERVE

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD '000	USD '000	USD '000	USD '000
		Restated		
At 1 April	(111,727)	(121,782)	(31,510)	(91,634)
Movements during the year	(527)	10,055	23,470	60,124
At 31 March (Note 5(e))	(112,254)	(111,727)	(8,040)	(31,510)

21. BORROWINGS

THE GROUP	2018	2017
	USD '000	USD '000
Non-current liabilities (More than one year)		
Loan from Banks:		
Secured	462	688
Unsecured	379	212,798
Loan from Others - Unsecured	2,945	706
Loans and advances from holding company	128,633	132,310
	132,419	346,502
Current liabilities (Less than one year)		
Loan from Banks:		
Secured	1,946	6,577
Unsecured:		
- Working capital loan/ PCFC	33,397	81,027
- Acceptances	1	7,834
Loan from holding company (note 39(ii))	15,000	7,000
Current maturities of long term debts	663	38,520
Interest accrued but not due on loans	8,897	15,861
	59,904	156,819

21. BORROWINGS (CONTINUED)

Below notes are for more than one year and current maturity of those borrowings.

(a) Foreign currency loan from banks (Unsecured)

Unsecured loan from banks bears interest rates 3.4% and Prime + 2% amounting to **USD 607 thousand** (Previous year: USD 250,298 thousand) repayable within 1-5 years.

(b) Foreign currency loan from banks (secured)

Foreign currency loan from banks includes **USD 856** thousand (Previous year: USD 1,518 thousand) secured by way of collateral of accounts receivable, fixed assets and inventories carrying interest rate of 6% - 17.60% payable within 1-3 years.

(c) From others (Unsecured)

Unsecured term loan from others amounting to **USD 2,983** thousand (Previous year: USD Nil) carrying interest rate of 2 % to 5.79%.

(d) Bond

(i) Bonds are listed on Singapore Stock exchange amounted to **USD 495,520** thousand (2017: USD 494,992 thousand) and are recorded at amortised cost bearing an interest rate of 3.25 %, repayable on 13th October 2021.

(ii) Another bonds are listed on Singapore Stock exchange amounted to **USD 297,193** thousand (2017: Nil) and are recorded at amortised cost bearing an interest rate of 4.50 %, repayable on 8th March 2028.

THE COMPANY

	2018	2017
Non-current liabilities (More than one year)	**USD '000**	USD '000
Loan from group companies (Note 21 (a) below)	**344,322**	337,209
Loan from Banks(Note 21 (b) below)	-	212,500
	344,322	549,709
Current liabilities (Less than one year)		
Loan from group companies (Note 39(ii) and 21(a) below)	**15,000**	7,000
Loan from banks (Note 21 (b) below)	-	37,500
	15,000	44,500

(a) The loan bears interest at the rate between LIBOR + 2% to LIBOR + 2.5%, is unsecured and is repayable as follows:

	2018	2017
	USD '000	USD '000
Within one year	**15,000**	7,000
After one year and before five years	**344,322**	337,209
	359,322	344,209

(b) The loan from banks were unsecured, had interest at the rate of LIBOR +1.5% and is repayable as follows:

	2018	2017
	USD '000	USD '000
Within one year	-	37,500
After one year and before five years	-	212,500
	-	250,000

(c) The carrying amounts of borrowings approximate their fair values.

22. PROVISIONS

	2018		2017	
	Long-term provisions USD '000	**Short-term provisions USD '000**	Long-term provisions USD '000	Short-term provisions USD '000
Provision for post-employment benefits	**7,614**	-	6,492	-
Jubilee provision	**210**	-	172	-
Environmental provision (Note (a) and (b))	**1,982**	-	1,698	-
Labour claim (Note (a) and (d))	**917**	-	495	-
Reorganisation provision	-	-	-	96
Provision for taxes	-	**8,673**	-	5,453
Leave encashment	-	**2,376**	-	2,983
Provision for contingencies (Note (a) and (e))	-	**874**	-	874
	10,723	**11,923**	8,857	9,406

The Company has a tax liability of USD 686 thousand (2017: USD 680 thousand) – Refer to note 35

(a)

	Environmental provision	**Labour / Employee Claim provision**	**Reorganisation provision**	**Provision for contingencies**
	31-Mar-18 USD '000	**31-Mar-18 USD '000**	**31-Mar-18 USD '000**	**31-Mar-18 USD '000**
Opening balances	**1,698**	**495**	**96**	**874**
Provisions:				
- Created	**87**	**460**	-	-
- Utilised	**(75)**	-	**(96)**	-
Foreign currency translation effect	**272**	**(38)**	-	-
Closing balances	**1,982**	**917**	-	**874**

(b) 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.

22. PROVISIONS (CONTINUED)

(c) Reorganisation 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.

(d) 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 cessations of the respective events.

(e) 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.

23. OTHER LONG TERM LIABILITIES

THE GROUP	**2018**	2017
	USD '000	USD '000
Deferred payment liability	**14,384**	35,841
	14,384	35,841

24. TRADE AND OTHER PAYABLES

	2018	2017
THE GROUP	**USD '000**	USD '000
Current		
Sundry creditors for goods	**329,859**	266,071
Sundry creditors for expenses	**215,360**	172,860
Trade payables to holding company	**80,359**	133,219
	625,578	572,150

24. TRADE AND OTHER PAYABLES (CONTINUED)

THE COMPANY	2018	2017
	USD '000	USD '000
Non-current		
Other payables	4,617	15,623
Current		
Amount payable to group companies (Note 39(iii))	86,723	58,186
Amount payable to group associate (Notes 39(iii) & 52)	29,931	-
Other payables and accruals	47,516	47,633
	164,170	105,819

The carrying amounts of trade and other payables approximate their fair value, the non-current part is repayable after 1 year and the current part is repayable within 3 months and 1 year.

Other payables includes refundable security-cum performance deposit amount aggregating to USD 8,778 thousand (2017: USD 17,800 thousand) received by the Company from Pengo SA on behalf of Mr Carlos Alberto De Paiva Pellier ("Carlos").

The deposit has been made in relation to the Share Purchase Agreement entered between Carlos and United Phosphorus Indústria E Comércio de Produtos Químicos Ltda for the disposal of the entire shares held by Carlos in UPL Do Brazil Industria E Comercio De Insumos Agropecuarios SA and the refund of which is subject to fulfilment of conditions in the Share Purchase Agreement.

25. OTHER PAYABLES

THE GROUP	2018	2017
	USD '000	USD '000
Other payables	61,343	53,636
Advances against orders	22,115	34,814
Trade deposits	1,384	1,143
Current maturities of deferred payment liability	4,162	2,201
	89,004	91,794

26. REVENUE FROM OPERATIONS

THE GROUP	2018	2017
	USD '000	USD '000
Sale of products	2,105,364	1,755,960
Sale of products to holding company	32,988	24,297
Cash discount	(12,235)	(8,660)
Other income from operations (Note 26 (a))	13,787	21,430
	2,139,904	1,793,027

(a) OTHER INCOME FROM OPERATIONS	2018	2017
	USD '000	USD '000
Job work/service income	722	715
Discount received	129	90
Commission received - Group	4,819	15,743
Other operating income	6,509	2,118
Excess provision in respect of earlier year written back	1,355	1,668
Export incentives	47	1
Royalty income	206	1,095
	13,787	21,430

26. REVENUE FROM OPERATIONS (CONTINUED)

THE COMPANY	2018 USD '000	2017 USD '000
Sale of products	**366,145**	371,850

27. COST OF SALES

	THE GROUP		THE COMPANY	
	2018 **USD '000**	2017 USD '000	**2018** **USD '000**	2017 USD '000
Cost of goods sold	**1,194,975**	1,036,966	303,779	327,840

28. DIRECT COSTS

THE GROUP	2018 USD '000	2017 USD '000
Power and fuel	**7,770**	6,418
Processing charges	**80,983**	54,231
Rebate, commission and discount	**29,723**	12,627
Effluent disposal charges	**4,440**	3,697
Water charges	**527**	454
Non Recoverable taxes-variable cost	**2,324**	2,303
Transport charges	**58,380**	51,907
Royalty charges	**2,913**	(369)
	187,060	131,268

29. OTHER INCOME

THE GROUP	2018 USD '000	2017 USD '000
Income from long term investments	**15**	3
Interest on loan deposits	**14,273**	19,295
Rent	**14**	48
Profit on sale of investments	**-**	2,213
Miscellaneous receipts	**336**	502
Profit on sale of fixed assets	**286**	521
Sundry credit balances written (off) / back	**(417)**	3
	14,507	22,585

29. OTHER INCOME (CONTINUED)

THE COMPANY	2018 USD '000	2017 USD '000
Management fees	-	9,841
Interest income	20,258	12,992
Dividend income	-	15,000
Income received from group company	5,257	21,740
Exchange difference (net)	14,917	(249)
	40,432	59,324

30. ADMINISTRATIVE EXPENSES

THE GROUP	2018 USD '000	2017 USD '000
Rent	11,865	6,470
Travelling and conveyance	26,441	20,732
Subscription/ Membership	2,592	2,166
Service costs	1,112	869
Entertainment	1,558	1,285
Security services	1,485	1,159
Training and seminar	1,250	784
Office supplies	620	313
Sundry expenses	7,278	4,226
Registration charges	9,259	8,350
Labour charges	3,190	2,549
	66,650	48,903

THE COMPANY	2018 USD '000	2017 USD '000
Auditors' remuneration	87	32
Travelling expenses	1,038	183
Other expenses	182	379
Registration fees	1	148
Rent	313	7
Salaries	1,127	676
Management fees	3,500	9,500
Postage	19	14
Printing and stationary	1	1
Other fees and charges	1,768	2,086
	8,036	13,026

31. OTHER EXPENSES

THE GROUP	2018 USD '000	2017 USD '000 Restated
Employee benefits expense	**185,655**	144,848
Stores and spares consumed	**4,190**	4,753
Repairs to building	**1,245**	1,008
Repairs to machinery	**7,629**	6,243
General repairs	**8,775**	7,323
Rates and taxes	**6,328**	4,048
General insurance charges	**6,320**	4,450
Credit insurance	**2,297**	2,371
Advertisement and sales promotion	**21,813**	23,099
Legal and professional fees	**28,509**	22,060
Charity and donations	**391**	143
Bad debts written off	**312**	1,830
Provision for doubtful debts and advances	**932**	1,865
Exchange difference (net) *	**(156)**	27,093
Assets written off	**136**	164
Warehousing costs	**17,449**	11,934
Communication costs	**4,368**	2,614
Research and development expenses	**2,214**	412
	298,407	266,258

* Current year exchange difference (net) mainly includes loss due to devaluation of currencies in Latin American.

THE COMPANY	2018 USD '000	2017 USD '000
Commission to group companies	**3,473**	16,536
Sales promotion expenses	**6**	1
Commission expenses	**2,600**	-
	6,079	16,537

32. RESTRUCTURING COST

THE GROUP

The amount of **USD 4,535** thousand (2017: USD 2,387 thousand) which is of an exceptional nature, represents restructuring cost related to the Company's business in the Latin America.

THE COMPANY

The restructuring cost **USD 906** thousand (2017: USD Nil) represent expenses incurred in relation to the restructuring of Advanta group companies in the latin America regions and is of exceptional nature

33. FINANCE COSTS

THE GROUP

	2018 USD '000	2017 USD '000
Interest:		
On term loans	**32,433**	23,542
On cash credit and working capital demand loan accounts	**15,831**	18,814
On fixed deposit and fixed loan	**48**	232
Other loan interest	**6,124**	5,978
	54,436	48,566
Exchange difference	**26,156**	13,373
Other financial charges	**7,036**	9,142
Interest cost from holding company	**6,201**	4,805
	39,393	27,320
	93,829	75,886

THE COMPANY

	2018 USD '000	2017 USD '000
Interest on bonds	**17,923**	8,110
Interest expense on amount owed to banks	**6,195**	6,825
Interest expense on amount owed to group	**5,439**	6,378
Financial services charges and bank charges	**608**	815
Net foreign exchange transaction loss	**25,680**	1,687
(Profit) / loss on interest swap	**(179)**	41
	55,666	23,856

The Company has entered into SWAP agreements with banks to hedge against fluctuations in interest rates.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES

THE GROUP

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates

(a) The Group has a 49 % interest in 3SB Produtos Agropecuarios S.A. , which is involved in business of planting,cultivation and commericialization of agriculture products. 3SB Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in 3SB Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of 3SB Produtos Agropecuarios S.A. as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.The following table illustrates the summarised financial information of the Group's investment in 3SB Produtos Agropecuarios S.A.:

Summaried balance sheet

	2018	2017
	USD '000	USD '000
Current assets	**37,473**	41,401
Non-current assets	**43,054**	33,381
Current liabilities	**(57,543)**	(52,765)
Non-current liabilities	**(13,955)**	(17,190)
Equity	9,029	4,827
Proportion of the Group's ownership (%)	**49%**	40%
Carrying amount of the investment excluding Goodwill	**4,424**	1,931
Goodwill	**11,266**	9,855
Additional investment during Jan-March'18	**14**	-
Carrying amount of the investment	**15,704**	11,786

Summaried statement of profit and loss

	2018	2017
	USD '000	USD '000
Revenue	**63,231**	48,472
Loss for the year	**(1,106)**	(13,265)
Other Comprehensive Income(OCI)	-	-
Total comprehensive income for the year	**(1,106)**	(13,265)
Group's share of profit for the year	**(542)**	(5,306)

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(b) The Group has a 49% interest in Sinagro Produtos Agropecuarios S.A., which is involved in the business of retail sales and commercial representation of crop protection chemical and seeds. Sinagro Produtos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in Sinagro Produtos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of Sinagro Produtos Agropecuarios S.A.as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The following table illustrates the summarised financial information of the Group's investment in Sinagro Produtos Agropecuarios S.A.:

Summaried balance sheet

	2018	2017
	USD '000	USD '000
Current assets	**148,170**	212,376
Non-current assets	**58,652**	120,551
Current liabilities	**(207,896)**	(253,408)
Non-current liabilities	**(23,463)**	(72,088)
Non-controlling interest	**(1,825)**	(2,815)
Equity	**(26,362)**	4,616
Proportion of the Group's ownership (%)	**49%**	40%
Carrying amount of the investment excluding Goodwill	(12,917)	1,846
Goodwill	7,402	3,636
Additional investment during Jan-March'18	5,515	-
Carrying amount of the investment	(0)	5,482

Summaried statement of profit and loss

	2018	2017
	USD '000	USD '000
Revenue	**311,751**	369,767
(Loss) / profit for the year	**(32,581)**	5,934
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	(32,581)	5,934
Group's share of profit for the year	(15,965)	2,374

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017 other than those disclosed in the consolidated and separate financial statements.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

THE GROUP (CONTINUED)

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Investment in associates (Continued)

(c) 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. The following table illustrates the summarised financial information of the Group's investment in Serra Bonita Sementes S.A:

Summaried balance sheet

	2018 USD '000	2017 USD '000
Current assets	18,285	-
Non-current assets	105,258	-
Current liabilities	(16,910)	-
Non-current liabilities	(4,767)	-
Equity	101,866	-
Proportion of the Group's ownership (%)	33.33%	40%
Carrying amount of the investment excluding Goodwill	33,952	-
Goodwill	(2,088)	3,636
Carrying amount of the investment	31,864	3,636

Summaried statement of profit and loss

	2018 USD '000	2017 USD '000
Revenue	27,025	-
Profit for the year	354	-
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	354	-
Group's share of profit for the year	118	-

The associate had no contingent liabilities or capital commitments as at 31 March 2018.

(ii) 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:

Summaried balance sheet

	2018 USD '000	2017 USD '000
Current assets	20,846	18,957
Non-current assets	1	280
Current liabilities	(12,950)	(12,234)
Non-current liabilities	-	-
Non-controlling interest	-	-
Equity	7,897	7,003
Proportion of the Group's ownership (%)	40%	40%
Carrying amount of the investment	3,159	2,801

The group does not have Goodwill

Summaried statement of profit and loss

	2018 USD '000	2017 USD '000
Revenue	33,266	29,969
Profit before tax	487	413
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	487	413
Group's share of profit for the year	195	165

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.

