Statement of AOC 1 Form

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of associate companies/joint ventures

PART B ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint venture

Sr. No.	Names of Associate and Joint venture	Weather Risk Management Pvt LTD	Kerala Enviro Infrastructure Limited	Sinagro Produtos Agropecuários S.A.	3SB Produtos Agrícolas S.A.	Serra Bonita Sementes S.A.	LongReach Plant Breeders PTY LTD	Hodogaya UPL Co. Ltd.	Agronamic (Pty) Ltd.	Novon Protecta (Pty) Ltd	Agri Fokus Proprietary Limited	Novon Retail Company (Pty) Ltd.	Silvix Forestry (Pty) Ltd.	Dalian Advance Chemical Co.Ltd.	Nexus AG (Pty) Ltd	Société des Produits Industriels et Agricoles
1.	Last Audited/Reviewed Balance sheet date	31.03.2020	31.03.2020	31.12.2019	31.12.2019	31.12.2019	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2.	Date on which the Associate or Joint Venture was associated or acquired	28.06.2016	28.02.2007	29.06.2015	29.06.2015	31.07.2017	02.11.2007	03.03.2008	31.01.2019	31.01.2019	31.01.2019	31.01.2019	31.01.2019	31.01.2019	31.01.2019	31.01.2019
3.	Shares of Associates/Joint ventures held by the Company for the year end															
	No.	48,214	33,50,000	45,43,07,170	30,000	10,30,16,215	88,223	200	260	7,44,526	2,510	1,004	251	17,85,000	1,920	52,398
	Amount of Investment in Associate/Joint venture	11	6	-	65	158	49	28	4	6	4	6	0	1	9	13
	Extend of Holding %	32.1%	27.5%	45.0%	45.0%	33.3%	70.0%	40.0%	28.4%	25.1%	25.1%	25.1%	25.1%	21.0%	25.1%	32.0%
4.	Description of how there is significant influence	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement	By Holding Equal to more than 20% shares and as Joint venture Agreement
5.	Reason why to associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA		NA	NA	NA	NA	NA
6.	Networth attributable to share holding as per latest Audited/ Reviewed Balance sheet	7	6	-	12	169	32	28	1	8	5	3	0	1	6	13
7.	Profit/(Loss) for the year															
	i. Considered in consolidation	-1.82	1.06	-	-9.45	4.30	1.94	4.11	-0.03	-0.57	1.25	-0.23	0.11	-0.00	0.78	1.17
	ii. Not considered in consolidation															

Independent Auditors' Report

To the Members of
UPL Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of UPL Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

EMPHASIS OF MATTER

We draw attention to note 45 of the standalone financial statements regarding the amalgamation of Advanta Limited into the Company accounted for in the financial year 16-17 with effect from 1 April 2015. In accordance with the Scheme approved by the Hon'ble High Court of Gujarat ('the Scheme') the amalgamation had been accounted for as per Accounting Standard 14 – 'Accounting for Amalgamations'. Accordingly, all assets and liabilities of Advanta Limited had been recorded at their respective existing book values. The difference between the book values of the net assets so recorded and the consideration (being fair value of equity shares and issue price of preference shares issued by the Company to the shareholders of Advanta Limited) aggregating ₹ 3,697 crore had been debited as goodwill. This goodwill is being amortised as per terms of the Scheme and is also tested for impairment every year. Such accounting treatment of this transaction is different from that prescribed under Ind AS 103 – 'Business Combinations' which requires assets, liabilities and consideration to be measured at fair value and goodwill to be tested only for impairment. Had the accounting treatment prescribed under Ind AS 103 been followed, profit after tax reported for the year ended March 31, 2020 would have been higher by ₹ 370 crore and goodwill and equity as at March 31, 2020 would have been higher by ₹ 1,842 crore respectively.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

Revenue recognition, rebates and sales returns

Refer note 2.1 and 2.2 (b) to accounting policies and note 21 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue recognition • The timing of revenue recognition is relevant to the reported performance of the Company. • We identified revenue recognition as a key audit matter because of quantum of revenue and the time and audit effort involved in auditing the terms of the customers contract and the revenue recognised.	Our procedures included the following: • We assessed the compliance of the revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS"). • We evaluated the design and operating effectiveness of the relevant key financial controls with respect to revenue recognition on selected transactions.

