

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.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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	
Management company	Cash Discount	355	-	
	Expense recharge	43,119	-	
	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	2018
	USD '000	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	<u>312,284</u>	<u>359,322</u>

(iii) Trade and other payables

	2019	2018
	USD '000	USD '000
Current		
Amount payable to holding company	77,895	10,194
Amount payable to subsidiaries and sub subsidiaries	-	106,460
Total (Note 24)	<u>77,895</u>	<u>116,654</u>

40. CAPITAL COMMITMENTS

	2019	2018
	USD'000	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	-
Penalty 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
	<u>7,810</u>	<u>14,575</u>

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 subsidiary 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	<u>130,518</u>	<u>205,285</u>
Average number of shares in issue in thousand	<u>136</u>	<u>136</u>
Basic earnings per share	<u>960</u>	<u>1,509</u>

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		31-Mar-18		Purpose - Hedging/ Speculation
		Amount outstanding		Amount outstanding		
		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	10,000	-	-	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		31-Mar-18		Purpose - Hedging/ Speculation
		Amount outstanding		Amount outstanding		
		Local currency in '000	USD '000	Local currency in '000	USD '000	
(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	<u>2,792</u>	<u>173</u>
Less: Future Finance Charges	<u>(556)</u>	<u>(19)</u>
Present Value of Minimum Lease Payments	<u>2,236</u>	<u>154</u>

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
	<u>5,000</u>	<u>5,000</u>

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
	<u>792,730</u>	<u>792,713</u>

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 Agropecuarios 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	<u>52,918</u>	<u>-</u>	<u>11,759</u>	<u>-</u>

This expense referred to cost in relation to the acquisition 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
	USD '000	USD '000
Assets		
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	<u>-</u>	<u>248,271</u>
Equity and Liabilities		
Retained earnings	-	217,594
Trade and other payables	-	29,931
Total Liabilities	<u>-</u>	<u>247,525</u>

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
	USD '000	USD '000
Group		
Investments in task force	<u>1,063</u>	<u>1,091</u>
	<u>1,063</u>	<u>1,091</u>

53 (ii). CURRENT INVESTMENT

	2019	2018
	USD '000	USD '000
Group		
Investment in Mutual Fund	<u>283</u>	-
	<u>283</u>	-

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 its 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 valuation 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	<u>4,425,823</u>

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	<u>929,400</u>

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 acquisition. 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 acquisition 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 Net worth on date of acquisition		69,785
		<u>(1,451,342)</u>
Fair value of identifiable net assets	(C)	<u>929,400</u>
		<u>2,114,866</u>

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 separate 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 liabilities (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	<u>2,602,822</u>	<u>2,139,904</u>

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
Corporate information	1
Commentary of the directors	2
Certificate from the secretary	3
Independent auditors` report	4 - 7
Consolidated and separate statement of financial position	8 - 9
Consolidated and separate statement of profit or loss and other comprehensive income	10
Consolidated and separate statement of changes in equity	11
Consolidated and separate statement of cash flows	12 - 13
Notes to the consolidated and separate financial statements	14 - 80

		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 (Formerly 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 Luttmiah 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.



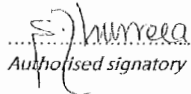
UPL CORPORATION LIMITED

CERTIFICATE FROM THE SECRETARY

(SECTION 166 (D) OF THE COMPANIES ACT 2001)

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 2018.


.....
Authorised signatory

Date: 01 June 2018

**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.

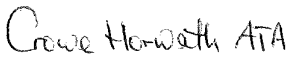
Report on other legal and regulatory requirements

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

Date: 01 June 2018

Ebene, Mauritius




Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

UPL CORPORATION LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

8

	Notes	THE GROUP			THE COMPANY	
		2018	2017	1 April 2016	2018	2017
		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.

UPL CORPORATION LIMITED
 CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2018 (CONTINUED)