34 SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(ii) Investment in Joint Ventures (Continued)

(b) The Group has a 69% (2017: 37%) 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:

Summaried balance sheet

	2018	2017
	USD '000	USD '000
Current assets	10,509	11,030
Non-current assets	6,990	6,655
Current liabilities	(12,297)	(14,671)
Non-current liabilities	(12)	(146)
Non-controlling interest	-	-
Equity	5,190	2,868
Proportion of the Group's ownership (%)	37%	37%
Carrying amount of the investment before goodwill	1,903	1,052
Goodwill	2,830	2,819
Carrying amount of the investment	4,733	3,871

Summaried statement of profit and loss

	2018	2017
	USD '000	USD '000
Revenue	7,495	4,754
Profit before tax	2,327	135
Other Comprehensive Income (OCI)	-	-
Total comprehensive income for the year	2,327	135
Group's share of profit for the year	853.31	50

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.

35. TAXATION

THE GROUP

	2018	2017
	USD '000	USD '000
		Restated
Current tax	17,006	24,706
Deferred tax	12,007	(17,897)
	29,013	6,809

THE COMPANY

Under current laws and regulations in Mauritius, the Company, being holder a Category 1 Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income tax.

35. TAXATION (CONTINUED)

A reconciliation between the profit before taxation and taxable profit is as follows:

	2018	2017
	USD '000	USD '000
Profit before taxation	**30,267**	50,597
Add underlying tax	-	-
	30,267	50,597
Tax at 15%	**4,540**	7,590
Annual allowance	**(113)**	(102)
Non-allowable expenses	**741**	233
Non-taxable income	-	(2,779)
	5,168	4,942
Less: tax credit	**(4,134)**	(3,953)
	1,034	989
Tax paid under Advance Payment System	**(348)**	(309)
Tax liability (refer to note 22)	**686**	680

The Company has applied the most appropriate tax credits by reference to each item of foreign source income separately.

	2018	2017
	USD '000	USD '000
Prior year tax provision	**247**	(558)
Current year tax	**1,034**	989
Withholding tax	-	32
	1,281	463

DEFERRED TAX ASSETS

THE GROUP	**2018**	2017
	USD '000	USD '000
		Restated
At 1 April	**85,054**	63,298
Movement during the year	**(12,860)**	21,756
At 31 March	**72,194**	85,054

DEFERRED TAX LIABILITIES

THE GROUP	**2018**	2017
	USD '000	USD '000
At 1 April	**4,713**	8,613
Movement during the year	**1,959**	(3,900)
At 31 March	**6,672**	4,713

36. FINANCIAL INSTRUMENTS

THE COMPANY

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2018 USD '000	**Financial liabilities 2018 USD '000**	Financial assets 2017 USD '000	Financial liabilities 2017 USD '000
Great Britain pound	**11,479**	**113**	7,293	88
Japanese yen	**-**	**-**	-	-
Australian dollar	**5,364**	**622**	11,491	877
Mauritian rupee	**-**	**1**	6	2
United States dollar	**758,591**	**1,296,287**	547,829	1,185,540
EURO	**207,508**	**23,799**	151,067	24,137
	982,942	1,320,822	717,686	1,210,644

Prepayments of USD 991 thousand (2017: USD 1,469 thousand) have not been included in financial assets and tax provision of USD 686 thousand (2017: tax provision USD 680 thousand) has not been included in the financial liabilities.

Currency risk

The Group is exposed to various currencies in different part of the world and manages the currency exposure through natural hedge or forward cover where possible.

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 illustrates the aged analysis of the Group's financial liabilities.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

31-Mar-18	Within one year USD '000	More than one year USD '000	Total USD '000
THE GROUP			
Bonds	-	792,713	792,713
Borrowings	59,904	132,419	192,323
Other long term liabilities	-	14,384	14,384
Trade and other payables	625,578	-	625,578
Other payables	89,004	-	89,004
	774,486	939,516	1,714,002

	3 months to one year USD '000	More than one year USD '000	Total USD '000
THE COMPANY			
Bonds	-	792,713	792,713
Borrowings	15,000	344,322	359,322
Trade and other payables	164,170	4,617	168,787
	179,170	1,141,652	1,320,822

31-Mar-17	Within one year USD '000	More than one year USD '000	Total USD '000
THE GROUP			
Bonds	-	494,992	494,992
Borrowings	156,819	346,502	503,321
Other long term liabilities	-	35,841	35,841
Trade payables	572,150	-	572,150
Other payables	91,794	-	91,794
	820,763	877,335	1,698,098

31-Mar-17	Within one year USD '000	More than one year USD '000	Total USD '000
THE COMPANY			
Bonds	-	494,992	494,992
Borrowings	44,500	549,709	594,209
Trade and other payables	105,819	15,623	121,442
	150,319	1,060,324	1,210,643

36. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Financial assets that potentially expose the Group to credit risk consist principally of investments in cash balances. The extent of the Group's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the consolidated and separate statement of financial position.

According to the Group's investment policy, transactions are carefully allocated to counterparties reflecting the credit worthiness of the financial institution. The Board of directors also constantly monitors the outstanding investments.

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Group's policy is to maintain its cash balance with reputed banking institutions and to monitor the placement of cash balances on an ongoing basis. The Group also limits its credit risk by carrying out transactions with its related parties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

THE GROUP	**2018**	2017
	USD '000	USD '000
		Restated
Trade and other receivables	**780,038**	756,628
Loans and advances	**102,336**	104,260
Cash and cash equivalents	**416,600**	423,906

THE COMPANY	**2018**	2017
	USD '000	USD '000
Trade and other receivables	**899,351**	601,345
Cash and cash equivalents	**84,582**	117,809

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instrument. The Group's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company's financial assets and liabilities are either interest bearing or non-interest-bearing. The Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Company manages its interest rate risk by using floating-to-fixed interest rate swaps by swapping the floating interest rates of some of the bank loans to fixed interest rates. In this respect, the Company had entered into Interest Rate Risk Swap Agreements for some of the bank loans, to hedge against interest rate fluctuations. As at 31 March 2018, the amortized notional amount for which the Company had entered into interest rate SWAP agreements amounted to USD 25,819 thousand (2017: USD 98,304 thousand).

The following table details the Company's exposure to interest rate risks.

THE COMPANY		**31-Mar-18**	
	Interest bearing USD '000	**Non-interest bearing USD '000**	**Total USD '000**
Assets			
Convertible loan notes	**5,000**	**-**	**5,000**
Cash and cash equivalents	**83,868**	**714**	**84,582**
Trade and other receivables	**594,205**	**305,146**	**899,351**
Total assets	**683,073**	**305,860**	**988,933**
Liabilities			
Bonds	**792,713**	**-**	**792,713**
Borrowings	**147,311**	**212,011**	**359,322**
Trade and other payables	**-**	**168,787**	**168,787**
Total liabilities	**940,024**	**380,798**	**1,320,822**

		31-Mar-17	
	Interest bearing USD '000	Non-interest bearing USD '000	Total USD '000
Assets			
Convertible loan notes	5000	-	5000
Cash and cash equivalents	110,413	7,396	117,809
Trade and other receivables	424,920	176,425	601,345
Total assets	540,333	183,821	724,154
Liabilities			
Bonds	494,992	-	494,992
Borrowings	389,310	204,899	594,209
Trade and other payables	-	121,442	121,442
Total liabilities	884,302	326,341	1,210,643

Interest rate sensitivity

A 100 basis point is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the net profit for the year ended 31 March 2018 would increase/decrease by USD 1,399 thousand (2017: USD 3,816 thousand). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings from the holding company.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

Interest rate sensitivity (Continued)

THE COMPANY

			31-Mar-18 Interest rates	
Financial instrument		**Interest Charge**	**Low**	**High**
	USD '000		**-1.00%**	**1.00%**
Borrowings	147,311	5,415	6,814	4,016
Impact on net profit of the Company			(1,399)	1,399

			31-Mar-17 Interest rates	
Financial instrument		Interest Charge	Low	High
	USD '000		-1.00%	1.00%
Borrowings	389,310	10,718	14,534	6,902
Impact on net profit of the Company			(3,816)	3,816

THE GROUP

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:

	Increase/decrease in basis points	**Effect on profit or loss**	**Effect on equity**
		000	**000**
31-Mar-18			
USD	+50	(697)	(697)
	-50	697	697
Others	+100	(221)	(221)
	-100	221	221

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.

37. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its shareholders, return capital to its shareholder, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

37. CAPITAL MANAGEMENT (CONTINUED)

The gearing as at 31 March 2018 and 31 March 2017 were as follows:

THE GROUP

	2018 USD '000	2017 USD '000 Restated
Bonds	**792,713**	494,992
Borrowings	**192,323**	503,321
Less: cash and cash equivalents	**(416,600)**	(423,906)
Net debt	**568,436**	574,407
Total equity	**743,081**	591,022

THE COMPANY	2018 USD '000	2017 USD '000
Bonds	**792,713**	494,992
Borrowings	**359,322**	594,209
Less: cash and cash equivalents	**(84,582)**	(117,809)
Net debt	**1,067,453**	971,392
Total equity	**347,606**	132,806
Total	**1,415,059**	1,104,198

38. FAIR VALUATION HIERARCHY

The Group uses the following valuation techniques hierarchy for determining and disclosing the fair value of assets and liabilities:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

38. FAIR VALUATION HIERARCHY (CONTINUED)

THE GROUP	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
31-Mar-18				
Assets				
Convertible Loan Notes	-	-	**5,000**	**5,000**
Aircraft	-	-	**6,053**	**6,053**
Investments stated at fair value through profit and loss	**14,379**	-	**4**	**14,383**
Trade and other receivables	-	-	**780,038**	**780,038**
Non-current assets held for sale	-	-	**3,057**	**3,057**
Loans and advances	-	-	**102,336**	**102,336**
Cash and cash equivalents	-	-	**416,600**	**416,600**
Total assets	**14,379**	-	**1,313,088**	**1,327,467**
Liabilities				
Bonds	-	-	**792,713**	**792,713**
Borrowings	-	-	**192,323**	**192,323**
Trade and other payables	-	-	**625,578**	**625,578**
Other long term liabilities	-	-	**14,384**	**14,384**
Other payables	-	-	**89,004**	**89,004**
Total liabilities	-	-	**1,714,002**	**1,714,002**
31-03-2017 (Restated)				
Assets				
Convertible Loan Notes	-	-	5,000	5,000
Aircraft	-	-	7,232	7,232
Investments stated at fair value through profit and loss	11,651	-	130	11,781
Trade and other receivables	-	-	756,628	756,628
Non-current assets held for sale	-	-	6,092	6,092
Loans and advances	-	-	104,260	104,260
Cash and cash equivalents	-	-	423,906	423,906
Total assets	11,651	-	1,303,248	1,314,899
Liabilities				
Bonds	-	-	494,992	494,992
Borrowings	-	-	503,321	503,321
Trade and other payables	-	-	572,150	572,150
Other long term liabilities	-	-	35,841	35,841
Other payables	-	-	91,794	91,794
Total liabilities	-	-	1,698,098	1,698,098

38. FAIR VALUATION HIERARCHY (CONTINUED)

THE COMPANY	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
31-Mar-18				
Assets				
Convertible Loan Notes	-	-	**5,000**	**5,000**
Trade and other receivables	-	-	**899,351**	**899,351**
Cash and cash equivalents	-	-	**84,582**	**84,582**
Total assets	-	-	**988,933**	**988,933**
Liabilities				
Bonds	-	-	**792,713**	**792,713**
Borrowings	-	-	**359,322**	**359,322**
Trade and other payables	-	-	**168,787**	**168,787**
Total liabilities	-	-	**1,320,822**	**1,320,822**
31-Mar-17				
Assets				
Convertible Loan Notes	-	-	5,000	5,000
Trade and other receivables	-	-	601,345	601,345
Cash and cash equivalents	-	-	117,809	117,809
Total assets	-	-	724,154	724,154
Liabilities				
Bonds	-	-	494,992	494,992
Borrowings	-	-	594,209	594,209
Trade and other payables	-	-	121,442	121,442
Total liabilities	-	-	1,210,643	1,210,643

The fair values of trade and other receivables, cash and cash equivalents and trade and other payables approximate their carrying values due to their short-term nature.

39. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2018, the Group traded with related companies. The nature, volume and type of transactions with the companies are as follows:

THE GROUP

Name of related companies	Nature of transactions	2018	2017
		USD '000	USD '000
Holding company	Purchases	**430,553**	455,878
	Dividend paid	**55,250**	32,000
	Sales	**32,857**	27,639
	Property plant and Equipment	**76**	179
	Intangible assets	**402**	316
	Intangible assets under development	**52**	4
	Commission export	**4,781**	15,800
	Write off of receivables	**3**	667
	Reimbursement made	**799**	1,121
	Reimbursement received	**216**	176
	Receivables	**19,913**	35,595
	Payables	**65,695**	80,262
	Loans and advances taken	**142,558**	151,879
	Guarantees taken from holding company	**76,253**	133,288
	Loan/Inter corporate deposits taken	**-**	25,929
	Interest paid	**5,418**	6,732
	Repayment of loans	**-**	98,350
	Interest payable	**1,075**	701
	Guarantees taken from holding company during the year	**859**	160
	Research and Development Income	**206**	-
	Guarantees cancelled during the year	**47,306**	-
	Buy back of shares by holding company	**-**	26
Associates, joint ventures and other related parties	Sales of goods	**26,328**	70,630
	Purchases	**3,131**	13,767
	Purchase of registration	**-**	15
	Rent Given	**812**	-
	Remuneration	**4,627**	4,500
	Group recharge	**197**	85
	Payables (including trade advances)	**4,176**	18,540
	Receivables (including trade advances)	**33,048**	53,198
	Other expenses	**-**	-
	Interest Given	**6,570**	8,533
	Interest received	**829**	812
	Royalty	**9,511**	4,417
	Loan given	**28,523**	26,918
	Interest receivables	**71**	2,794

39. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended 31 March 2018, the Company traded with related companies. The nature, volume and type of transactions with the companies are as follows:

THE COMPANY

Name of related companies	Nature of transactions	2018 USD '000	2017 USD '000
Holding company	Commission income	**4,819**	15,749
	Equity dividend	**55,250**	32,000
	Interest expense	**5,394**	4,804
	Purchases	**136,614**	137,590
	Sales	**988**	557
Subsidiaries and sub subsidiaries	Commission paid	**3,473**	16,536
	Commission income	**-**	4,033
	Dividend income	**-**	15,000
	Interest expense	**45**	1,573
	Interest income	**19,569**	12,430
	Management fee income	-	9,842
	Management fee expense	**3,500**	9,500
	Purchases	**130,202**	159,669
	Procurement income	**-**	462
	Sales	**349,845**	362,412
	Sales return	**-**	(494)
	Gurantee charges	-	804
	Licence fees	**438**	692
	Expense recharge	-	279
Management company	Professional fees	**26**	43
		710,163	783,481

As at 31 March, the balances outstanding with related companies were as follows:

(i) Receivables

	2018 USD '000	2017 USD '000
Non-current		
Amount receivable from subsidiaries and sub subsidiaries (Note 15)	**191,764**	146,367
Current		
Amount receivable from holding company	**3,125**	18,638
Amount receivable from subsidiaries and sub subsidiaries	**680,698**	431,772
Total Current receivables (Note 15)	**683,823**	450,410
Total	**875,587**	596,777

39. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Borrowings

	2018 USD '000	2017 USD '000
Non-current		
Amount payable to holding company	**127,558**	132,310
Amount payable to subsidiaries and sub subsidiaries	**216,764**	204,899
Current		
Amount payable to holding company (Note 21)	**15,000**	7,000
Total	**359,322**	344,209

(iii) Trade and other payables

	2018 USD '000	2017 USD '000
Current		
Amount payable to holding company	**10,194**	34,295
Amount payable to subsidiaries and sub subsidiaries	**106,460**	23,891
Total (Note 24)	**116,654**	58,186

40. CAPITAL COMMITMENTS

	2018 USD'000	2017 USD'000
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13,010	1,680

41. CONTINGENTS

(a) CONTINGENT LIABILITIES

The details of the contingent liabilities are as follows:

Particulars	2018 USD'000	2017 USD'000
Disputed Sales-tax Liability	6,727	4,910
Guarantees given by the Group to Third Parties	1,365	567
Hybrid and Parent Seeds Growers	1,995	1,453
Canola Insurance	-	1,371
Guarantees given on behalf of the company for usage of electricity	58	52
Claims against the Group not acknowledged as debts		-
Earn out fees	868	748
	11,013	9,101

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 USD 198 thousand 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 USD 2,500 thousand 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.