Revenue recognition, rebates and sales returns

Refer note 2.1 and 2.2 (b) to accounting policies and note 21 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
	• Using statistical sampling, we tested the terms of the revenue contracts against the recognition of revenue based on the underlying documentation and records. • We tested the accuracy of revenue recognised around year end. On a sample basis, we evaluated the revenue being recognised in the correct accounting period. • We assessed the adequacy of disclosures in the standalone financial statements against the requirements of Ind AS 115, Revenue from contracts with customers.
Rebates and sales returns The Company provides rebates to various customers in terms of formal agreements. The recognition and measurement of rebates, including establishing an accrual at year end, involves significant judgement and estimates, particularly the expected level of rebates of each of the customers. As disclosed in Note 2.1 to the standalone financial statements, revenue is recognised net of sales returns. Estimation of sales returns involves significant judgement and estimates. The value of rebates and sales returns together with the level of judgement involved resulted in rebates and sales returns being a key audit matter.	Our procedures included the following: • Understanding the process followed by the Company for identifying and determining the value of rebates and sales returns. • We evaluated the design and tested the operating effectiveness of the relevant key financial controls with respect to recognition and accrual of the rebate expense and sales returns. • We tested the data used by the Company in assessing the provision for rebates and sales returns for completeness and accuracy by agreeing the invoices for the rebate and sales returns to the formal agreements; • On a sample basis, we evaluated the basis of rebate and sales return provision by agreeing amounts recognised to the terms of agreements and approvals. • We assessed the assumptions and judgements used in the sales return provision by comparing against historical trends returns and subsequent actual sales returns. • We compared year end customer rebate accruals and rebate costs in the year to prior year actual rebate payments to assess the accuracy of the accrual against actual rebates paid.

Existence and valuation of inventory

Refer notes 2.1, 2.2 (i) to the accounting policies and note 9 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has operations spread across the country and holds inventory at various locations. The Company has a plan wherein inventory is verified on a periodic basis to ascertain the existence of inventory. Inventory valuation involves significant assumptions and estimations made by the Company which include identifying obsolete inventory, slow moving inventory and inventory not suitable for use. The Company also makes an estimate for slow moving inventory based on the age of the inventory. We have identified inventory as a key audit matter because of the number of locations at which inventory is stored, and the judgement applied in the valuation of inventory.	Our procedures included the following: • We assessed the inventories accounting policies and evaluated compliance with the requirements of Ind AS. • We evaluated the design and the operating effectiveness of the relevant key financial controls with respect to physical verification of inventory, valuation of inventory, including the provision for obsolete and slow-moving inventory. • For locations selected using statistical sampling, we observed physical verification of inventory conducted by the Company as at the year end. Furthermore, for inventory held by third parties, we verified the quantity of inventory on hand against independent inventory statements. • We obtained the system generated inventory ageing report and analyzed the ageing profile of inventories to identify slow and obsolete inventory. Using the aged system report, we assessed the adequacy of the allowance for obsolete and slow-moving inventory items.

Impairment of trade receivables

Refer notes 2.1 & 2.3 (m) to the accounting policies and note 10 and 41 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Trade receivables amount to approximately 3,161 crore and the expected credit loss amounts to approximately 120 crore as at March 31, 2020. The Company has applied a simplified ECL model to determine the impairment against trade receivables at the reporting date. The expected credit loss (ECL) model involves the use of various assumptions and study of historical observed default rates over the expected life of the trade receivables. The significant judgements include the assessment for the forward-looking estimates. Due to the significance of trade receivables and the significant judgement involved in determining the ECL, the impairment of trade receivables was considered to be a key audit matter.	Our procedures included the following: • We assessed the design and implementation and tested the operating effectiveness of the Company's relevant key financial controls around the ECL allowance. • We critically assessed the ECL model developed by the Company and verified with the requirement of Ind AS 109. • Tested key assumptions and judgements, such as those used to assess the likelihood of default and loss on default by comparing to historical data. • We involved our IT specialists to check the system generated ageing report used in assessing the ECL allowance, the system controls around the processing of data used for ECL and verifying the output generated thereof. • We considered the adequacy of the disclosures in the standalone financial statements against the requirements of Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments Disclosures.