9

	Notes	THE GROUP		THE COMPANY	
		2018 USD '000	2017 USD '000 Restated	1 April 2016 USD '000 Restated	2018 USD '000
EQUITY AND LIABILITIES					
Equity					
Stated capital	19	13,600	13,600	13,600	13,600
Retained earnings		743,988	618,398	471,546	150,716
Translation reserves	20	(112,254)	(111,727)	(121,782)	(31,510)
Equity attributable to equity holders of the parent		645,334	520,271	363,364	132,806
Non-controlling interests		97,747	70,751	6,382	-
Total equity		743,081	591,022	369,746	132,806
Non-current liabilities					
Bonds	47	792,713	494,992	-	494,992
Borrowings	21	132,419	346,502	348,923	549,709
Trade and other payables	24	-	-	-	4,617
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	1,060,324
Current liabilities					
Borrowings	21	59,904	156,819	246,035	44,500
Trade and other payables	24	625,578	572,150	497,102	105,819
Other payables	25	89,004	91,794	86,188	-
Provisions	22	11,923	9,406	6,653	680
Total current liabilities		786,409	830,169	835,978	150,999
Total liabilities		1,743,320	1,721,074	1,240,602	1,211,323
TOTAL EQUITY AND LIABILITIES		2,486,401	2,312,096	1,610,348	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

	Notes	THE GROUP		THE COMPANY	
		2018	2017 Restated	2018	2017
		USD '000	USD '000	USD '000	USD '000
Income					
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:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Currency translation differences	20	(527)	10,211	23,470	60,124
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-	-	-
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	Translation reserves	Retained earnings	Total equity
	USD '000	USD '000	USD '000	USD '000
At 1 April 2016	13,600	(91,634)	132,582	54,548
<u>Translation reserve:</u>				
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
<u>Translation reserve:</u>				
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.

UPL CORPORATION LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

12

	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
<i>Adjustments for:</i>				
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)	-	-
<i>Operating profit before working capital changes</i>	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)	-	-
<i>Cash generated from/(absorbed by) operations</i>	373,349	339,641	(196,723)	(66,655)
Tax paid	(16,677)	(25,493)	(1,026)	(678)
<i>Net cash from/(used in) operating activities</i>	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.

UPL CORPORATION LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

13

	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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 party;
- (v) 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).

UPL CORPORATION LIMITED
 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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.

UPL CORPORATION LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 book 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	-	-
	<u>128,886</u>	<u>101,919</u>	<u>42</u>	<u>45</u>

(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		Leasehold Building		Plant and Machinery		Laboratory Equipment		Furniture Fixtures and Equipment		Vehicles		Land Improvements		Building Improvements		Office Equipment		Vehicles under finance lease		Furniture Fixtures and 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	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	-	-	-																
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	<u>12,162</u>
DEPRECIATION	
At 1 April 2017	4,848
Charge for year	1,261
At 31 March 2018	<u>6,109</u>
NET BOOK VALUES	
At 31 March 2018	<u>6,053</u>
At 31 March 2017	<u>7,232</u>

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
<u>Investments - Unquoted</u>		
At 1 April	614,108	325,428
Additions	58,082	288,680
Effect of amalgamation (note 52)	(305)	-
At 31 March	<u>671,885</u>	<u>614,108</u>

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 Agrodarya 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	Australia	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	Ref	Country of incorporation	31.03.2018	31.03.2017
				% of Group Holding	% of Group Holding
1	Polycoat Technologies 2010 Limited		Israel	20%	20%
2	Sinagro Produtos Agropecuários S.A.	#	Brazil	49%	40%
3	3SB Produtos Agrícolas S . A	#	Brazil	49%	40%
4	Seara Comercial Agrícola 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	Ref	Country of incorporation	31.03.2018	31.03.2017
				% of Group Holding	% 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 USD '000	2017 USD '000
<u>Unquoted & Quoted investments</u>		
Ishihara Sangyo Kaisha Ltd. (Quoted)	14,379	11,651
IBI Debentures (Unquoted)	64,895	-
Others (Unquoted)	4	130
	<u>79,278</u>	<u>11,781</u>

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 Agrícolas S.A	Brasil	40	15,704	11,786
Seara Bonita	Brasil	33.33	31,864	-
			<u>47,568</u>	<u>17,269</u>

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
	<u>7,899</u>	<u>6,679</u>

(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	<u>329</u>	<u>329</u>

The Company had acquired 50% of the share capital of United Phosphorous (Bangladesh) Limited, representing 1,527 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

THE GROUP	2018 USD '000	2017 USD '000 Restated
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	2017
	USD '000	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)		
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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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	2017
	USD '000	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
	<u>460,992</u>	<u>440,732</u>
THE COMPANY	2018	2017
	USD '000	USD '000
Goods held at third party warehouse	-	3,092
Goods in transit	2,445	154
	<u>2,445</u>	<u>3,246</u>