(b) CONTINGENT ASSETS

During the year the company settled its claim of **USD 2,108** thousand (2017: USD Nil) against agrochemicals trader regarding illegal parallel-trading of unauthorised copies of UPL's product. No gain has been recognised during the financial 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.

42. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the number of ordinary shares in issue during the year.

	2018 USD'000	2017 USD'000
Profit for the year	206,851	193,909
Profit attributable to non-controlling interest	(1,566)	(1,998)
Profit attributable to equity holders of the parent	205,285	191,911
Average number of shares in issue in thousand	136	136
Basic earnings per share	1,509	1,411

43. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT THE REPORTING DATE

			31-Mar-18		31-Mar-17		
	Nature of Instrument	Currency	Amount outstanding		Amount outstanding		Purpose - Hedging/ Speculation
			Local currency in '000	USD '000	Local currency in '000	USD '000	
(a)	Forward contracts - Sell	USD	3,874	3,874	14,041	14,041	Hedging
	Forward contracts - Buy	USD	52,051	52,051	181,226	181,226	Hedging
	Forward contracts - Sell	EUR	2,893	3,587	331	354	Hedging
	Forward contracts - Buy	EUR	-	-	-	-	Hedging
(b)	Derivative contracts						
	Interest Rate Swaps on Loans Payable	USD	-	-		-	Hedging
	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.						
(c)	Un-hedged Foreign Currency Exposure on:						
	1 Payable	USD	145,757	145,757	32,662	32,662	
	(including Foreign Currency payable in respect of derivative contracts as mentioned in (b) above)	EUR	1,894	2,348	907	970	
		GBP	6,792	9,611	2,534	3,163	
		CHF	5	6	14	14	
		DKK	878	146	1,310	188	
		PLN	11	3	175	44	
		AED	1,076	293	8	2	
		CAD	146	113	-	-	
		COP	7,361,730	2,644	13,660,390	4,733	
		THB	421	13	-	-	
		HUF	163	1	-	-	
	2 Receivable	USD	334,009	334,009	86,449	86,449	
		EUR	5,696	7,062	1,141	1,220	
		GBP	5,085	7,196	4,045	5,049	
		AED	8	2	-	-	
		CHF	665	699	-	-	
		DKK	834	139	152	22	
		JPY	104,924	990	-	-	
		AUD	1,450	1,114	-	-	
		PLN	3,431	1,011	-	-	
		CAD	7,978	6,196	5,448	4,084	
		COP	3,456,462	1,241	4,225,403	1,464	

44. LEASE COMMITMENTS

	31-Mar-18 USD '000	31-Mar-17 USD '000
a) Finance Leases		
Future Minimum Lease Payments in respect of assets acquired under finance leases are as under:		
(i) Payable not later than 1 year	**138**	712
(ii) Payable later than 1 year and not later than 5 years	**35**	150
Total Minimum Lease Payments	**173**	862
Less: Future Finance Charges	**(19)**	(112)
Present Value of Minimum Lease Payments	**154**	750

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.

b) Operating Leases

The minimum annual rentals under the non cancellable operating leases are as under:

	31-Mar-18 USD '000	31-Mar-17 USD '000
i) within one year	**4,813**	4,081
ii) between two and five years	**5,402**	5,423
iii) above five years	**316**	133

There is no contingent rent recognised in the consolidated and separate statement of profit and loss.

General description of the leasing arrangement:

The Group has entered into operating lease arrangements for its office premises (including utilities), storage locations and residential premises.

45 CONTAMINATION

During the year, the Group incurred an amount of **USD 2,008** thousand (2017: USD 1,040 thousand) towards legal expenses for pursuing legal actions against companies and individuals alleged to be counterfeiting its products and agricultural pesticide's financial fines.

46 CONVERTIBLE LOAN NOTES

THE GROUP AND THE COMPANY

	2018 USD '000	2017 USD '000
Amira Nature Foods Limited	5,000	5,000
	5,000	5,000

The Company invested USD 5,000 thousand in 10% convertible loan notes issued by Amira Nature Foods Limited with a maturity date of 22 July 2018 and convertible at USD 10.50 per share. Interest is payable semi-annually on 2 January and 1 July of each year. The directors are of the opinion that the carrying value of the above investment is fairly stated at cost and has not suffered any impairment in value.

47 BONDS

THE GROUP AND THE COMPANY

	2018 USD '000	2017 USD '000
Non-current		
USD 500m 3.25% Senior Notes Due 2021	495,520	494,992
USD 300m 4.50% Senior Notes Due 2028	297,193	-
	792,713	494,992

During the year ended 31 March 2018, the Company issued USD 300 million 4.50% Senior Notes due 2028, which is being recorded at amortised cost. The net proceeds of the notes was USD 298,020 million and maturity date is 8 March 2028.These bonds are listed in the Singapore Exchange Limited.

48 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 USD 35,596 thousand as on 31 March 2017 (2016: USD 41,754 thousand), UPL group has settled USD 17,031 thousand during the year (2017: USD 3,820 thousand) with previous shareholders. Out of the amount payable, the amount payable within one year from the reporting date amounting to USD 4,143 thousand (2017: USD 2,159 thousand) has been disclosed as current and balance amount of USD 14,423 thousand (2017: USD 35,775 thousand) has been disclosed as non current.

49 ACQUISITION OF ADVANTA SUBSIDIARIES

During the Previous year, the Group has invested in Advanta group of companies amounting to USD 45,997 thousand for around 52% of Shares in its certain subsidiaries. Advanta subsidiaries engaged in seeds business and undertake production, marketing, selling and distributing activities through its subsidiaries. It is a strategic investment to enter into seeds business and it will develop considerably the Group's existing portfolio.

50 FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

This note presents information about the Company's exposure to each of the risks as disclosed in note 36, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

51 HOLDING COMPANY

The holding company is UPL Limited (Formerly known as United Phosphorus Limited), incorporated in India and has its registered office at 3-11, G.I.D.C., Vapi, Valsad, Gujarat - 396 195.

52 EFFECT OF AMALGAMATION

Pursuant to a certificate of Amalgamation of 28 February 2018 issued by the Registrar of Companies in relation to the amalgamation of UPL Limited, Mauritius with the Company, the following assets, retained earnings and liabilities were transferred to the Company:

Assets	USD '000
Intangible assets	1,980
Property, plant and equipment	3
Loan receivables	227,895
Trade and other receivables	18,174
Cash and cash equivalents	219
Total Assets	248,271
Equity and Liabilities	
Retained earnings	217,594
Trade and other payables	29,931
Total Liabilities	247,525

The borrowings of USD 441 thousand to UPL Limited and investment of USD 305 thousand held by the company in UPL Limited were accordingly eliminated.

53 Prior Year Adjustment

This represents the adjustments made for earlier adoption of IFRS 9 and other adjustments on the merger impact.

	2017 USD '000	2016 USD '000	Total USD '000
Advanta goodwill transferred to equity	(12,994)	-	(12,994)
Expected credit loss (ECL)	(12)	(8,503)	(8,515)
Deferred tax assets on ECL	3	2,348	2,351
UPL Do Brasil merger impact on goodwill	-	(16,054)	(16,054)
UPL Do Brasil merger impact on DTA	(3,480)	16,054	12,574
DTA on LCM impact	1,116	(2,060)	(944)
UPL Do Brasil deferred tax on merger amortised	-	(268)	(268)
UPL SAS DTA reversal	547	1,166	1,713
Foreign exchange difference	(156)	13	(143)
	(14,976)	(7,304)	(22,280)

54 CURRENT INVESTMENTS

Group	2018 USD '000	2017 USD '000
Investments in task force	1,091	49
	1,091	49

The Group makes contribution to task force which are engaged in conducting studies related to processes for products manufactured by Group / new products. The investment balance in task force represents share of the Group in the bank balances of task force. These investments are measure at fair value.

55 EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the consolidated and separate financial statements for the year ended 31 March 2018.

UPL CORPORATION LIMITED

(Formerly known as "BIO-WIN CORPORATION LIMITED")

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

UPL CORPORATION LIMITED
(Formerly known as "BIO-WIN CORPORATION LIMITED")
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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		Date of appointment	Date of resignation
DIRECTORS	: Gyaneshwarnath **Gowrea**	12-Jan-09	-
	Uttam **Danayah**	02-Feb-12	-
	Manish Ramsunder **Tripathi**	01-Aug-13	23-Sep-16
	Subhash Gandhimathinathan **Pillai**	01-Aug-13	30-Aug-16
	Jimmy Erach **Dadrewalla**	30-Aug-16	-
	Sonia **Lutchmiah**	01-Mar-16	-

ADMINISTRATOR, & CORPORATE SECRETARY : **CIM CORPORATE SERVICES LTD**
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

REGISTERED OFFICE & BUSINESS OFFICE ADDRESS : Newport Building
Louis Pasteur Street
Port Louis
Mauritius

AUDITORS : **Crowe Horwath ATA**
Fomerly known as Crowe Horwath (Mur) Co.
Member Crowe Horwath International
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKERS : **Barclays Bank Mauritius Limited**
Deutsche Bank (Mauritius) Limited
SBM (Mauritius) Limited
Barclays Private Clients International Limited, Isle of Man
Citibank NA, Hong Kong Branch

The directors present their commentary together with the consolidated financial statements of UPL CORPORATION LIMITED (the "Company") which was formerly known as "**BIO-WIN CORPORATION LIMITED**" and its subsidiaries together referred to as the "Group" for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company was incorporated on 30 July 1993 and the main activities of the Company and its subsidiaries are those of investment holding and providing management and financial support to group companies and international trading.

RESULTS AND DIVIDENDS

The results for the year are shown in the consolidated statement of profit or loss and other comprehensive income.

The directors take note that an interim dividend of USD 32,000 thousand was paid during the year (2016: USD 34,000 thousand). The directors do not recommend the payment of any further dividend for the year under review.

DIRECTORS

The present membership of the Board is set out on page 1. All the directors served office throughout the year except for Mr Manish Ramsunder Tripathi and Mr Subhash Gandhimathinathan Pillai who have resigned on 23 September 2016 and 30 August 2016 respectively and Mr Jimmy Erach Dadrewalla who have been appointed on 30 August 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The directors have prepared the consolidated financial statements for the financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Group and of the Company. In preparing those consolidated financial statements, the directors have:

- Selected suitable accounting policies and then apply them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepared the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the consolidated financial statements are properly prepared in accordance with IFRS. They have confirmed that they have complied with the above requirements in preparing the consolidated financial statements.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office, until the next annual meeting.

Cim global business
A Member of SGG Group

UPL CORPORATION LIMITED
(Formerly Known as Bio-Win Corporation Limited)

CERTIFICATE FROM THE SECRETARY
(SECTION 166 (D) OF THE COMPANIES ACT 2001) **3**

We certify, to the best of our knowledge and belief, that **UPL CORPORATION LIMITED** (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 for the year ended 31 March 2017.

....
Authorised signatory

Date: 10 July 2017

CIM CORPORATE SERVICES LTD
33, Edith Cavell Street, Port Louis, 11324, Mauritius
Tel: +230 212 9800 **Fax:** +230 212 9833 **Email:** mauritius@cimglobalbusiness.com
BRN C09004928
www.cimglobalbusiness.com

Crowe Horwath.

Crowe Horwath ATA
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Telephone : (230) 467 8684 / 466 2992
Telefax : (230) 467 7478
www.crowehorwath.mu

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Opinion

We have carried out an audit on the accompanying consolidated financial statements of **UPL CORPORATION LIMITED** (the "Company") which include the financial statements of its subsidiaries together referred as the "Group", and which comprise of the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended as set out on pages 6 to 11, and a summary of significant accounting policies and other explanatory information as set out on pages 12 to 69.

In our opinion the consolidated financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the year the ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The Company has prepared a separate set of financial statements for the year ended 31 March 2017 in accordance with International Financial Reporting Standards and the Mauritius Companies Act 2001 and on which we issued a separate auditors' report to the shareholders of the Company dated 25 April 2017.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other legal and regulatory requirements

In forming our opinion, we report as follows:

- We have no relationship with, or any interests in, the Group and the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- Proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA

Crowe Horwath ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: 10 July 2017

Ebene, Mauritius

UPL CORPORATION LIMITED
(Formerly known as "BIO-WIN CORPORATION LIMITED")
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

		THE GROUP		THE COMPANY	
		2017	2016	2017	2016
ASSETS	*Notes*	USD '000	USD '000	USD '000	USD '000
Non-current assets					
Intangible assets	*7(a)*	297,249	246,616	2,247	2,805
Intangible assets under development	*7(c)*	20,944	23,111	-	-
Property, plant and equipment	*8(a)*	101,919	69,982	45	5
Capital work in progress	*8(b)*	58,329	16,783	-	-
Aircraft	*9*	7,232	16,664	-	-
Investment in subsidiaries	*10*	-	-	614,108	325,428
Available-for-sale financial asset	*11*	11,781	9,024	-	995
Investment in associates	*12*	17,269	18,293	-	-
Investment in joint ventures	*13 & 34 (ii)*	6,679	2,629	329	-
Deferred tax assets	*35*	67,792	46,045	-	-
Convertible loan notes	*46*	5,000	-	5,000	-
Trade and other receivables	*15*	138	143	146,367	223,980
Non-current assets held for sale	*16*	6,092	3,010	-	-
Loans and advances	*14*	32,529	15,667	-	-
Total non-current assets		632,953	467,967	768,096	553,213
Current assets					
Current investments		50	-	-	-
Inventories	*17*	440,732	298,604	3,246	6,253
Trade and other receivables	*15*	765,005	633,363	454,978	183,789
Loans and advances	*14*	71,731	70,386	-	-
Cash and cash equivalents	*18*	423,906	147,332	117,809	9,773
Total current assets		1,701,424	1,149,685	576,033	199,815
TOTAL ASSETS		2,334,377	1,617,652	1,344,129	753,028

Approved and authorised for issue by the Board of directors on 10 July 2017 and signed on its behalf by:

Director
Gyaneshwarnath Gowrea

Director
Uttam Danayah

The notes as set out on pages 12 to 69 form an integral part of these consolidated financial statements.

		THE GROUP		THE COMPANY	
EQUITY AND LIABILITIES		2017	2016	2017	2016
	Notes	USD '000	USD '000	USD '000	USD '000
Equity					
Stated capital	*19*	13,600	13,600	13,600	13,600
Retained earnings		640,537	478,863	150,716	132,582
Translation reserves	*20*	(111,584)	(121,795)	(31,510)	(91,634)
Equity attributable to equity holders of the parent		542,553	370,668	132,806	54,548
Non-controlling interests		70,750	6,382	-	-
Total equity		613,303	377,050	132,806	54,548
Non-current liabilities					
Bonds	*47*	494,992	-	494,992	-
Borrowings	*21*	346,502	348,923	549,709	508,463
Trade and other payables	*24*	-	-	15,623	20,028
Deferred tax liabilities	*35*	4,713	8,613	-	-
Provisions	*22*	8,857	5,943	-	-
Other long term liabilities	*23*	35,841	41,145	-	-
Total non-current liabilities		890,905	404,624	1,060,324	528,491
Current liabilities					
Borrowings	*21*	156,819	246,035	44,500	96,000
Trade and other payables	*24*	572,150	497,102	105,819	73,063
Other payables	*25*	91,794	86,188	-	-
Provisions	*22*	9,406	6,653	680	926
Total current liabilities		830,169	835,978	150,999	169,989
Total liabilities		1,721,074	1,240,602	1,211,323	698,480
TOTAL EQUITY AND LIABILITIES		2,334,377	1,617,652	1,344,129	753,028

Approved and authorised for issue by the Board of directors on 10 July 2017 and signed on its behalf by:

Director
Gyaneshwarnath Gowrea

Director
Uttam Danayah

The notes as set out on pages 12 to 69 form an integral part of these consolidated financial statements.