Valuation of goodwill

Refer to accounting policy notes 2.1, 2.2 (d), 4 and 49 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
• As at March 31, 2020, the Company had 1,855 crore of goodwill as a result of acquisition of Advanta Limited. • The Company makes significant judgement in estimating future cash flows which are used for annual goodwill impairment testing. The Company compares the carrying value of the assets with their recoverable amount • The inputs to the impairment testing model which have most significant impact on the model includes: a) Future cash flows and growth rate; and b) Discount rate applied to the projected cash flows • The impairment test model includes sensitivity testing of key assumptions. • The annual impairment testing is considered a significant accounting judgement and estimate and a key audit matter because: a) the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain; and b) the significance of the balance to the standalone financial statements.	Our procedures included the following: • We assessed the Company's methodology applied in determining the CGUs to which these assets are allocated. • We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; • We compared the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying workings. • We assessed Company's sensitivity analysis over the key assumptions to determine any possible change in these assumptions which would result in an impairment. • We involved our valuation expert to assess the assumption and methodology used by the Company to determine the recoverable amount. • Assessing the adequacy of the Company's disclosures related to the impairment tests and their compliance with Ind AS.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of 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 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 auditor's report to the related disclosures in the standalone 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 35(b) to the standalone financial statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the standalone financial statements since they do not pertain to the financial year ended March 31, 2020.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

    In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.: 042070
UDIN: 20042070AAAABJ7351

Mumbai
May 22, 2020

Annexure A to the Independent Auditors' Report on standalone financial statements

(Referred to in our report of even date)

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

b) The Company has a regular programme of physical verification of its fixed assets (property, plant and equipment) by which all fixed assets (property, plant and equipment) are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets (property, plant and equipment) were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) In our opinion and according to the information and explanations given to us by the management and on the basis of an examination of the records of the Company, the title deeds of the immovable properties as disclosed in Note 3 of the standalone financial statements are held in the name of the Company, except in the case of leasehold land, freehold land and buildings with a carrying value of ₹ 11 crore, ₹ 2 crore and ₹ 47 lakh (Gross block of ₹ 11 crore, ₹ 2 crore and ₹ 1 crore) as at March 31, 2020 respectively, wherein as explained to us, the Company is not able to reconcile with fixed assets register with the title deeds and hence we are unable to comment on the same.

ii. The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year- end, written confirmations have been obtained by management and in respect of goods-in- transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

iii. The Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Act.

a) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.

b) In respect of aforesaid loan, which is repayable on demand, we are informed that the amount of interest and principal demanded by the company has been fully paid during the year and thus, there has been no default on the part of parties to whom the money has been lent.

c) There are no amounts overdue for more than ninety days at the balance sheet date in respect of the aforesaid loan.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans granted, investments made, guarantees given and security provided as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and services tax, Duty of Customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Profession tax have not generally been regularly deposited during the year with the appropriate authorities though the delays in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of customs and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except for profession tax as given below.

Name of the Statute	Nature of the Dues	Amount (in crore)	Period to which amount relates	Due date	Date of payment
Profession tax	Tax	0.04	April 2018 to September 2019	Various	Unpaid

b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Duty of customs, Goods and services tax, duty of excise and value added tax as at March 31, 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount (in crore)	Amount paid under protest (in crore)	Period to which amount relates (Assessment Year)	Forum where dispute is pending
Income tax Act, 1961	Income tax demands	10	-	AY*1995-96 to AY 1997- 98, AY 2008-09 to AY 2010-11 and AY 2015-16	Supreme Court, High Court, Commissioner Income-tax and Income-tax Appellate Tribunal
Sales tax Act	Sales tax demands	20	3	FY 1985-86, 1995-96, 2005-06 to 2007-08, 2011-12, to 2014-15	Supreme Court, Jt Commissioner of Sales tax, Sales tax Tribunal
Central Excise/ Finance Act	Excise duty/ Service tax demands	88	0	FY 1989-90, 1994-2004 and 2007-2015	Commissioner (Appeals) Central Excise and Service tax Appellate Tribunal
Custom duty	Custom duty demands	22	-	FY 1992 to 1997, 2000, 2001 and 2004	Commissioner (Appeals) Central Excise and Service tax Appellate Tribunal
Foreign Trade (Development and regulation) Act	Fiscal Penalty	33	-	FY 1992 to 1997	Bombay High Court
Goods and Services Tax	Goods and Service Tax demands	2	2	FY 2019-20	Goods and Service Tax Appellate Tribunal

* AY – Assessment year, FY – Financial year

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from financial institution, bank or dues to debenture holders during the year. The Company did not have any loans or borrowings from the government during the year.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

xi. According to the information and explanations given to us, and based on our examination of the records of the Company, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, para 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures was made during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any noncash transactions with directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under the clause 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.: 042070
UDIN: 20042070AAAABJ7351

Mumbai
May 22, 2020

Annexure B to the Independent Auditors' Report on the Standalone financial statements of UPL Limited March 31, 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2(A)f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of UPL Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.: 042070
UDIN: 20042070AAAABJ7351

Mumbai
May 22, 2020