



UPL Limited, UPL House
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23rd June 2023

BSE Limited
Mumbai

National Stock Exchange of India Ltd
Mumbai

SCRIP CODE: 512070

SYMBOL: UPL

Sub: Business realignment consisting of slump sale of Specialty Chemical Business to a wholly-owned subsidiary viz. UPL Speciality Chemicals Ltd.

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') read with SEBI Circular No. CIR/CFO/CMD/4/2015 dated 9th September, 2015, we hereby inform that the Board of Directors of the Company at its meeting held today i.e. 23rd June 2023 has approved transfer of 'Specialty Chemical' business on a slump sale basis as a going concern to UPL Speciality Chemicals Limited (wholly-owned subsidiary).

In this context we provide herewith -

1. Detailed presentation titled "Corporate Realignment" explaining the proposed slump sale (Annexure 1)
2. Additional information on slump sale as per the aforesaid SEBI circular. (Annexure 2)

We request you to take the same on record.

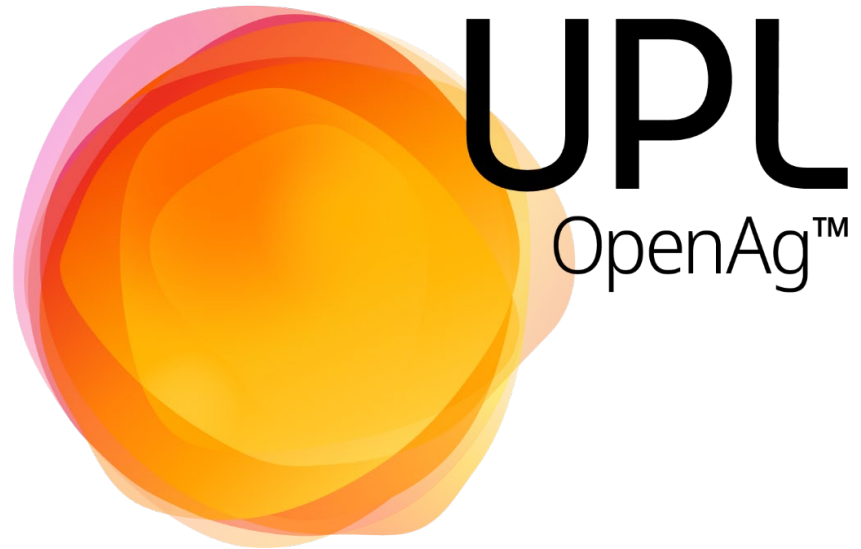
Thanking you,

Yours faithfully,
For UPL Limited

Sandeep Deshmukh
Company Secretary and
Compliance Officer
(ACS-10946)

Encl: As above

Cc: 1. London Stock Exchange
2. Singapore Stock Exchange



Corporate Realignment

Proposal to Transfer Specialty Chemical Business

June 2023

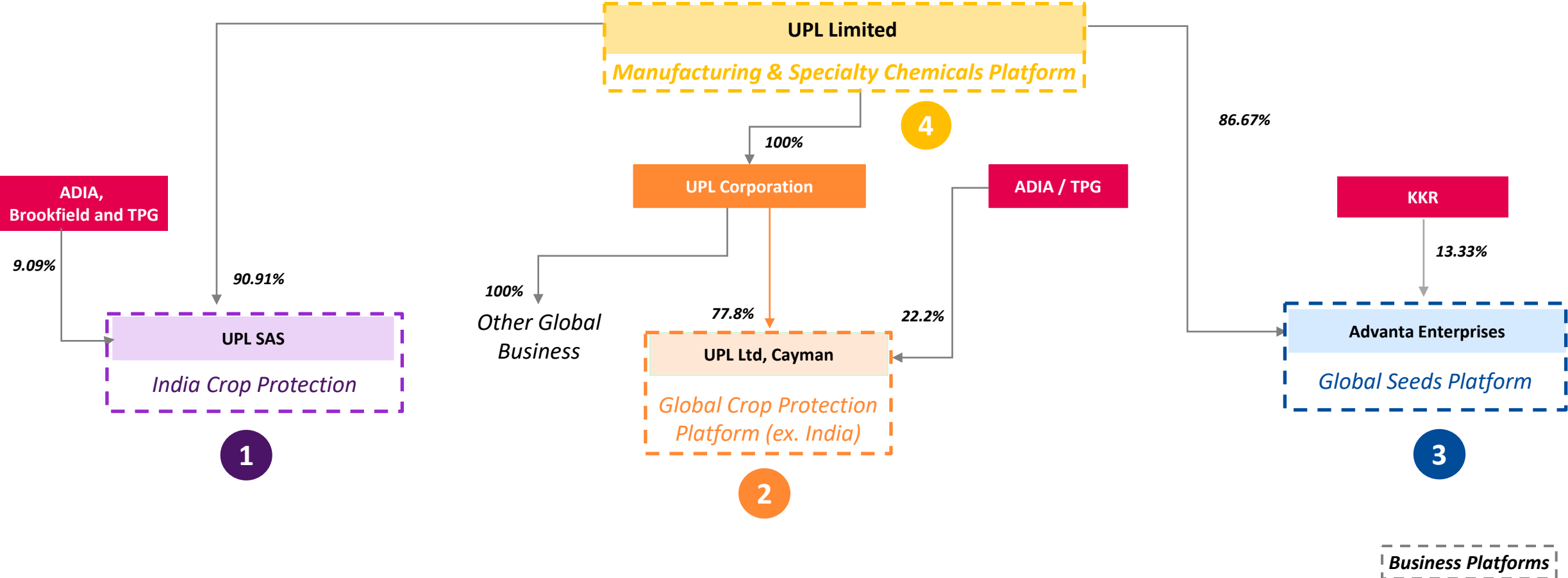
Recap: Corporate Realignment and Value Unlocking