		THE GROUP		THE COMPANY	
		2017	2016	**2017**	2016
Income	*Notes*	**USD '000**	USD '000	**USD '000**	USD '000
Revenue from operation	*26*	**1,793,027**	1,517,886	**371,850**	182,241
Cost of sales	*27*	**(1,036,966)**	(867,099)	**(327,840)**	(152,265)
Direct costs	*28*	**(131,268)**	(119,038)	**-**	-
Gross profit		**624,793**	531,749	**44,010**	29,976
Other income	*29*	**22,585**	11,030	**59,324**	48,282
		647,378	542,779	**103,334**	78,258
Less: Expenses					
Administration expenses	*30*	**(48,903)**	(45,752)	**(13,026)**	(9,749)
Other expenses	*31*	**(266,246)**	(218,776)	**(16,537)**	(1,298)
Depreciation and impairment		**(21,140)**	(11,524)	**(3)**	(1)
Amortisation		**(31,790)**	(28,459)	**(1,553)**	(1,109)
Finance costs	*33*	**(75,886)**	(62,229)	**(23,856)**	(15,578)
Profit from operations		**203,413**	176,039	**48,359**	50,523
Reversal of/ (provision for) diminution of investment		**3,700**	(3,300)	**-**	-
(Loss) / gain on disposal of investment		**(238)**	-	**2,238**	(21)
Restructuring cost	*32*	**(2,387)**	(2,960)	**-**	-
Share of (loss)/profit from associates	*34(i)*	**(2,932)**	(13,449)	**-**	-
Share of profit from joint ventures	*34(ii)*	**215**	173	**-**	-
Product contamination and counterfeiting	*45(i)*	**(1,040)**	(1,958)	**-**	-
Inventory provision	*45(ii)*	**-**	(3,323)	**-**	-
Profit on disposal of associates		**-**	-	**-**	-
Profit before taxation		**200,731**	151,222	**50,597**	50,502
Taxation	*35*	**(5,058)**	(15,957)	**(463)**	(970)
Profit for the year		**195,673**	135,265	**50,134**	49,532
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Currency translation differences	*20*	**10,211**	(22,718)	**60,124**	1,134
Items that may be reclassified subsequently to profit or loss		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		**205,884**	112,547	**110,258**	50,666
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:					
Equity holders of the parent		**193,675**	133,305	50,134	49,532
Non-controlling interests		**1,998**	1,960	-	-
		195,673	135,265	50,134	49,532

The notes as set out on pages 12 to 69 form an integral part of these consolidated financial statements.

THE GROUP

	Stated capital	Preference share capital	Translation reserves	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
At 1 April 2015 as restated	83,600	-	(99,077)	384,075	368,598	7,108	375,706
Total comprehensive income for the year	-	-	(22,718)	133,305	110,587	1,960	112,547
Currency translation difference	-	-	-	-	-	(316)	(316)
Share buy back (Note 19(a))	(70,000)	-	-	(2,100)	(72,100)	-	(72,100)
Dividends	-	-	-	(34,000)	(34,000)	(2,370)	(36,370)
Acquisition of non-controlling interest	-	-	-	(2,417)	(2,417)	-	(2,417)
Balance at 31 March 2016	13,600	-	(121,795)	478,863	370,668	6,382	377,050
Advanta Holding BV preference share held by UPL Ltd in India	-	-	-	-	-	64,924	64,924
Total comprehensive income for the year	-		10,211	193,675	203,886	1,998	205,884
Currency translation difference	-		-	-	-	(711)	(711)
Dividends	-		-	(32,000)	(32,000)	(1,843)	(33,843)
At 31 March 2016	13,600	-	(111,584)	640,537	542,553	70,750	613,303

THE COMPANY

	Stated capital USD '000	Translation reserves USD '000	Retained earnings USD '000	Total equity USD '000
At 1 April 2015	83,600	(92,768)	119,150	109,982
Translation reserve:				
Arising during the year (Note 20)	-	1,134	-	1,134
Share buy back (Note 19(a))	(70,000)		(2,100)	(72,100)
Profit for the year	-	-	49,532	49,532
Dividends	-	-	(34,000)	(34,000)
At 31 March 2016	13,600	(91,634)	132,582	54,548
Translation reserve:				
Arising during the year (Note 20)	-	60,124	-	60,124
Profit for the year	-	-	50,134	50,134
Dividends	-	-	(32,000)	(32,000)
At 31 March 2017	13,600	(31,510)	150,716	132,806

The notes as set out on pages 12 to 69 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	USD '000	USD '000	**USD '000**	USD '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**200,731**	151,222	**50,597**	50,502
Adjustments for:				
Dividend income	**-**	-	**(15,000)**	(22,000)
Depreciation and amortisation	**52,929**	39,983	**2,110**	1,110
Loss/(gain) on disposal of investment in subsidiary	**-**	21	**(2,238)**	21
Finance costs	**75,886**	68,658	**-**	-
Provision for doubtful debts and advances	**1,853**	3,989	**-**	-
Assets written off	**164**	209	**-**	-
Bad debts written off	**1,830**	1,934	**-**	-
(Reversal of)/ provision for diminution of investment	**(3,700)**	3,301	**-**	-
Gain on disposal of assets (net)	**(521)**	(172)	**-**	-
Interest income	**(19,298)**	(8,865)	**-**	
Loss on disposal of associate	**238**	-	**-**	-
Excess provisions in respect of earlier years written back (net)	**(2)**	-	**-**	-
Net gain on disposal of current investments	**(2,213)**	(1,922)	**-**	-
Share of loss from associates	**2,932**	13,449	**-**	-
Share of profits from joint venture	**(215)**	(173)	**-**	-
Inventory provision	**-**	3,323	**-**	-
Operating profit before working capital changes	**310,614**	274,957	**35,469**	29,633
(Increase)/decrease in inventories	**(84,951)**	(28,775)	**3,007**	14,006
(Increase)/decrease in trade and other receivables	**(19,113)**	(112,874)	**(133,450)**	38,284
Decrease in other current assets	**9,994**	4,584	**-**	-
Decrease/(increase) in long term and short term loans and advances	**148,612**	(21,734)	**-**	-
(Decrease)/increase in trade and other payables	**(9,593)**	145,615	**28,319**	42,386
Decrease in long term and short term provisions	**(1,467)**	(310)	**-**	-
(Decrease)/increase in other liabilities	**(14,454)**	20,156	**-**	-
Cash generated from/(absorbed by) operations	**339,642**	281,619	**(66,655)**	124,309
Tax paid	**(25,493)**	(35,517)	**(678)**	(103)
Net cash from/(used in) operating activities	**314,149**	246,102	**(67,333)**	124,206

The notes as set out on pages 12 to 69 form an integral part of these consolidated financial statements.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	USD '000	USD '000	**USD '000**	USD '000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment including capital work in progress and capital advances	**(116,290)**	(65,431)	**(43)**	(3)
Acquisition of intangible assets	**-**	-	**(995)**	(2,444)
Proceeds from sale of property, plant and equipment	**4,177**	243	**-**	-
Payment for acquisition of additional stake in subsidiary	**(45,997)**	-	**-**	-
Proceeds from disposal of investment in subsidiary	**995**	-	**3,233**	10
Effect of the acquisition of subsidiaries, net of cash	**31,253**	-	**-**	-
Investment in subsidiaries	**-**	-	**(288,680)**	(96,860)
Investment in joint ventures	**-**	-	**(329)**	-
Investment in convertible loan notes	**-**	-	**(5,000)**	-
Payment for contingent consideration	**-**	(28,568)	**-**	-
Purchase of investments	**(5,175)**	(37,385)	**-**	-
Sundry loans received (net)	**18,432**	-	**-**	-
Income from current investment	**2,213**	1,922	**-**	-
Dividend received	**-**	-	**15,000**	22,000
Interest received	**19,298**	8,865		-
Net cash (used in)/from investing activities	**(91,094)**	(120,354)	**(276,814)**	(77,297)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from issuance of bonds	**-**	-	**496,970**	-
Bonds transaction cost	**-**	-	**(2,532)**	-
Borrowings (Net)	**146,582**	64,294	**(8,925)**	62,886
Interest paid and other financial charges	**(64,164)**	(61,431)	**-**	-
Dividend paid to minority shareholders by subsidiaries	**(1,843)**	(2,370)	**-**	-
Payment on share buy back	**-**	(70,000)	**-**	(70,000)
Dividends paid	**(32,000)**	(34,000)	**(32,000)**	(34,000)
Net cash used in financing activities	**48,575**	(103,507)	**453,513**	(41,114)
Net increase/(decrease) in cash and cash equivalents	**271,630**	22,241	**109,366**	5,795
Cash and cash equivalents at start of the year	**147,332**	134,613	**9,773**	1,596
Effect of exchange rate difference	**4,945**	(9,522)	**(1,330)**	2,382
Cash and cash equivalents at end of the year	**423,906**	147,332	**117,809**	9,773

The notes as set out on pages 12 to 69 form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

UPL CORPORATION LIMITED (the "Company") which was formerly known as BIO-WIN CORPORATION LIMITED was incorporated in Mauritius, under the Mauritius Companies Act 1984, now governed by the Mauritius Companies Act 2001, as a private Company on 30 July 1993 with limited liability by shares and subsequently, on 26 September 2016, it was converted into a public company and issued 3.25% senior notes due 2021, which was listed on the Singapore stock exchange (SGX), effective 14 October 2016. The Company's registered office address is at Newport Building, Louis Pasteur Street, Port Louis, Mauritius. The Company's and subsidiaries' main activities are those of investment holding, providing management and financial support to group companies and international trading.

The financial statements of the Company are expressed in United States dollar ("USD"). The Company's functional currency is the USD, the currency of the primary economic and regulatory environment in which the Company operates.

2. STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and which comprise of standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) approved by the International Accounting Standards Committee (IASC) that remain in effect.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of presentation

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the reported amounts and disclosures in the consolidated financial statements. Actual results may differ from these estimates.

The subsidiaries' financial statements have been prepared in accordance with accounting standards and relevant legislations prevailing in their respective countries of incorporation. As a result, the subsidiaries use the historical cost concept in preparing their financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group and in compliance with IFRS.

All significant intercompany transactions and balances between group entities are eliminated on consolidation.

On acquisition, the identifiable assets and liabilities of a subsidiaries are measured at their fair values at the date of acquisition. The non-controlling interests are stated at the minority's proportion of the fair values of the identifiable assets and liabilities. As it is impracticable to compute non-controlling interest based on the fair values of the identifiable assets and liabilities of the subsidiaries acquired, the directors have used the net assets of those subsidiaries based on their audited financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of presentation (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(b) Basis of accounting

The consolidated financial statements are prepared under the historical cost convention, except for the measurement at fair value of financial instruments carried on the consolidated statement of financial position.

(c) Basis of consolidation

The consolidated financial statements of the Group comprise of the financial statements of the Company and its subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances, transactions, income and expenses are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to the consolidated statement of comprehensive income or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investment in subsidiaries

Subsidiary undertakings are those entities in which the Company has control if all of the following elements are present:

(i) power over the investee;
(ii) exposure to variable returns from the investee, and
(iii) the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

(i) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
(ii) Substantive potential voting rights held by the Company and by other parties;
(iii) Other contractual arrangements; and
(iv) Historic patterns in voting attendance.

Investment in subsidiary is shown at cost, less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Investments in associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the year in which the investment is acquired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investments in associates (Continued)

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the consolidated profit or loss. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated profit or loss.

The financial statements of the associates are usually prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the consolidated profit or loss.

Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have a joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in the consolidated financial statements using the equity method of accounting, except when investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss of the joint venture. When the Company's share of the loss of the joint venture exceeds the Company's interest in the joint venture, the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments of the joint venture.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (Continued)

Investment in joint ventures (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit and loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable of the investment subsequently increases.

(d) Revenue recognition

Income is recognised on the following basis:

(i) Interest is recognised as it accrues, unless collectability is in doubt;
(ii) Dividend income from investments is recognised when the shareholder's right to receive payment have been established;
(iii) Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers; and
(iv) Management fees, commission income, licence fees, royalty income and other income are recognised on an accrual basis.
(v) Royalty income is recognised on accrual basis in accordance with the substance with the relevant agreement. Royalties accrued 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.

(e) Expense recognition

All expenses are accounted for in the consolidated statement of profit or loss on an accrual basis.

(f) Foreign currency translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency translation (Continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the consolidated profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of other comprehensive income for the year. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the statement of other comprehensive income in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation (if any) are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at the original cost of acquisition less accumulated depreciation net of government subsidies. Costs include taxes, duties, freight, incidental expenses related to and pre-operative expenses considered attributable to acquisition and installation of the assets concerned.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment and depreciation (Continued)

Depreciation

UPL Do Brasil

Property, plant and equipment are stated at acquisition or construction cost, plus interest capitalized during the construction period and written down to the recoverable amount of assets, when necessary. Depreciation is recognized based on the estimated useful lives of each asset using the straight-line method, so as the cost less residual amount be completely written-off (except for land and construction in progress) over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Building	33 years
Plant and machinery	11 years
Motor vehicle	5 years
Furniture and fixtures	10 years
Computers and peripherals	5 years
Leasehold Improvements	10 years
Communication Equipment	10 years
Facilities	10 years

Cerexagri SAS

Tangible assets are shown at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets except land.

Asset depreciation is calculated on a straight line basis over the following expected useful life of the assets.

Building	20 years
Plant and machinery	10 years
Motor vehicle	5 years
Office material	3 to 5 years

Cerexagri B.V. Netherlands

Buildings	18 – 30 Years
Machinery and equipment	10 – 15 Years
Other assets	3 – 10 Years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment and depreciation (Continued)

Depreciation (Continued)

UP Aviation Limited

Aircraft	8 Years

UPL Europe Ltd. (Formerly known as United Phosphorus Limited, U.K.)

Freehold Buildings	50 Years
Plant and Machinery	4–16 Years
Fixtures and fittings	5–20 Years
Motor Vehicles	4 Years
Leasehold Land and Buildings	50 years or Term of lease if shorter

United Phosphorus Inc.

Equipment	3 - 15 Years

UPL Benelux B.V. (Formerly Known as AgriChem B.V.)

Buildings	25 Years
Machinery and equipment	5 – 10 Years
Other assets	5 Years

Decco Iberica Postcosecha, S.A.U.

Buildings	35 Years
Hardware	4 Years
Vehicles	6 Years
Machinery, Technical and other installations, Tools, Furnitures and other fixed assets	10 Years

Safepack Products Limited

Plant, Equipment & Laboratory equipments.	7 - 20 Years
Office Equipments and computers	7 -33 Years
Leasehold improvements	6 -10 Years
Motor Vehicles	15 Years

Decco US Post-Harvest Inc (US)

Buildings	20 Years
Plant and equipment	3 – 10 Years
Vehicles	3 - 10 Years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through the consolidated statement of profit or loss.

