

Doing Things Better



**ANNUAL
REPORT
2015-16**

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Performance highlights, 2015-16

Revenue (D)
13,413_{cr}

EBIDTA (D)
2,828_{cr}

Net profit (D)
1,299_{cr}

EBIDTA margin
21.1%

Net profit margin
9.7%

Cash profit (D)
2,128_{cr}

ROCE
20.1%

Earnings per share (D)
30.30

doing things better.

In 2015-16, the global crop protection chemicals industry encountered its most challenging year in living memory.

Drought conditions were extensive. Commodity prices declined. Farmers encountered weaker cash flows. Currencies devalued. Crop protection chemicals purchases were postponed.

Just the kind of year when crop protection chemical companies would have started their shareholder engagement with an apologetic 'Despite our best efforts...'

It was just such a year when UPL reported 11% revenue increase and 13.5% profit growth.

The worst performance in years for the sector. The best-in-industry growth year at UPL Limited.

We explain our
contrarian performance –
challenging environment,
inspiring results – in just
three words.

Doing things better.

doing
things
better



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Believing that what was well done could always be made better.

Believing that there was never really a cap on improvements.

Believing that passion makes seemingly impossible things happen.

At UPL Limited, 'doing things better' is far more than a cosmetic line that we paste on the walls of our conference rooms.

Like driving to farmers and asking 'What is the biggest problem you are facing this season?'

Like telling our dealers 'We need to cover 100% of the geography this year.'

Like getting our finance team to raise lower cost debt.

Like getting our international business team to reduce logistic costs through lower global procurement.

Like commissioning a large captive power plant to meet our plant needs.

Like engaging crop growers with the question, 'Have you seen any traces of pest attack?'

Like working collaboratively with dealers to strengthen market access.

Like inviting farmers to a village meeting and asking 'Would you like to increase your productivity?'

Like asking our research team to introduce new products to plug market gaps.

Like delighting farmers by presenting a complete pest resistance solution.

It is a philosophy we live every single day.

Across
farms Across
laboratories

Across
conference
rooms Across
manufacturing
shopfloors

Across
benchmarking
meetings Across
strategy
sessions

Like thinking beyond realisations and margins to ROCE.

Like strengthening our credit rating to access cheaper funds.

Like communicating more transparently with the shareholder community.

Like figuring out ways to create a consumer pull as opposed to merely pushing products.

Like thinking of newer ways in which a farmer can enhance crop or farm viability.

Like introducing processes and products benchmarked higher than regulatory requirements.

Like branding products better to enhance farmer trust - and offtake.

Like thinking micro at one level without ever losing the big picture.

Like demonstrating a superior cost-benefit analysis on efficient crop protection chemical use.

Like playing the role of the sector's statesman in promoting responsible crop protection chemical use.



Doing Things Better. *In action.* ● ● ● ●

Indian crop protection chemicals industry

0.1

Growth reported by the industry in 2015-16 (%)

3

UPL's revenue growth in this market in 2015-16 (%)

North American crop protection chemical market

4.6

Negative growth reported by the sector in 2015-16 (%)

10

UPL's growth in this market in 2015-16 (%)

Latin American crop protection chemical market

13

Negative growth reported by the sector in 2015-16 (%)

25

UPL's growth in this market in 2015-16 (%)



OUR BUSINESS

Doing Things Better has gone a long way.

- UPL evolved into an end-to-end solutions provider - from seeds to pre-harvest products to post-harvest solutions.
- Graduated UPL into one of the fastest growing generic crop protection chemical companies.
- Transformed UPL into one of the most profitable generic crop protection chemical companies.

Across product segments. Across geographies. Across value chain.

The UPL-Advanta merger

UPL decided to merge its associate company Advanta, a key global player in hybrid seeds, with the objective to gain a closer access to farmers and emerge as a complete crop solutions provider.