18. CASH AND CASH EQUIVALENTS

THE GROUP	2018	2017
	USD '000	USD '000
<u>Cash at bank</u>		
Current accounts	238,001	231,884
Fixed deposits	178,519	191,284
Cash in hand	80	738
	<u>416,600</u>	<u>423,906</u>
THE COMPANY	2018	2017
	USD '000	USD '000
<u>Cash at bank</u>		
Fixed deposit	83,868	110,385
Current account	714	7,424
Petty cash	0.12	0.05
	<u>84,582</u>	<u>117,809</u>

19. STATED CAPITAL

THE COMPANY	2018	2017
	USD '000	USD '000
Ordinary shares of USD 100 each		
At 31 March	<u>13,600</u>	<u>13,600</u>
Number of ordinary shares	<u>136</u>	<u>136</u>

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
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))	<u>(112,254)</u>	<u>(111,727)</u>	<u>(8,040)</u>	<u>(31,510)</u>

21. BORROWINGS

THE GROUP	2018	2017
	USD '000	USD '000
Non-current liabilities (More than one year)		
<i>Loan from Banks:</i>		
Secured	462	688
Unsecured	379	212,798
Loan from Others - Unsecured	2,945	706
Loans and advances from holding company	<u>128,633</u>	<u>132,310</u>
	<u>132,419</u>	<u>346,502</u>
Current liabilities (Less than one year)		
<i>Loan from Banks:</i>		
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	<u>8,897</u>	<u>15,861</u>
	<u>59,904</u>	<u>156,819</u>

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 USD '000	2017 USD '000
Non-current liabilities (More than one year)		
Loan from group companies (Note 21 (a) below)	344,322	337,209
Loan from Banks (Note 21 (b) below)	-	212,500
	<u>344,322</u>	<u>549,709</u>
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
	<u>15,000</u>	<u>44,500</u>

(a) The loan bears interest at the rate between LIBOR + 2% to LIBOR + 2.5%, is unsecured and is repayable as follows:

	2018 USD '000	2017 USD '000
Within one year	15,000	7,000
After one year and before five years	344,322	337,209
	<u>359,322</u>	<u>344,209</u>

(b) The loan from banks were unsecured, had interest at the rate of LIBOR +1.5% and is repayable as follows:

	2018 USD '000	2017 USD '000
Within one year	-	37,500
After one year and before five years	-	212,500
	<u>-</u>	<u>250,000</u>

(c) The carrying amounts of borrowings approximate their fair values.

22. PROVISIONS

	2018		2017	
	Long-term provisions	Short-term provisions	Long-term provisions	Short-term provisions
	USD '000	USD '000	USD '000	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
	<u>10,723</u>	<u>11,923</u>	<u>8,857</u>	<u>9,406</u>

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	31-Mar-18	31-Mar-18	31-Mar-18
	USD '000	USD '000	USD '000	USD '000
Opening balances	1,698	495	96	874
Provisions:				
- Created	87	460	-	-
- Utilised	(75)	-	(96)	-
Foreign currency translation effect	272	(38)	-	-
Closing balances	<u>1,982</u>	<u>917</u>	<u>-</u>	<u>874</u>

(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 USD '000	2017 USD '000
Deferred payment liability	14,384	35,841
	<u>14,384</u>	<u>35,841</u>

24. TRADE AND OTHER PAYABLES

THE GROUP	2018 USD '000	2017 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
	<u>625,578</u>	<u>572,150</u>

24. TRADE AND OTHER PAYABLES (CONTINUED)

THE COMPANY	2018	2017
	USD '000	USD '000
Non-current		
Other payables	<u>4,617</u>	<u>15,623</u>
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	<u>47,516</u>	<u>47,633</u>
	<u>164,170</u>	<u>105,819</u>

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	<u>4,162</u>	<u>2,201</u>
	<u>89,004</u>	<u>91,794</u>

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))	<u>13,787</u>	<u>21,430</u>
	<u>2,139,904</u>	<u>1,793,027</u>

(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	<u>206</u>	<u>1,095</u>
	<u>13,787</u>	<u>21,430</u>

26. REVENUE FROM OPERATIONS (CONTINUED)

THE COMPANY	2018 USD '000	2017 USD '000
Sale of products	<u>366,145</u>	<u>371,850</u>

27. COST OF SALES

	THE GROUP		THE COMPANY	
	2018 USD '000	2017 USD '000	2018 USD '000	2017 USD '000
Cost of goods sold	<u>1,194,975</u>	<u>1,036,966</u>	<u>303,779</u>	<u>327,840</u>

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)
	<u>187,060</u>	<u>131,268</u>

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
	<u>14,507</u>	<u>22,585</u>

29. OTHER INCOME (CONTINUED)

THE COMPANY	2018	2017
	USD '000	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)
	<u>40,432</u>	<u>59,324</u>

30. ADMINISTRATIVE EXPENSES

THE GROUP	2018	2017
	USD '000	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
	<u>66,650</u>	<u>48,903</u>
THE COMPANY	2018	2017
	USD '000	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
	<u>8,036</u>	<u>13,026</u>

31. OTHER EXPENSES

THE GROUP	2018	2017
	USD '000	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
	<u>298,407</u>	<u>266,258</u>

* Current year exchange difference (net) mainly includes loss due to devaluation of currencies in Latin American.