Financial assets

All financial assets are recognised on a trade date – the date on which the Group commits to purchase the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The Group's loans and receivables comprise of amount due from third parties, trade and other receivables, amount due from related companies, associates and joint venture.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than fair value through profit and loss ("FVTPL"), are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Impairment of financial assets (Continued)

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the consolidated profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables, amounts due to related parties and loans from bank.

Trade and other payables, amounts due to related parties and loan from bank are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Bonds- Senior Notes

Bonds are recognised at value being their issue proceeds net of transaction costs incurred. Bonds are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowings

Interest-bearing borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for finance expenses.

Financial guarantee contracts

The Company has issued corporate guarantees to bank for borrowings of certain associates and these guarantees qualify as financial guarantees because the Company is required to reimburse the bank if these associates breach any repayment terms.

Financial guarantee contracts are measure initially at their fair value plus transaction costs and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation in accordance with IAS 18 Revenue.

In accordance with IAS 39, where intra-group guarantees are issued at nil consideration the issuer would then recognise a liability for the intra-group guarantee at fair value.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Interest-bearing borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for finance expenses.

Intangible assets

Expenditure incurred on product acquisitions are amortised on straight line basis over a period of fifteen years from the month of addition to match their expected future economic benefits.

Germplasm are amortised on straight line basis over a period of ten to fifteen years.

All other intangible assets are amortised on straight line basis over a period of three to five years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Equity

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity.

Retained earnings include all current and prior period results as disclosed in the consolidated statement of profit or loss and other comprehensive income.

(j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. They include provisions for retirement benefits, leave encashment and gratuity.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

(k) Related parties

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) *Related parties (Continued)*

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity;
(vi) If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a); and
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

(l) *Employee benefits*

1. *RiceCo, LLC USA*

(i) The Company has a defined benefit pension plan which covers all full-time employees of the Company. Funding of the plan is made through payment to various funds managed by a third party and is in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

(ii) Actuarial gains/ losses are recognised immediately to other comprehensive income.

2. *All other subsidiaries*

The companies contribute to a defined contribution plan which are charged to profit or loss and as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation within the respective jurisdiction in which the Company and its subsidiaries operate.

(n) Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rate and tax laws substantively enacted at reporting date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax assets can be realised.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value.

(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. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(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 costing basis which approximates the actual cost.

(iii) Traded goods are valued at lower of cost or net realisable value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairment losses (if any) are recognised as an expense in the consolidated statement of profit or loss.

(q) Sale of trade receivable

The Group sells insured trade receivables to banks whereby significant risks and rewards are transferred and this transfer is treated as "true sale" for both legal and financial reporting purposes and accordingly, these receivables are not reflected in the of the consolidated statement of financial position.

(r) Non-current assets held-for-sale

Non-current assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale of transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(s) Aircraft

Aircraft is recorded at cost less depreciation and provision for impairment, if any. Cost comprises of the purchase price and any attributable cost of bringing the aircraft to its working condition for its intended use. Depreciation is computed on the straight line method, based on the useful life of the aircraft on 100% of the acquisition cost and with a zero residual value. Annual depreciation rates used is 12.5% per annum.

Normal disbursements for repairs and maintenance are charged to the consolidated profit or loss and significant costs that improve the efficiency and extend the useful life of the aircraft, are capitalised.

Repairs and maintenance

The Company utilises the built-in overhaul method to account for the major maintenance of the aircraft. Under the built-in overhaul method, the cost of the initial major maintenance activity is recorded as a deferred charge and is amortised over a period of 8 years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Biological Assets

Sinagro Produtos Agropecuários S.A. and 3SB Produtos Agrícolas 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 consolidated statement of profit and loss.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new and revised International Financial Reporting Standards (IFRS)

In the current year, the Company has adopted all of the new and revised standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that is relevant to its operations and effective for accounting year beginning on and after 1 January 2016.

The following standards and amendment to standards have been adopted by the Company for the financial year beginning on 1 April 2016. Their application has not had any material impact on the amounts reported for the current year or prior years but may affect the accounting for the future transactions or arrangements.

Amendment to IAS 1 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income in associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions met.

As regards the structure of the consolidated financial statements, the amendments provide examples of systematic ordering or Companying of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The Company has applied these amendments for first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-bases depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or

b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Annual improvements to IFRSs 2012-2014 Cycle

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IFRS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no effect on the Company's financial statements.

New and revised Standards and Interpretations in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 9 - Financial Instruments (2)
- IFRS 15 - Revenue from Contracts with Customers (and the related Clarifications) (2)
- IFRS 16 - Leases (3)
- Amendments to IFRS 2 - Classification and Measurement of share based payment Transactions (2)
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)
- Amendments to IAS 7 - Disclosure Initiative (1)

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

New and revised Standards and Interpretations in issue but not yet effective (Continued)

• Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (1)

(1). Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
(2). Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
(3). Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
(4). Effective for annual periods beginning on or after a date to be determined.

The amendments apply retrospectively for annual periods beginning on or after 1 April 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the management's judgements made in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

(a) Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 1, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar ("USD").

(b) Impairment of available-for-sale financial assets

The Company follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. There are no such indications of events having impact on future cash flows of the Company. Therefore, no impairment provision is required to be made by the Group.

(c) Impairment of financial assets

Management assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. There are no such indications of events having impact on future cash flows of the Company. Therefore, no impairment provision is required to be made by the Group.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of non-financial assets

In assessing whether a full impairment test is required for the investments in the subsidiary, the Company has considered whether it has recognised a dividend from the investments and evidence is available that:

- the carrying amount of the investments in the separate financial statements exceeds the carrying amount of the net assets of the subsidiaries; or
- the dividend exceeds the total comprehensive income of the subsidiaries in the period in which the dividend is declared.

The directors have noted that the carrying amount of investments in the separate financial statements is lower than the carrying amount of the net assets of the subsidiaries, except for the investment in Ishihara Sangyo Kaisha Ltd

Therefore, no provision of impairment is required to be made to the investment in the subsidiaries, except for the investment in Ishihara Sangyo Kaisha Ltd where the provision for diminution has been recognised.

(e) Translation reserve

The Company has granted a quasi-equity long term foreign currency loan for some investment activities by its subsidiaries. As settlement date of the loan is not determined as at the reporting date, exchange differences arising on translation of the loan has been recognised in other comprehensive income and under translation reserve in equity. The translation reserve amounting to USD 31,510 thousand (2016: USD 91,634 thousand) appearing under equity represents those translation differences on the conversion of the quasi-equity loan to USD.

(f) Share of results of associates

The associate's financial statements cover a 12 months period up to 31 December and that of the group ends on 31 March. As the result of the amount for the 3 months to 31 March is not significant, directors have not made any adjustment in respect thereto.

6. ESTIMATION UNCERTAINTY

While preparing the consolidated financial statements, the directors undertake a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

7. INTANGIBLE ASSETS

(a)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	USD '000	USD '000	**USD '000**	USD '000
Net book values				
Goodwill	**186,618**	170,475	**-**	-
Customer list	**358**	508	**-**	-
Germplasm	**2,321**	-	**-**	-
Product registration/acquisition	**107,249**	75,347	**2,247**	2,805
Software	**703**	286	**-**	-
	297,249	246,616	**2,247**	2,805

(b) Intangible assets consisting of know-how and product registration data are shown at historical costs, have a finite life and are carried at cost less accumulated amortisation. During the year ended 31 March 2017, expenses incurred in relation to Napromide Registration were capitalised by the Company.

(c) INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development amounting to **USD 20,944** thousand (2016: USD 23,111 thousand) represent development of assets which are still under progress. Once development has been completed, these assets are transferred to intangible assets and amortisation are carried out accordingly.

THE GROUP

	Data Access Fees	Germplasm	Product Registration/ Acquisition	Software/ License Fees	Customer Lists	Goodwill	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
COST							
At 1 April 2016	14,015	-	339,668	4,739	1,500	170,475	530,397
Acquisitions	-	11,216	19,194	335	-	15,117	45,862
Additions	-		55,748	396	-	-	56,144
Disposals	(14,015)	-	(44,257)	-	-	-	(58,272)
Exchange difference	-	-	(7,103)	(139)	-	1,026	(6,216)
Other adjustments	-	-	-	-	-	-	-
At 31 March 2017	**-**	**11,216**	**363,250**	**5,331**	**1,500**	**186,618**	**567,915**
AMORTISATION							
At 1 April 2016	14,015	-	264,321	4,453	992	-	283,781
Charge on acquisitions	-	8,895	11,665	215	-	-	20,775
Charge on additions	-		30,757	120	150	-	31,027
Disposal	(14,015)	-	(44,013)	-	-	-	(58,028)
Exchange difference	-	-	(6,729)	(160)	-	-	(6,889)
At 31 March 2017	**-**	**8,895**	**256,001**	**4,628**	**1,142**	**-**	**270,666**
NET BOOK VALUES							
At 31 March 2017	**-**	**2,321**	**107,249**	**703**	**358**	**186,618**	**297,249**
At 31 March 2016	-	-	75,347	286	508	170,475	246,616

8. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP / THE COMPANY

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	USD '000	USD '000	**USD '000**	USD '000
Net book values				
Freehold land	**19,420**	12,489	-	-
Land – leasehold	**1,787**	1,681	-	-
Building	**21,643**	12,149	-	-
Plant and machinery	**39,763**	30,888	-	-
Laboratory equipment	**2,808**	1,376	-	-
Furniture, fixture and equipment	**2,832**	1,593	-	-
Vehicles	**6,614**	3,872	-	-
Leased vehicles	**81**	139	-	-
Office equipment	**2,302**	1,611	**45**	5
Land improvements	**171**	122	-	-
Building improvements	**3,499**	2,866	-	-
Building - leasehold	**938**	1,129	-	-
Furniture, fixture and equipment taken on lease	**61**	67	-	-
	101,919	69,982	**45**	5

(b) CAPITAL WORK IN PROGRESS

Capital work in progress amounted to **USD 58,329** thousand (2016: USD 16,783 thousand) represents the projects which are still under progress. Once these projects have been completed, they are transferred to property, plant and equipment and depreciation are carried out accordingly.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP

	Freehold Land	Leasehold Land	Building	Leasehold Building	Plant and Machinery	Laboratory Equipment	Furniture Fixtures and Equipment	Vehicles	Land Improvements	Building Improvements	Office Equipment	Vehicles under finance lease	Furniture Fixture Equipment under finance lease	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
COST														
At 1 April 2016	12,489	1,782	36,105	3,737	138,410	5,029	3,119	7,432	2,957	3,444	5,270	284	90	220,148
Acquisitions	5,464	-	9,343	-	18,717	948	1,790	637	-	306	1,753	-	-	38,958
Additions	229	-	2,424	71	11,600	888	723	4,860	122	117	329	-	-	21,363
Disposals	(2,245)	-	(4,457)	-	(7,042)	(334)	(43)	(1,478)	(546)	(3)	(803)	(7)	-	(16,958)
Exchange differences	3,483	114	1,703	(229)	512	(238)	45	534	(181)	969	155	(11)	4	6,860
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	19,420	1,896	45,118	3,579	162,197	6,293	5,634	11,985	2,352	4,833	6,704	266	94	270,371
DEPRECIATION														
At 1 April 2016	-	101	23,956	2,608	107,522	3,653	1,526	3,560	2,835	578	3,659	145	23	150,166
Charge on acquisitions	-	-	2,994	-	14,665	42	930	573	-	123	1,100	46	-	20,473
Charge on additions	-	10	811	193	7,549	314	339	2,062	33	270	330	-	9	11,920
Disposal	-	-	(3,965)	-	(6,707)	(334)	(40)	(1,053)	(514)	(3)	(769)	-	-	(13,385)
Exchange differences	-	(2)	(321)	(160)	(595)	(190)	47	229	(173)	366	82	(6)	1	(722)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	109	23,475	2,641	122,434	3,485	2,802	5,371	2,181	1,334	4,402	185	33	168,452
NET BOOK VALUES														
At 31 March 2017	19,420	1,787	21,643	938	39,763	2,808	2,832	6,614	171	3,499	2,302	81	61	101,919
At 31 March 2016	12,489	1,681	12,149	1,129	30,888	1,376	1,593	3,872	122	2,866	1,611	139	67	69,982

9. AIRCRAFT

THE GROUP

	Total
	USD '000
COST	
At 1 April 2016	19,750
Impairment	(7,670)
At 31 March 2017	**12,080**
DEPRECIATION	
At 1 April 2016	3,086
Charge for year	1,762
At 31 March 2017	**4,848**
NET BOOK VALUES	
At 31 March 2017	**7,232**
At 31 March 2016	16,664

An impairment charge of USD 7,670 thousand was recognised for the year ended 31 March 2017, as the carrying value of the aircraft exceeds its fair value.

10. INVESTMENT IN SUBSIDIARIES

THE COMPANY

	THE COMPANY	
	2017	2016
	USD '000	USD '000
Investments - Unquoted		
At 1 April	**325,428**	213,578
Additions	**288,680**	111,881
Disposal	-	(31)
At 31 March	**614,108**	325,428

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)
The list of subsidiaries, associates and joint venture companies considered for consolidation together with the proportion of shareholding held by the Group is as follows:

Nos.	Name of the subsidiaries	Country of incorporation	Holdings	
			2017	2016
1	UPL Europe Limited	United Kingdom	100%	100%
2	UPL Deutschland GmbH	Germany	100%	100%
3	UPL Polska Sp z.o.o.	Poland	100%	100%
4	UPL Benelux B.V.	Netherlands	100%	100%
5	Cerexagri B.V.	Netherlands	100%	100%
6	Blue Star B.V.	Netherlands	100%	100%
7	United Phosphorus Holdings Cooperatief U.A.	Netherlands	100%	100%
8	United Phosphorus Holdings B.V.	Netherlands	100%	100%
9	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Netherlands	100%	100%
10	Decco Worldwide Post-Harvest Holdings B.V.	Netherlands	100%	100%
11	United Phosphorus Holding, Brazil B.V.	Netherlands	100%	100%
12	UPL Italia S.R.L.	Italy	100%	100%
13	UPL Iberia, S.A.	Spain	100%	100%
14	Phosfonia, S.L.	Spain	0%	100%
15	Decco Iberica Postcosecha, S.A.U.	Spain	100%	100%
16	Transterra Invest, S. L. U.	Spain	100%	100%
17	Decco Portugal Post Harvest, Unipessoal LDA (formerly known as UPL Portugal)	Portugal	100%	100%
18	Cerexagri S.A.S.	France	100%	100%
19	Neo-Fog S.A.	France	100%	100%
20	UPL France	France	100%	100%
21	United Phosphorus Switzerland Limited	Switzerland	100%	100%
22	Agrodan, ApS	Denmark	100%	100%
23	Decco Italia SRL	Italy	100%	100%
24	Limited Liability Company "UPL"	Russia	100%	100%
25	United Phosphorus Inc.	USA	100%	100%

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Country of incorporation	Holdings 2017	Holdings 2016
26	UPI Finance LLC	USA	100%	100%
27	Cerexagri, Inc. (PA)	USA	100%	100%
28	UPL Delaware, Inc.	USA	100%	100%
29	Canegrass LLC	USA	70%	70%
30	Decco US Post-Harvest Inc	USA	100%	100%
31	RiceCo LLC	USA	100%	100%
32	Riceco International, Inc.	Bahamas	100%	100%
33	UPL Limited	Mauritius	100%	100%
34	United Phosphorus Limited (refer to # 1)	Gibraltar	0%	100%
35	UPL Limited	Gibraltar	100%	100%
36	UPL Management DMCC	United Arab Emirates	100%	100%
37	UPL Agro S.A. de C.V.	Mexico	100%	100%
38	Decco Jifkins Mexico Sapi	Mexico	100%	100%
39	United Phosphorus do Brasil Ltda	Brazil	100%	100%
40	Uniphos Indústria e Comércio de Produtos Químicos Ltda.	Brazil	100%	100%
41	United Phosphorus Indústria e Comércio de Produtos Químicos Ltda. (refer to # 3)	Brazil	0%	100%
42	Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.	Brazil	100%	100%
43	DVA Technology Argentina S.A.	Argentina	100%	100%
44	UPL Costa Rica S.A	Costa Rica	100%	100%
45	UPL Bolivia S.R.L	Bolivia	100%	100%
46	Icona Sanluis S A	Argentina	100%	100%
47	UPL Argentina S A	Argentina	100%	100%
48	Decco Chile SpA	Chile	100%	100%
49	UPL Colombia SAS	Colombia	100%	100%
50	UPL Paraguay S.A.	Paraguay	100%	100%
51	United Phosphorus Cayman Limited	Cayman Islands	100%	100%
52	UP Aviation Limited	Cayman Islands	100%	100%
53	UPL Australia Limited	Australia	100%	100%
54	UPL New Zealand Limited	New Zealand	100%	100%