Realignment Rationale

To unleash growth potential of the distinct pure-play platforms with greater operational flexibility, dedicated teams and improved capital allocation

- Moved ADIA / TPG to UPL Corporation, Cayman (International Crop Protection Vertical of UPL)
- Separated global seeds business vertical under 'Advanta Enterprise Limited' (AEL)
- Separated India Crop Protection Business and digital business under UPL Sustainable Agri Solutions Limited (UPL SAS)
- Raised US\$ 500 Mn by divesting minority stakes in Advanta Enterprises Ltd (13.3%) and UPL SAS (9.1%) to marquee global investment firms at a 'significant valuation premium' to the listed parent company UPL Ltd

Holding Structure Post Realignment in Crop Protection and Seeds Platforms



Specialty Chemicals - Transaction Overview and Rationale

Overview

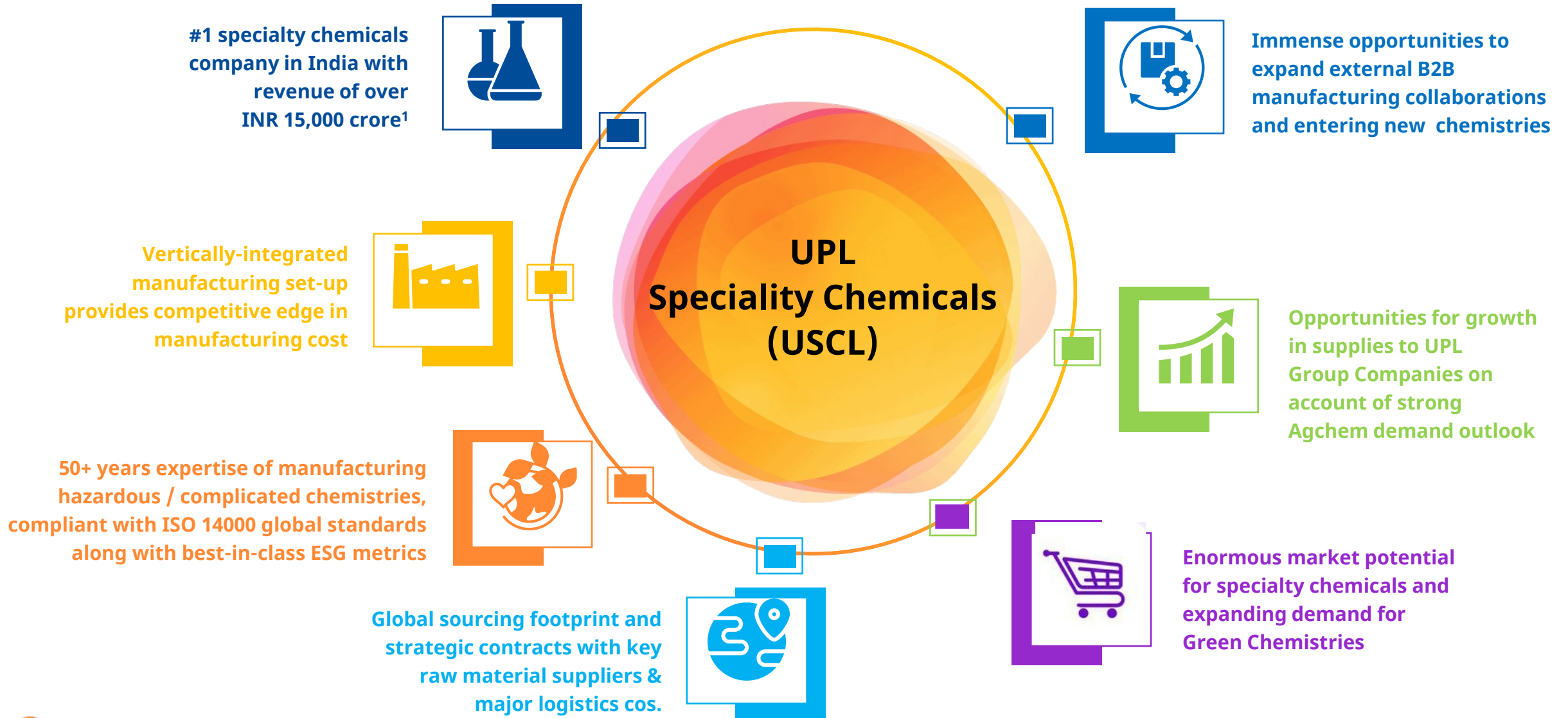
Transfer of Specialty Chemicals Business (incl. AI manufacturing) to UPL Speciality Chemicals Ltd. (USCL), a wholly-owned subsidiary of UPL Ltd. at a consideration of INR 3,572 crore²