THE COMPANY

	2018	2017
	USD '000	USD '000
Commission to group companies	3,473	16,536
Sales promotion expenses	6	1
Commission expenses	2,600	-
	<u>6,079</u>	<u>16,537</u>

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	<u>6,124</u>	<u>5,978</u>
	<u>54,436</u>	<u>48,566</u>
Exchange difference	26,156	13,373
Other financial charges	7,036	9,142
Interest cost from holding company	<u>6,201</u>	<u>4,805</u>
	<u>39,393</u>	<u>27,320</u>
	<u>93,829</u>	<u>75,886</u>

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	<u>(179)</u>	<u>41</u>
	<u>55,666</u>	<u>23,856</u>

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 commercialization 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 USD '000	2017 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 USD '000	2017 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 Productos Agropecuarios S.A., which is involved in the business of retail sales and commercial representation of crop protection chemical and seeds. Sinagro Productos Agropecuarios S.A. is a private entity that is not listed on any public exchange. The Group's interest in Sinagro Productos Agropecuarios S.A. is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of Sinagro Productos 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 Productos Agropecuarios S.A.:

Summarised 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	<u>(0)</u>	<u>5,482</u>

Summarised 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	<u>(32,581)</u>	<u>5,934</u>
Group's share of profit for the year	<u>(15,965)</u>	<u>2,374</u>

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:

Summarised 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

Summarised 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:

Summarised 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

Summarised 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:

Summarised 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

Summarised 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
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.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

35. TAXATION (CONTINUED)

A reconciliation between the profit before taxation and taxable profit is as follows:

	2018 USD '000	2017 USD '000
Profit before taxation	30,267	50,597
Add underlying tax	-	-
	<u>30,267</u>	<u>50,597</u>
Tax at 15%	4,540	7,590
Annual allowance	(113)	(102)
Non-allowable expenses	741	233
Non-taxable income	-	(2,779)
	<u>5,168</u>	<u>4,942</u>
Less: tax credit	<u>(4,134)</u>	<u>(3,953)</u>
	1,034	989
Tax paid under Advance Payment System	<u>(348)</u>	<u>(309)</u>
Tax liability (refer to note 22)	<u>686</u>	<u>680</u>

The Company has applied the most appropriate tax credits by reference to each item of foreign source income separately.

	2018 USD '000	2017 USD '000
Prior year tax provision	247	(558)
Current year tax	1,034	989
Withholding tax	-	32
	<u>1,281</u>	<u>463</u>

DEFERRED TAX ASSETS

THE GROUP	2018 USD '000	2017 USD '000 Restated
At 1 April	85,054	63,298
Movement during the year	<u>(12,860)</u>	<u>21,756</u>
At 31 March	<u>72,194</u>	<u>85,054</u>

DEFERRED TAX LIABILITIES

THE GROUP	2018 USD '000	2017 USD '000
At 1 April	4,713	8,613
Movement during the year	<u>1,959</u>	<u>(3,900)</u>
At 31 March	<u>6,672</u>	<u>4,713</u>

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
	<u>982,942</u>	<u>1,320,822</u>	<u>717,686</u>	<u>1,210,644</u>

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
	<u>774,486</u>	<u>939,516</u>	<u>1,714,002</u>
	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
	<u>179,170</u>	<u>1,141,652</u>	<u>1,320,822</u>
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
	<u>820,763</u>	<u>877,335</u>	<u>1,698,098</u>
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
	<u>150,319</u>	<u>1,060,324</u>	<u>1,210,643</u>

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
Trade and other receivables	<u>780,038</u>	Restated <u>756,628</u>
Loans and advances	<u>102,336</u>	<u>104,260</u>
Cash and cash equivalents	<u>416,600</u>	<u>423,906</u>
THE COMPANY	2018	2017
	USD '000	USD '000
Trade and other receivables	<u>899,351</u>	<u>601,345</u>
Cash and cash equivalents	<u>84,582</u>	<u>117,809</u>