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Nos.	Name of the subsidiaries	Country of incorporation	Holdings	
			2017	2016
55	UPL Shanghai Limited	China	100%	100%
56	UPL Limited (Korea)	Korea	100%	100%
57	PT.UPL Indonesia	Indonesia	100%	100%
58	PT Catur Agrodaya Mandiri	Indonesia	100%	100%
59	UPL Limited	Hong Kong	100%	100%
60	UPL Philippines Inc.	Philippines	100%	100%
61	UPL Vietnam Co. Limited	Vietnam	100%	100%
62	UPL Limited, Japan	Japan	100%	100%
63	Anning Decco Fine Chemical Co. Limited	China	55%	55%
64	UPL Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi	Turkey	100%	100%
65	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	Turkey	51%	51%
66	Safepack Products Limited	Israel	100%	100%
67	Citrashine (Pty) Ltd.	South Africa	100%	100%
68	UPL Africa SARL	Senegal	100%	100%
69	Pro Long Limited	Israel	50%	50%
70	Perrey Participacoes S.A	Brazil	100%	100%
71	Advanta Netherland Holding B.V.	Netherlands	52%	0%
72	Advanta Semillas SAIC	Argentina	52%	0%
73	Advanta Holdings B.V.	Netherlands	52%	0%
74	Advanta Seeds International	Mauritius	52%	0%
75	Pacific Seeds Holdings (Thailand) Limited	Thailand	52%	0%
76	Pacific Seeds (Thai) Limited	Thailand	52%	0%
77	Advanta Seeds Pty Ltd	Autralia	52%	0%
78	Advanta US Inc	USA	52%	0%
79	Advanta Comercio De Sementes LTDA	Brazil	52%	0%
80	Advanta Seeds DMCC	United Arab Emirates	52%	0%
81	Essentiv LCC (refer to # 2)	USA	50%	0%
82	Advanta Seeds Ukraine LLC (refer to # 2)	Ukraine	52%	0%

#1 Subsidiary divested during the year.
#2 Subsidiary formed during the year.
#3 During previous year ended 31 March 2016, United Phosphorous Industria E Comercio de Produtos Quimicos Ltda was merged in UPL do Brazil Industria e Commercio de Insumos Agropecuarios S.A.

Associates

Sr. No.	Associate Companies	Country of incorporation	31.03.2017 % of Group Holding	31.03.2016 % of Group Holding
1	Polycoat Technologies 2010 Limited	Israel	20%	20%
2	Sinagro Produtos Agropecuários S.A.	Brazil	40%	40%
3	3SB Produtos Agricolas S . A	Brazil	40%	40%
4	Seara Comercial Agricola Ltda.	Brazil	*	*
5	Serra Bonita Sementes S.A.	Brazil	**	**
6	Bioplanta Nutricao Vegetal, Industria e Comercio S.A.	Brazil	**	**

* This is 51% step-down subsidiary of Sinagro Produtos Agropecuários S.A.
**These are 33.33% Joint ventures of Sinagro Produtos Agropecuários S.A.

Joint Venture

Sr. No.	Joint Venture Company	Country of incorporation	31.03.2017 % of Group Holding	31.03.2016 % of Group Holding
1	Hodogaya UPL Co. Limited	Japan	40%	40%
2	Longreach Plant Breeders Management Pty Limited	Australia	37%	0%

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

THE GROUP

	Carrying amounts 2017 USD '000	2016 USD '000
Unquoted & Quoted investments		
Villa Crop Protection (Pty) Ltd (Unquoted)	-	995
Ishihara Sangyo Kaisha Ltd. (Quoted)	11,651	8,023
Others (Unquoted)	130	6
	11,781	9,024

THE COMPANY

Unquoted	2017 USD '000	2016 USD '000
At 1 April and 31 March	-	995

Name of investee company	Country of incorporation	Type of shares held	Number of shares held	% holding 2017	% holding 2016
Villa Crop Protection (Pty) Ltd	South Africa	Ordinary	20,482	-	11

During the year ended 31 March 2017, the Company disposed its entire shareholding for a total consideration of USD 3,233 thousand and realised a gain on disposal of USD 2,238 thousand.

12. INVESTMENT IN ASSOCIATES

THE GROUP

Name of associates	Country of incorporation	% holding	2017 USD '000	2016 USD '000
Sinagro Produtos Agropecuários S.A.	Brasil	40	5,483	2,996
3SB Produtos Agricolas S.A	Brasil	40	11,786	15,297
			17,269	18,293

13. INVESTMENT IN JOINT VENTURE

THE GROUP	2017 USD '000	2016 USD '000
Longreach Plant Breeders Management Pty Ltd,Australia	3,871	-
United Phosphorous (Bangladesh) Limited	7	-
Hodogaya UPL Co. Limited(Note (a))	2,801	2,629
	6,679	2,629

(a) The Group has 40% ownership interest in Hodogaya UPL Co. Limited, a jointly controlled entity incorporated in Japan.

THE COMPANY	2017 USD '000	2016 USD '000
United Phosphorous (Bangladesh) Limited	329	-

During the year ended 31 March 2017, the Company acquired 50% of the share capital of United Phosphorous (Bangladesh) Limited, representing 1,627 of TK 1,000 each, from its sole shareholder for a total consideration of USD 329 thousand. The investment has been stated at cost.

14. LOAN AND ADVANCES

THE GROUP	2017 USD '000	2016 USD '000
Non-current assets (More than one year)		
Advance recoverable in cash and kind	4,165	5,086
Loans and advances to employees	19	1
Long Term Loans to Related Party	19,464	7,025
Long term MAT entitlement	1,795	1,047
Advance tax	2,447	1,457
Long term advances others	2,017	-
Sundry deposits	2,408	1,051
Long term- Deposits with the Collectorate of Central Excise	214	-
	32,529	15,667
Current assets (Less than one year)		
Advance recoverable in cash and kind	41,605	47,227
Loans and advances to employees	2,129	417
Loan to related party	17,925	18,350
Sundry deposits	60	1367
Payment of taxes	1,805	1,557
Interest receivable	8,207	1,468
	71,731	70,386

15. TRADE AND OTHER RECEIVABLES

	2017 USD '000	2016 USD '000
THE GROUP		
Non-current asset (More than one year)		
Debtors	138	143
Current assets (Less than one year)		
Debtors – Others	728,269	590,620
Receivables from holding company	36,736	42,743
	765,005	633,363

THE COMPANY	2017 USD '000	2016 USD '000
Non-current assets (More than one year)		
Amount receivable from non-group company	-	2,072
Amount receivable from group companies (Note 39)	146,367	221,908
	146,367	223,980

Current assets (Less than one year)	2017 USD '000	2016 USD '000
Trade debtors	2,830	224
Other receivables	1,738	2,798
Amount receivable from group companies (Note 39)	450,410	180,767
	454,978	183,789

The average credit period on sales of goods on credit is 180 days. Interest and commission fees is charged on outstanding invoices. No other provision for doubtful trade receivables is required and the directors have assessed that the outstanding balances will be fully recoverable.

The director believes that the carrying amount of the trade and other receivables are approximate to their fair value. The ageing analysis of the trade receivables are as follows:

	Group		Company	
	2017 USD '000	2016 USD '000	2017 USD '000	2016 USD '000
Within 1 year trade receivables	765,005	633,363	173,488	151,623
More than 1 year trade receivables	138	143	-	-
	765,143	633,506.00	173,488	151,623

At the reporting date, none of the trade receivables was impaired.

Before accepting any new customer, management assesses the credit quality of the customer and defines the terms accordingly. In determining the recoverability of a trade receivable, management considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting year.

16. NON-CURRENT ASSETS HELD FOR SALE

Assets held for sale represents assets amounted to USD 6,092 thousand (2016: USD 3,010 thousand) acquired from customers who have not been able to settle their debts in cash.

17. INVENTORIES

THE GROUP	2017 USD '000	2016 USD '000
Stores and Spares	4,476	1,079
Packing Materials	8,481	5,738
Finished Products	276,260	187,297
By - Products	128	90
Semi-finished products	31,100	2,979
Traded goods	53,474	46,153
Raw materials	66,813	55,268
	440,732	298,604

THE COMPANY	2017 USD '000	2016 USD '000
Goods held at third party warehouse	3092	5592
Goods in transit	154	661
	3,246	6,253

During the year ended 31 March 2017, the Company accounted for a stock impairment for an amount of USD 2.5 million.

18. CASH AND CASH EQUIVALENTS

THE GROUP	2017 USD '000	2016 USD '000
Cash at bank		
Current accounts	231,884	83,446
Fixed deposits	191,284	63,655
Cash in hand	738	231
	423,906	147,332

THE COMPANY	2017 USD '000	2016 USD '000
Cash at bank		
Fixed deposit	110,385	-
Current account	7,424	9,773
Petty cash	0.05	0.06
	117,809	9,773

19. STATED CAPITAL

THE COMPANY	2017	2016
	USD '000	USD '000
Ordinary shares of USD 100 each		
At 1 April	13,600	83,600
Share buy back	-	(70,000)
At 31 March	13,600	13,600
Number of ordinary shares	136	136

The stated capital of the Company comprises of 136 thousand (2015: 836 thousand) ordinary shares with a par value of USD 100 per share. These shares are entitled to voting rights and to dividends. The shareholder has various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

20. TRANSLATION RESERVE

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD '000	USD '000	USD '000	USD '000
At 1 April	(121,795)	(99,077)	(91,634)	(92,768)
Movements during the year	10,211	(22,718)	60,124	1,134
At 31 March (Note 5(e))	(111,584)	(121,795)	(31,510)	(91,634)

21. BORROWINGS

THE GROUP	2017	2016
	USD '000	USD '000
Non-current liabilities (More than one year)		
Loan from Banks:		
Secured	688	888
Unsecured	212,798	200,000
Loan from Others - Unsecured	706	14,395
Loans and advances from holding company	132,310	133,640
	346,502	348,923
Current liabilities (Less than one year)		
Loan from Banks:		
Secured	6,577	62,662
Unsecured:		
- Working capital loan/ PCFC	81,027	95,039
- Acceptances	7,834	9,970
Loan from holding company (note 39(ii))	7,000	40,000
Current maturities of long term debts	38,520	34,282
Interest accrued but not due on loans	15,861	4,082
	156,819	246,035

21. BORROWINGS (CONTINUED)

Below notes are for more than one year and current maturity of those borrowings.

(a) Foreign currency loan from banks (Unsecured)

Unsecured loan from banks bears interest rates LIBOR + 1.5% and Prime + 2% amounting to **USD 250,298 thousand** (Previous year: USD 225,338 thousand) repayable within 1-5 years.

(b) Foreign currency loan from banks (secured)

Foreign currency loan from banks includes **USD 1,518 thousand** (Previous year: USD 9,832 thousand) secured by way of collateral of accounts receivable, fixed assets and inventories carrying interest rate of 6% - 17.60% payable within 1-3 years.

(c) From others (Unsecured)

Unsecured term loan from others amounting to **USD Nil** (Previous year: USD 14,994 thousand).

(d) Bond

Bonds are listed on Singapore Stock exchange and are recorded at amortised cost bearing an interest rate of 3.25 %, repayable on 13th October 2021.

THE COMPANY

	2017	2016
Non-current liabilities (More than one year)	**USD '000**	USD '000
Loan from group companies (Note 21 (a) below)	**337,209**	308,463
Loan from Banks(Note 21 (b) below)	**212,500**	200,000
	549,709	508,463
Current liabilities (Less than one year)		
Loan from group companies (Note 39(ii) and 21(a) below)	**7,000**	40,000
Loan from banks (Note 21 (b) below)	**37,500**	56,000
	44,500	96,000

(b) The loan from banks are unsecured, bears interest at the rate, between LIBOR + 1.5% and is repayable as follows:

	2017	2016
	USD '000	USD '000
Within one year	**7,000**	40,000
After one year and before five years	**337,209**	308,463
	344,209	348,463

(b) The loan from banks are secured, bears interest at the rate, between LIBOR + 1.35% to LIBOR + 1.75% and is repayable as follows:

	2017	2016
	USD '000	USD '000
Within one year	**37,500**	56,000
After one year and before five years	**212,500**	200,000
	250,000	256,000

22. PROVISIONS

	2017		2016	
	Long-term provisions USD '000	**Short-term provisions USD '000**	Long-term provisions USD '000	Short-term provisions USD '000
Provision for post-employment benefits	**6,492**	**-**	3,329	-
Jubilee provision	**172**	**-**	169	-
Environmental provision (Note (a) and (b))	**1,698**	**-**	1,813	-
Labour claim (Note (a) and (d))	**495**	**-**	440	-
Reorganisation provision	**-**	**96**	192	267
Provision for taxes	**-**	**5,453**	-	5,003
Leave encashment	**-**	**2,983**	-	509
Provision for contingencies (Note (a) and (e))	**-**	**874**	-	874
	8,857	**9,406**	5,943	6,653

The Company has a tax liability of USD 680 thousand (2016: USD 926) – Refer to note 35

(a)

	Environmental provision	**Labour / Employee Claim provision**	**Reorganisation provision**	**Provision for contingencies**
	31-Mar-17 USD '000	**31-Mar-17 USD '000**	**31-Mar-17 USD '000**	**31-Mar-17 USD '000**
Opening balances	**1,813**	**440**	**459**	**874**
Provisions:				
- Created	**-**	**1**	**-**	**-**
- Utilised	**(5)**	**-**	**(335)**	**-**
Foreign currency translation effect	**(110)**	**54**	**(28)**	**-**
Closing balances	**1,698**	**495**	**96**	**874**

(b) 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.

22. PROVISIONS (CONTINUED)

(c) Reorganisation 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.

(d) 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 cessations of the respective events.

(e) 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.

23. OTHER LONG TERM LIABILITIES

THE GROUP	**2017**	2016
	USD '000	USD '000
Deferred payment liability	**35,841**	41,087
Mark to market losses payable on derivatives (net)	-	58
	35,841	41,145

24. TRADE AND OTHER PAYABLES

	2017	2016
THE GROUP	**USD '000**	USD '000
Current		
Sundry creditors for goods	**266,071**	222,386
Sundry creditors for expenses	**172,860**	120,915
Trade payables to holding company	**133,219**	153,801
	572,150	497,102

24. TRADE AND OTHER PAYABLES (CONTINUED)

THE COMPANY	2017	2016
	USD '000	USD '000
Non-current		
Other payables	15,623	20,028
Current		
Amount payable to group companies (Note 39(iii))	58,186	66,032
Amount payable to group associate (Note 39(iii))	-	3,037
Other payables and accruals	47,633	3,994
	105,819	73,063

The carrying amounts of trade and other payables approximate their fair value, the non-current part is repayable after 1 year and the current part is repayable within 3 months and 1 year.

Other payables includes refundable security-cum performance deposit amount aggregating to USD 17,800 thousand (2016: USD 20,800 thousand) received by the Company from Pengo SA on behalf of Mr Carlos Alberto De Paiva Pellier ("Carlos").

The deposit has been made in relation to the Share Purchase Agreement entered between Carlos and United Phosphorus Indústria E Comércio de Produtos Químicos Ltda for the disposal of the entire shares held by Carlos in UPL Do Brazil Industria E Comercio De Insumos Agropecuarios SA and the refund of which is subject to fulfilment of conditions in the Share Purchase Agreement.

25. OTHER PAYABLES

THE GROUP	2017	2016
	USD '000	USD '000
Other payables	53,636	40,076
Advances against orders	34,814	45,139
Trade deposits	1,143	164
Current maturities of deferred payment liability	2,201	809
	91,794	86,188

26. REVENUE FROM OPERATIONS

THE GROUP	2017	2016
	USD '000	USD '000
Sale of products	1,755,960	1,470,881
Sale of products to holding company	24,297	33,285
Cash discount	(8,660)	(6,429)
Other income from operations (Note 26 (a))	21,430	20,149
	1,793,027	1,517,886

(a) OTHER INCOME FROM OPERATIONS	2017	2016
	USD '000	USD '000
Job work/service income	715	728
Discount received	90	146
Commission received - Group	15,743	15,831
Other operating income	2,118	2,765
Excess provision in respect of earlier year written back	1,668	599
Export incentives	1	80
Royalty income	1,095	-
	21,430	20,149

26. REVENUE FROM OPERATIONS (CONTINUED)

THE COMPANY	2017	2016
	USD '000	USD '000
Sale of products	371,850	182,241

27. COST OF SALES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	USD '000	USD '000	USD '000	USD '000
Cost of goods sold	1,036,966	867,099	327,840	152,265

28. DIRECT COSTS

THE GROUP	2017	2016
	USD '000	USD '000
Power and fuel	6,418	6,298
Processing charges	54,231	46,831
Rebate, commission and discount	12,627	18,195
Effluent disposal charges	3,697	2,446
Water charges	454	434
Non Recoverable taxes-variable cost	2,303	1,868
Transport charges	51,907	42,959
Royalty charges	(369)	7
	131,268	119,038

29. OTHER INCOME

THE GROUP	2017	2016
	USD '000	USD '000
Income from long term investments	3	4
Interest on loan deposits	19,295	8,860
Rent	48	58
Profit on sale of investments	2,213	1,922
Miscellaneous receipts	502	35
Profit on sale of fixed assets	521	172
Sundry credit balances written back	3	(21)
	22,585	11,030

29. OTHER INCOME (CONTINUED)

THE COMPANY	2017	2016
	USD '000	USD '000
Management fees	9,841	10,128
Interest income	12,992	13,982
Dividend income	15,000	22,000
Income received from group company	21,740	2,075
Exchange difference (net)	(249)	97
	59,324	48,282

30. ADMINISTRATIVE EXPENSES

THE GROUP	2017	2016
	USD '000	USD '000
Rent	6,470	5,629
Travelling and conveyance	20,732	18,624
Subscription/ Membership	2,166	1,858
Service costs	869	1,591
Entertainment	1,285	1,260
Security services	1,159	953
Training and seminar	784	1,255
Office supplies	313	553
Sundry expenses	4,226	3,235
Registration charges	8,350	6,879
Labour charges	2,549	3,915
	48,903	45,752

THE COMPANY	2017	2016
	USD '000	USD '000
Auditors' remuneration	32	29
Travelling expenses	183	76
Other expenses	379	316
Registration fees	148	-
Rent	7	7
Salaries	676	77
Management fees	9,500	8,500
Postage	14	8
Printing and stationary	1	1
Other fees and charges	2,086	735
	13,026	9,749

31. OTHER EXPENSES

THE GROUP

	2017 USD '000	2016 USD '000
Employee benefits expense	144,848	124,114
Stores and spares consumed	4,753	2,199
Repairs to building	1,008	780
Repairs to machinery	6,243	4,785
General repairs	7,323	7,232
Rates and taxes	4,048	3,837
General insurance charges	4,450	3,843
Credit insurance	2,371	1,472
Advertisement and sales promotion	23,099	18,271
Legal and professional fees	22,060	15,049
Charity and donations	143	136
Bad debts written off	1,830	1,934
Provision for doubtful debts and advances	1,853	3,989
Exchange difference (net) *	27,093	19,978
Assets written off	164	209
Warehousing costs	11,934	8,510
Communication costs	2,614	2,338
Research and development expenses	412	100
	266,246	218,776

* Current year exchange difference (net) mainly includes loss due to devaluation of currencies in Latin

THE COMPANY

	2017 USD '000	2016 USD '000
Commission to group companies	16,536	-
Sales promotion expenses	1	1,244
Freight	-	36
Bad debts written off	-	18
	16,537	1,298

32. RESTRUCTURING COST

THE GROUP

The amount of USD 2,387 thousand (2015: USD 2,960 thousand) which is of an exceptional nature, represents restructuring cost related to the Company's business in the Latin America.

33. FINANCE COSTS

THE GROUP

	2017 USD '000	2016 USD '000
Interest:		
On term loans	23,542	7,015
On cash credit and working capital demand loan accounts	18,814	21,542
On fixed deposit and fixed loan	232	282
Other loan interest	5,978	6,235
	48,566	35,074
Exchange difference	13,373	12,481
Other financial charges	9,142	9,411
Interest cost from holding company	4,805	5,263
	27,320	27,155
	75,886	62,229

THE COMPANY

	2017 USD '000	2016 USD '000
Interest on bonds	3,438	-
Interest expense on amount owed to banks	11,497	5,311
Interest expense on amount owed to group	6,378	6,369
Financial services charges and bank charges	815	2,416
Net foreign exchange transaction loss	1,687	748
Loss on interest swap	41	734
	23,856	15,578

The Company has entered into SWAP agreements with banks to hedge against fluctuations in interest rates.

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES

THE GROUP

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Associate

Share of profit in associates

During the year the group has invested 40% in the following companies:
(i) 3SB Produtos Agricolas S.A
(ii) Sinagro Produtos Agropecuários S.A.

		2017		
		3SB Produtos Agricolas S.A	Sinagro Produtos Agropecuários S.A.	Total
PAT as per signed financials	BRL'000	(43,107)	23,533	(19,574)
GAAP adjustments	BRL'000	(444)	(4,048)	(4,492)
Adjusted PAT	BRL'000	(43,551)	19,485	(24,066)
Exchange rate		0.3046	0.3046	
Profit after tax in USD	USD '000	(13,266)	5,935	(7,331)
% Share		40%	40%	
Share of (losses) / profits		(5,306)	2,374	(2,932)

		3SB Produtos Agricolas S.A		Sinagro Produtos Agropecuários S.A.
Total assets	BRL'000	237,387	BRL'000	946,648
Total liabilities	BRL'000	(221,647)	BRL'000	(1,006,878)
Net assets	BRL'000	15,740	BRL'000	(60,230)
GAAP adjustments		(445)		74,854
Adjusted networth	BRL'000	15,295	BRL'000	14,624
Exchange rate		0.316		0.316
Adjusted networth in USD	USD'000	4,833	USD'000	4,621
% Shareholding in Biowin		40%		40%
Proportionate networth for Biowin	USD'000	1,933	USD'000	1,848
Goodwill	USD'000	9,867	USD'000	3,641
Investment value matching to networth	USD'000	11,800	USD'000	5,489
Additional investment	USD'000	-	USD'000	-
	USD'000	11,800		5,489

34. SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (Continued)

THE GROUP

Summarised financial information in respect of the Group's associate for the year is set out below:

(i) Associate

Share of profit in associates

During the year the group has invested 40% in the following companies:
(i) 3SB Produtos Agricolas S.A
(ii) Sinagro Produtos Agropecuários S.A.

		2016		
		3SB Produtos Agricolas S.A	Sinagro Produtos Agropecuários S.A.	Total
PAT as per signed financials	BRL'000	7,124	(114,070)	(106,946)
GAAP adjustments	BRL'000	(806)	(19,733)	(20,539)
Adjusted PAT	BRL'000	6,318	(133,803)	(127,485)
Exchange rate		0.2638	0.2638	
Profit after tax in USD	USD '000	1,667	(35,297)	(33,631)
% Share		40%	40%	
Share of profits		667	(14,116)	(13,449)

		3SB Produtos Agricolas S.A		Sinagro Produtos Agropecuários S.A.
Total assets	BRL'000	227,104	BRL'000	982,366
Total liabilities	BRL'000	(168,257)	BRL'000	(1,104,625)
Net assets	BRL'000	58,847	BRL'000	(122,259)
GAAP adjustments		(806)		78,731
Adjusted networth	BRL'000	58,041	BRL'000	(43,528)
Exchange rate		0.281		0.281
Adjusted networth in USD	USD'000	16,309	USD'000	(12,231)
% Shareholding in Biowin		40%		40%
Proportionate networth for Biowin	USD'000	6,523	USD'000	(4,892)
Goodwill	USD'000	8,774		3,238
Investment value matching to networth	USD'000	15,297	USD'000	(1,654)
Additional investment	USD'000	-		4,650
	USD'000	15,297		2,996

34 SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(ii) Joint Venture

The Group has 40% ownership interest in Hodogaya UPL Co. Limited, a jointly controlled entity incorporated in Japan. The proportionate interest of the Group in the said entity as per the audited Balance Sheet as at 31 March, 2017 is as under:

		2017	2016		2017	2016
		Longreach Plant Breeders Management Pty Ltd, Australia			Hodogaya UPL Co. Limited, Japan	
PAT as per signed financials	AUD '000	1,110	-	JPY '000	44,880	51,836
Adjustment	AUD '000	(929)	-	JPY '000	-	-
Adjusted PAT		181	-			
Exchange rate		0.7441	-		0.0092	0.0083
		USD '000	USD '000		USD '000	USD '000
Profit after tax in USD		135	-		412	432
% Share		37%	-		40%	40%
Share of profits		50	-		165	173

					2017	2016
					Hodogaya UPL Co. Limited, Japan	
Total assets	AUD '000	22584	-	JPY '000	2,150,032	1,840,614
Total liabilities	AUD '000	(19,375)	-	JPY '000	(1,367,274)	(1,102,738)
Net assets	AUD '000	3,209	-	JPY '000	782,758	737,876
GAAP adjustments		542	-		-	-
Adjusted Networth	AUD '000	3,751	-	JPY '000	782,758	737,876
Exchange rate		0.765			0.009	0.01
Adjusted Networth in USD	USD '000	2,870	-	USD '000	7,003	6,572
% Shareholding in Biowin		37%	-		40%	40%
Proportionate Networth for Biowin	USD '000	1,052	-	USD '000	2,801	2,629
Goodwill	USD '000	2819	-	USD '000	-	
Investment value matching to networth	USD '000	3,871	-	USD '000	2,801	2,629

35. TAXATION

THE GROUP

	2017	2016
	USD '000	USD '000
Current tax	24,706	32,020
Deferred tax	(19,648)	(16,063)
	5,058	15,957

THE COMPANY

Under current laws and regulations in Mauritius, the Company, being holder a Category 1 Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income tax.

35. TAXATION (CONTINUED)

A reconciliation between the profit before taxation and taxable profit is as follows:

	2017 USD '000	2016 USD '000
Profit before taxation	50,597	50,502
Add underlying tax	-	-
	50,597	50,502
Tax at 15%	7,590	7,575
Annual allowance	(102)	(88)
Non-allowable expenses	233	370
Non-taxable income	(2,779)	(3,009)
	4,942	4,848
Less: tax credit	(3,953)	(3,878)
	989	970
Tax paid under Advance Payment System	(309)	(44)
Tax liability (refer to note 22)	680	926

The Company has applied the most appropriate tax credits by reference to each item of foreign source income separately.

	2017 USD '000	2016 USD '000
Prior year tax provision	(558)	0
Current year tax	989	970
Withholding tax	32	-
	463	970

DEFERRED TAX ASSETS

THE GROUP	2017 USD '000	2016 USD '000
At 1 April	46,045	31,343
Movement during the year	21,747	14,702
At 31 March	67,792	46,045

DEFERRED TAX LIABILITIES

THE GROUP	2017 USD '000	2016 USD '000
At 1 April	8,613	9,118
Movement during the year	(3,900)	(505)
At 31 March	4,713	8,613

36. FINANCIAL INSTRUMENTS

THE COMPANY

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2017 USD '000	**Financial liabilities 2017 USD '000**	Financial assets 2016 USD '000	Financial liabilities 2016 USD '000
Great Britain pound	**7,293**	**88**	9,393	14
Japanese yen	**-**	**-**	15,554	-
Australian dollar	**11,491**	**877**	3,168	1,776
Mauritian rupee	**6**	**2**	1	1
United States dollar	**547,829**	**1,185,540**	181,922	671,012
EURO	**151,067**	**24,137**	140,514	24,751
Brazil real	**-**	**-**	66,485	-
	717,686	**1,210,644**	417,037	697,554

Prepayments of USD 1,469 thousand (2016: USD 1,500 thousand) have not been included in financial assets and tax provision of USD 680 thousand (2016: tax provision USD 926 thousand) has not been included in the financial liabilities.

Currency risk

The Group is exposed to various currencies in different part of the world and manages the currency exposure through natural hedge or forward cover where possible.

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 illustrates the aged analysis of the Group's financial liabilities.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

31-Mar-17	Within one year USD '000	More than one year USD '000	Total USD '000
THE GROUP			
Bonds	-	494,992	494,992
Borrowings	156,819	346,502	503,321
Other long term liabilities	-	35,841	35,841
Trade and other payables	572,150	-	572,150
Other payables	91,794	-	91,794
	820,763	877,335	1,698,098

	3 months to one year USD '000	More than one year USD '000	Total USD '000
THE COMPANY			
Bonds	-	494,992	494,992
Borrowings	44,500	549,709	594,209
Trade and other payables	105,819	15,623	121,442
	150,319	1,060,324	1,210,643

31-Mar-16	Within one year USD '000	More than one year USD '000	Total USD '000
THE GROUP			
Borrowings	246,035	348,923	594,958
Other long term liabilities	-	41,145	41,145
Trade payables	497,102	-	497,102
Other payables	86,188	-	86,188
	829,325	390,068	1,219,393

31-Mar-16	Within one year USD '000	More than one year USD '000	Total USD '000
THE COMPANY			
Borrowings	96,000	508,463	604,463
Trade and other payables	73,063	20,028	93,091
	169,063	528,491	697,554

36. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Financial assets that potentially expose the Group to credit risk consist principally of investments in cash balances. The extent of the Group's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the consolidated statement of financial position.

According to the Group's investment policy, transactions are carefully allocated to counterparties reflecting the credit worthiness of the financial institution. The Board of directors also constantly monitors the outstanding investments.

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

THE GROUP	**2017**	2016
	USD '000	USD '000
Trade and other receivables	**765,143**	633,506
Loans and advances	**104,260**	86,053
Cash and cash equivalents	**423,906**	147,332

THE COMPANY	**2017**	2016
	USD '000	USD '000
Trade and other receivables	**601,345**	407,769
Cash and cash equivalents	**117,809**	9,773

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instrument. The Group's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company's financial assets and liabilities are either interest bearing or non-interest-bearing. The Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Company manages its interest rate risk by using floating-to-fixed interest rate swaps by swapping the floating interest rates of some of the bank loans to fixed interest rates. In this respect, the Company had entered into Interest Rate Risk Swap Agreements for some of the bank loans, to hedge against interest rate fluctuations. As at 31 March 2017, the amortized notional amount for which the Company had entered into interest rate SWAP agreements amounted to USD 98,304 thousand (2016: USD 159,288 thousand).

The following table details the Company's exposure to interest rate risks.