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

Financial instrument	USD '000	Interest Charge	31-Mar-18 Interest rates	
			Low	High
			-1.00%	1.00%
Borrowings	147,311	5,415	<u>6,814</u>	<u>4,016</u>
Impact on net profit of the Company			<u>(1,399)</u>	<u>1,399</u>

Financial instrument	USD '000	Interest Charge	31-Mar-17 Interest rates	
			Low	High
			-1.00%	1.00%
Borrowings	389,310	10,718	<u>14,534</u>	<u>6,902</u>
Impact on net profit of the Company			<u>(3,816)</u>	<u>3,816</u>

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 000	Effect on equity 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	2017
	USD '000	USD '000
		Restated
Bonds	792,713	494,992
Borrowings	192,323	503,321
Less: cash and cash equivalents	(416,600)	(423,906)
Net debt	<u>568,436</u>	<u>574,407</u>
Total equity	<u>743,081</u>	<u>591,022</u>

THE COMPANY

	2018	2017
	USD '000	USD '000
Bonds	792,713	494,992
Borrowings	359,322	594,209
Less: cash and cash equivalents	(84,582)	(117,809)
Net debt	<u>1,067,453</u>	<u>971,392</u>
Total equity	<u>347,606</u>	<u>132,806</u>
Total	<u>1,415,059</u>	<u>1,104,198</u>

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
		<u>710,163</u>	<u>783,481</u>

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)	<u>191,764</u>	<u>146,367</u>
Current		
Amount receivable from holding company	3,125	18,638
Amount receivable from subsidiaries and sub subsidiaries	<u>680,698</u>	<u>431,772</u>
Total Current receivables (Note 15)	<u>683,823</u>	<u>450,410</u>
Total	<u>875,587</u>	<u>596,777</u>

39. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Borrowings	2018	2017
	USD '000	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	<u>359,322</u>	<u>344,209</u>

(iii) Trade and other payables

	2018	2017
	USD '000	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)	<u>116,654</u>	<u>58,186</u>

40. CAPITAL COMMITMENTS

	2018	2017
	USD'000	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
	<u>11,013</u>	<u>9,101</u>

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 subsidiary 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	<u>(1,566)</u>	<u>(1,998)</u>
Profit attributable to equity holders of the parent	<u>205,285</u>	<u>191,911</u>
Average number of shares in issue in thousand	<u>136</u>	<u>136</u>
Basic earnings per share	<u>1,509</u>	<u>1,411</u>

43. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT THE REPORTING DATE

Nature of Instrument	Currency	31-Mar-18		31-Mar-17		Purpose - Hedging/ Speculation
		Amount outstanding		Amount outstanding		
		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	<u>173</u>	<u>862</u>
Less: Future Finance Charges	<u>(19)</u>	<u>(112)</u>
Present Value of Minimum Lease Payments	<u>154</u>	<u>750</u>

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	4,813	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
	<u>5,000</u>	<u>5,000</u>

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	-
	<u>792,713</u>	<u>494,992</u>

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 Agropecuarios 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:

<u>Assets</u>	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	<u>248,271</u>
<u>Equity and Liabilities</u>	
Retained earnings	217,594
Trade and other payables	29,931
Total Liabilities	<u>247,525</u>

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)
	<u>(14,976)</u>	<u>(7,304)</u>	<u>(22,280)</u>

54 CURRENT INVESTMENTS

Group	2018 USD '000	2017 USD '000
Investments in task force	1,091	49
	<u>1,091</u>	<u>49</u>

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

CONTENTS	PAGES
Corporate information	1
Commentary of the directors	2
Certificate from the secretary	3
Independent auditors' report	4 - 5
Consolidated statement of financial position	6 - 7
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10 - 11
Notes to the consolidated financial statements	12 - 69

UPL CORPORATION LIMITED
(Formerly known as "BIO-WIN CORPORATION LIMITED")
CORPORATE INFORMATION

1

		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 Lutcmiah	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 <i>Formerly known as Crowe Horwath (Mur) Co.</i> 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

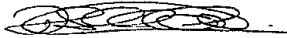
The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office, until the next annual meeting.

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

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

Citibank, N.A., London Branch
Citigroup Centre, Canada Square
Canary Wharf
London E14 5LB
United Kingdom

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
11th Floor
Alexandra House
Chater Road, Central
Hong Kong

*To the Issuer
as to Mauritian law*

LX Legal
Suite 401
St James Court
Port Louis
Republic of 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