THE COMPANY		**31-Mar-17**	
	Interest bearing	**Non-interest bearing**	**Total**
	USD '000	**USD '000**	**USD '000**
Assets			
Convertible loan notes	**5,000**	**-**	**5,000**
Cash and cash equivalents	**110,413**	**7,396**	**117,809**
Trade and other receivables	**424,920**	**176,425**	**601,345**
Total assets	**540,333**	**183,821**	**724,154**
Liabilities			
Bonds	**494,992**	**-**	**494,992**
Borrowings	**389,310**	**204,899**	**594,209**
Trade and other payables	**-**	**121,442**	**121,442**
Total liabilities	**884,302**	**326,341**	**1,210,643**

		31-Mar-16	
	Interest bearing	Non-interest bearing	Total
	USD '000	USD '000	USD '000
Assets			
Cash and cash equivalents	-	9,773	9,773
Trade and other receivables	250,076	157,693	407,769
Total assets	250,076	167,466	417,542
Liabilities			
Borrowings	473,223	131,240	604,463
Trade and other payables	-	93,091	93,091
Total liabilities	473,223	224,331	697,554

Interest rate sensitivity

A 100 basis point is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the net profit for the year ended 31 March 2017 would increase/decrease by USD 3,816 thousand (2016: USD 1,381 thousand). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings from the holding company.

36. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

Interest rate sensitivity (Continued)

THE COMPANY

			31-Mar-17 Interest rates	
Financial instrument		**Base interest**	**Low**	**High**
	USD '000	**1.50%**	**-1.00%**	**1.00%**
Borrowings	**389,310**	**10,718**	**14,534**	**6,902**
Impact on net profit of the Company			**(3,816)**	**3,816**

			31-Mar-16 Interest rates	
Financial instrument		Base interest	Low	High
	USD '000	2.50%	-1.00%	1.00%
Borrowings	473,223	2,072	691	3,453
Impact on net profit of the Company			1,381	(1,381)

37. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its shareholders, return capital to its shareholder, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

37. CAPITAL MANAGEMENT (CONTINUED)

The gearing as at 31 March 2017 and 31 March 2016 were as follows:

THE GROUP

	2017 USD '000	2016 USD '000
Bonds	**494,992**	-
Borrowings	**503,321**	594,958
Less: cash and cash equivalents	**(423,906)**	(147,332)
Net debt	**574,407**	447,626
Total equity	**613,303**	377,050

THE COMPANY	2017 USD '000	2016 USD '000
Bonds	**494,992**	-
Borrowings	**594,209**	604,463
Less: cash and cash equivalents	**(117,809)**	(9,773)
Net debt	**971,392**	594,690
Total equity	**132,806**	54,548
Total	**1,104,198**	649,238

38. FAIR VALUATION HIERARCHY

The Group uses the following valuation techniques hierarchy for determining and disclosing the fair value of assets and liabilities:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

38. FAIR VALUATION HIERARCHY (CONTINUED)

THE GROUP	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
31-Mar-17				
Assets				
Convertible Loan Notes	-	-	**5,000**	**5,000**
Aircraft	-	-	**7,232**	**7,232**
Available-for-sale financial asset	**8,024**	-	**1,000**	**9,024**
Trade and other receivables	-	-	**765,143**	**765,143**
Non-current assets held for sale	-	-	**6,092**	**6,092**
Loans and advances	-	-	**104,260**	**104,260**
Cash and cash equivalents	-	-	**423,906**	**423,906**
Total assets	**8,024**	-	**1,312,633**	**1,320,657**
Liabilities				
Bonds	-	-	**494,992**	**494,992**
Borrowings	-	-	**503,321**	**503,321**
Trade and other payables	-	-	**572,150**	**572,150**
Other long term liabilities	-	-	**35,841**	**35,841**
Other payables	-	-	**91,794**	**91,794**
Total liabilities	-	-	**1,698,098**	**1,698,098**
31-Mar-16				
Assets				
Aircraft	-	-	16,664	16,664
Available-for-sale financial asset	8,024	-	1,000	9,024
Trade and other receivables	-	-	633,506	633,506
Non-current assets held for sale	-	-	3,010	3,010
Loans and advances	-	-	86,053	86,053
Cash and cash equivalents	-	-	147,332	147,332
Total assets	8,024	-	887,565	895,589
Liabilities				
Borrowings	-	-	594,958	594,958
Trade and other payables	-	-	497,102	497,102
Other long term liabilities	-	-	41,145	41,145
Other payables	-	-	86,188	86,188
Total liabilities	-	-	1,219,393	1,219,393

38. FAIR VALUATION HIERARCHY (CONTINUED)

THE COMPANY	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
31-Mar-17				
Assets				
Convertible Loan Notes	-	-	5,000	5,000
Trade and other receivables	-	-	601,345	601,345
Cash and cash equivalents	-	-	117,809	117,809
Total assets	-	-	724,154	724,154
Liabilities				
Bonds	-	-	494,992	494,992
Borrowings	-	-	594,209	594,209
Trade and other payables	-	-	121,442	121,442
Total liabilities	-	-	1,210,643	1,210,643
31-Mar-16				
Available-for-sale financial asset	-	-	995	995
Trade and other receivables	-	-	407,769	407,769
Cash and cash equivalents	-	-	9,773	9,773
Total assets	-	-	418,537	418,537
Liabilities				
Borrowings	-	-	604,463	604,463
Trade and other payables	-	-	93,091	93,091
Total liabilities	-	-	697,554	697,554

The fair values of trade and other receivables, cash and cash equivalents and trade and other payables approximate their carrying values due to their short-term nature.

39. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2017, the Group traded with related companies. The nature, volume and type of transactions with the companies are as follows:

THE GROUP

Name of related companies	Nature of transactions	2017	2016
		USD '000	USD '000
Holding company	Purchases	455,878	399,050
	Dividend paid	32,000	34,000
	Sales	27,639	35,475
	Property plant and Equipment	179	17
	Intangible assets	316	980
	Intangible assets under development	4	-
	Commission export	15,800	15,874
	Research and development expenses	-	21
	Write off of receivables	667	35
	Reimbursement made	1,121	352
	Reimbursement received	176	62
	Receivables	35,595	43,933
	Payables	80,262	155,326
	Loans and advances taken	151,879	179,835
	Guarantees taken from holding company	133,288	228,114
	Loan/Inter corporate deposits taken	25,929	-
	Interest paid	6,732	5,291
	Repayment of loans	98,350	31,730
	Interest payable	701	773
	Guarantees taken from holding company during the year	160	228,114
	Buy back of shares by holding company	26	72,100
Associates, joint ventures and other related parties	Sales of goods	70,630	48,425
	Purchases	13,767	17,597
	Income from hedging operation	-	4,386
	Purchase of registration	15	-
	Remuneration	4,500	-
	Group recharge	85	-
	Payables (including trade advances)	18,540	20,381
	Receivables (including trade advances)	53,198	27,220
	Other expenses	-	67
	Interest Given	8,533	-
	Interest received	812	3,524
	Inter corporate deposits	-	50,789
	Repayment of loan given	-	28,000
	Reimbursements received	-	2,125
	Royalty	4,417	-
	Loan given	26,918	25,289
	Interest receivables	2,794	1,469
	Research and development	-	4,200
	Commission and discount given	-	86

39. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended 31 March 2017, the Company traded with related companies. The nature, volume and type of transactions with the companies are as follows:

THE COMPANY

Name of related companies	Nature of transactions	2017 USD '000	2016 USD '000
Holding company	Commission income	**15,749**	15,697
	Equity dividend	**32,000**	34,000
	Interest expense	**4,804**	5,263
	Purchases	**137,590**	113,676
	Recharge received	-	722
	Sales	**557**	695
	Share buy back	-	72,100
Subsidiaries and sub subsidiaries	Commission paid	**16,536**	15,697
	Commission income	**4,033**	-
	Dividend income	**15,000**	22,000
	Interest expense	**1,573**	1,106
	Interest income	**12,430**	13,103
	Management fee income	**9,842**	10,127
	Management fee expense	**9,500**	8,500
	Purchases	**159,669**	24,614
	Recharge given	-	722
	Procurement income	**462**	255
	Sales	**362,412**	176,448
	Sales return	**(494)**	-
	Gurantee charges	**804**	825
	Licence fees	**692**	996
	Expense recharge	**279**	293
Group associate	Sales	-	4,491
	Interest income	-	870
Management company	Professional fees	**43**	29
		783,481	522,229

As at 31 March, the balances outstanding with related companies were as follows:

(i) Receivables

	2017 USD '000	2016 USD '000
Non-current		
Amount receivable from subsidiaries and sub subsidiaries (Note 15)	**146,367**	221,908
Current		
Amount receivable from holding company	**18,638**	19,569
Amount receivable from subsidiaries and sub subsidiaries (Note 15)	**431,772**	161,198
	450,410	180,767
Total	**596,777**	402,675

39. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Borrowings

	2017	2016
	USD '000	USD '000
Non-current		
Amount payable to holding company	**132,310**	133,640
Amount payable to subsidiaries and sub subsidiaries	**204,899**	174,823
Current		
Amount payable to holding company (Note 21)	**7,000**	40,000
Total	**344,209**	348,463

(iii) Trade and other payables

	2017	2016
	USD '000	USD '000
Current		
Amount payable to holding company (Note 24)	**34,295**	41,804
Amount payable to subsidiaries and sub subsidiaries (Note 24)	**23,891**	24,228
Amount payable to group associate (Note 24)	-	3,037
Total	**58,186**	69,069

40. CAPITAL COMMITMENTS

	2017	**2016**
	USD'000	**USD'000**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1680	395

41. CONTINGENT LIABILITIES

The details of the contingent liabilities are as follows:

Particulars	2017 USD'000	2016 USD'000
Disputed Sales-tax Liability	4,910	4,204
Guarantees given by the Group to Third Parties	567	644
Hybrid and Parent Seeds Growers	1,453	-
Canola Insurance	1,371	-
Guarantees given on behalf of the company for usage of electricity	52	-
Claims against the Associates not acknowledged as debts.	3,432	-
Claims against the Group not acknowledged as debts	-	1,498
Earn out fees	748	1,025
	12,533	7,371

42. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the number of ordinary shares in issue during the year.

	2017 USD'000	2016 USD'000
Profit for the year	195,673	135,265
Profit attributable to non-controlling interest	(1,998)	(1,960)
Profit attributable to equity holders of the parent	193,675	133,305
Average number of shares in issue in thousand	136	752
Basic earnings per share	1,424	177

43. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT THE REPORTING DATE

	Nature of Instrument	Currency	31-Mar-17 Amount outstanding (in '000)	31-Mar-16 Amount outstanding (in '000)	Purpose - Hedging/ Speculation
(a)	Forward contracts - Sell	USD	**14,041**	3,904	Hedging
	Forward contracts - Buy	USD	**181,226**	133,084	Hedging
	Forward contracts - Sell	EUR	**354**	250	Hedging
	Forward contracts - Buy	EUR	-	127	Hedging
(b)	Derivative contracts				
	Interest Rate Swaps on Loans Payable	USD	-	159,288	Hedging
	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.				
(c)	Un-hedged Foreign Currency Exposure on:				
	1 Payable (including Foreign Currency payable in respect of derivative contracts as mentioned in (b) above)	USD	**32,662**	30,199	
		EUR	**970**	7,767	
		GBP	**3,163**	314	
		CHF	**14**	7	
		DKK	**188**	1,402	
		PLN	**44**	-	
		AED	**2**	392	
		CAD	-	39	
		COP	**4,733**	-	
	2 Receivable	USD	**86,449**	58,856	
		EUR	**1,220**	26,564	
		GBP	**5,049**	10,086	
		DKK	**22**	386	
		JPY	-	-	
		AUD	-	1	
		MUR	-	-	
		PLN	-	66	
		NZD	-	-	
		MUR	-	6	
		CAD	**4,084**	4,639	
		COP	**1,464**	-	

44. LEASE COMMITMENTS

	31-Mar-17 USD '000	31-Mar-16 USD '000
a) Finance Leases		
Future Minimum Lease Payments in respect of assets acquired under finance leases are as under:		
(i) Payable not later than 1 year	**712**	991
(ii) Payable later than 1 year and not later than 5 years	**150**	767
Total Minimum Lease Payments	**862**	1,758
Less: Future Finance Charges	**(112)**	(313)
Present Value of Minimum Lease Payments	**750**	1,445

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.

b) Operating Leases

The minimum annual rentals under the non cancellable operating leases are as under:

i) within one year	**4,081**	1,159
ii) between two and five years	**5,423**	2,518
iii) above five years	**133**	-

There is no contingent rent recognised in the consolidated statement of profit and loss.

General description of the leasing arrangement:

The Group has entered into operating lease arrangements for its office premises (including utilities), storage locations and residential premises.

45 CONTAMINATION

(i) During the year, the Group incurred an amount of USD 1,040 thousand (2016: USD 1,958 thousand) towards legal expenses for pursuing legal actions against companies and individuals alleged to be counterfeiting its products and agricultural pesticide's financial fines.

(ii) During the year, one of the subsidiary of the Group has recognised provision for inventory of sorghum seeds for an amount of USD Nil (2016: USD 3,323 thousand) due to uncertanity and unfavourable market conditions.

46 CONVERTIBLE LOAN NOTES

THE GROUP AND THE COMPANY

	2017	2016
	USD '000	USD '000
Amira Nature Foods Limited	**5,000**	-
	5,000	-

During the year ended 31 March 2017, the Company invested USD 5,000 thousand in 10% convertible loan notes issued by Amira Nature Foods Limited with a maturity date of 22 July 2018 and convertible at USD 10.50 per share. Interest is payable semi-annually on 2 January and 1 July of each year. The directors are of the opinion that the carrying value of the above investment is fairly stated at cost and has not suffered any impairment in value.

47 BONDS

THE GROUP AND THE COMPANY

	2017	2016
Non-current	**USD '000**	USD '000
USD 500m 3.25% Senior Notes Due 2021	**494,992**	-
	494,992	-

During the year ended 31 March 2017, the Company issued USD 500 million 3.25% Senior Notes due 2021, which is being recorded at amortised cost. The net proceeds of the notes was USD 496.970 million and maturity date is 13 October 2021.

48 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 USD 41,754 thousand as on 31 March 2016 (2015: USD 70,322 thousand), UPL group has settled USD 3,820 thousand during the year (2016: USD 28,568 thousand) with previous shareholders. Out of the amount payable, the amount payable within one year from the reporting date amounting to USD 2,159 thousand (2016: USD 773 thousand) has been disclosed as current and balance amount of USD 35,775 thousand (2016: USD 40,981 thousand) has been disclosed as non current.

49 ACQUISITION OF ADVANTA SUBSIDIARIES

During the year, the Group has invested in Advanta group of companies amounting to USD 45,997 thousand for around 52% of Shares in its certain subsidiaries. Advanta subsidiaries engaged in seeds business and undertake production, marketing, selling and distributing activities through its subsidiaries. It is a strategic investment to enter into seeds business and it will develop considerably the Group's existing portfolio.

50 FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

This note presents information about the Company's exposure to each of the risks as disclosed in note 36, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

51 HOLDING COMPANY

The holding company is UPL Limited (Formerly known as United Phosphorus Limited), incorporated in India and has its registered office at 3-11, G.I.D.C., Vapi, Valsad, Gujarat - 396 195.

52 EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the consolidated financial statements for the year ended 31 March 2017.

THE ISSUER

UPL Corporation Limited
5th Floor, Newport Building
Louis Pasteur Street
Port Louis
Republic of Mauritius

TRUSTEE

Citicorp International Limited
20/F, Citi Tower, One Bay East
83 Hoi Bun Road, Kwun Tong
Kowloon, Hong Kong

REGISTRAR

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt
Germany

PRINCIPAL PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT

Citibank, N.A., London Branch
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

LEGAL ADVISERS

To the Joint Lead Managers as to English law

Linklaters
Linklaters Singapore Pte. Ltd.
One George Street
#17-01
Singapore 049145

To the Trustee as to English law

Linklaters
10th Floor
Alexandra House
Chater Road, Central
Hong Kong

To the Issuer as to Mauritian law

Appleby, Mauritius Office
7th Floor Happy World House
37, Sir William Newton Street,
Port Louis 11328
Mauritius

AUDITORS OF THE ISSUER

Crowe ATA
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Republic of Mauritius

KPMG
KPMG Centre
31, Cybercity
Ebène 72201
Republic of Mauritius