- Fixed assets and Capital work in progress of all active ingredient (AI) and specialty manufacturing units in India
- Assumed Liabilities and vendor contracts
- Related working capital assets
- Employees and employee benefits
- Related registrations, licenses and brands

Rationale



USCL: Uniquely Positioned to Capitalize on Opportunity in Specialty Chemical Market



USCL: Business Overview

Manufactures and supplies chemicals to UPL Group Companies (UPL Corporation and UPL SAS)

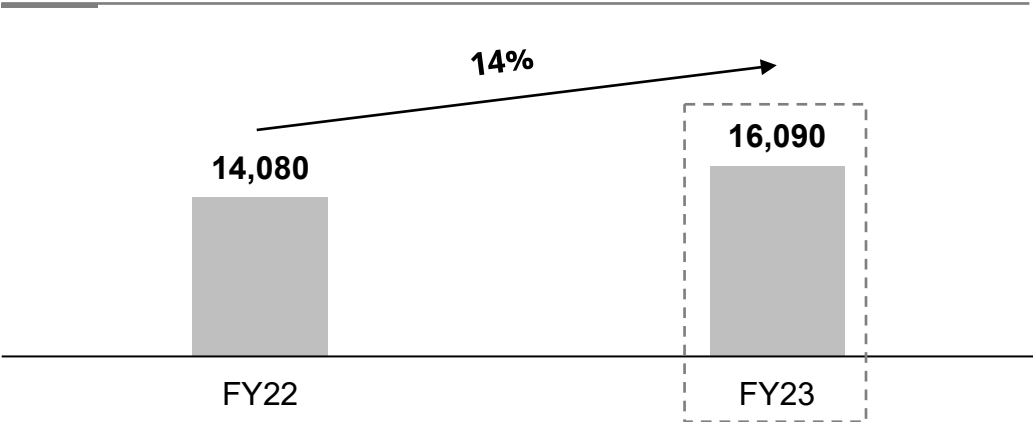
Supplies chemicals to 600+ external B2B clients including large MNC and domestic companies operating in high-growth sectors (Agchem, Pharma, Paints, etc.)

Major Chemistries: Grignard Reaction, Nitration, Phosphorus and Sulphur Derivatives, Chlorination, Hydrogenation, Phosgenation, Cynation and others

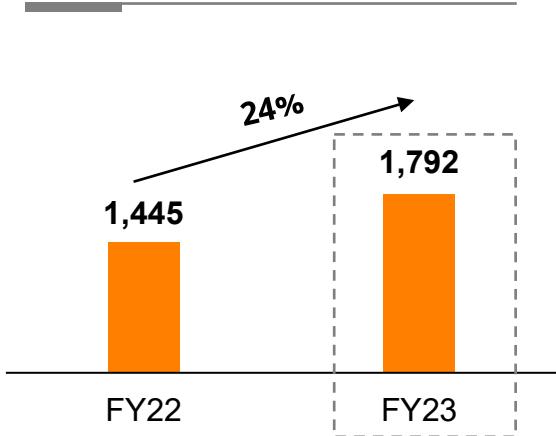
Strong manufacturing base of 12 technical plants in India and an R&D facility

50+ years of expertise in manufacturing complicated chemistry and vertically-integrated operations provide competitive edge

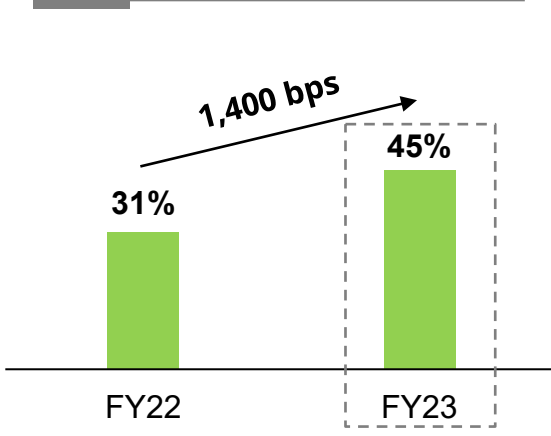
Proforma Revenue (In ₹ Crore)



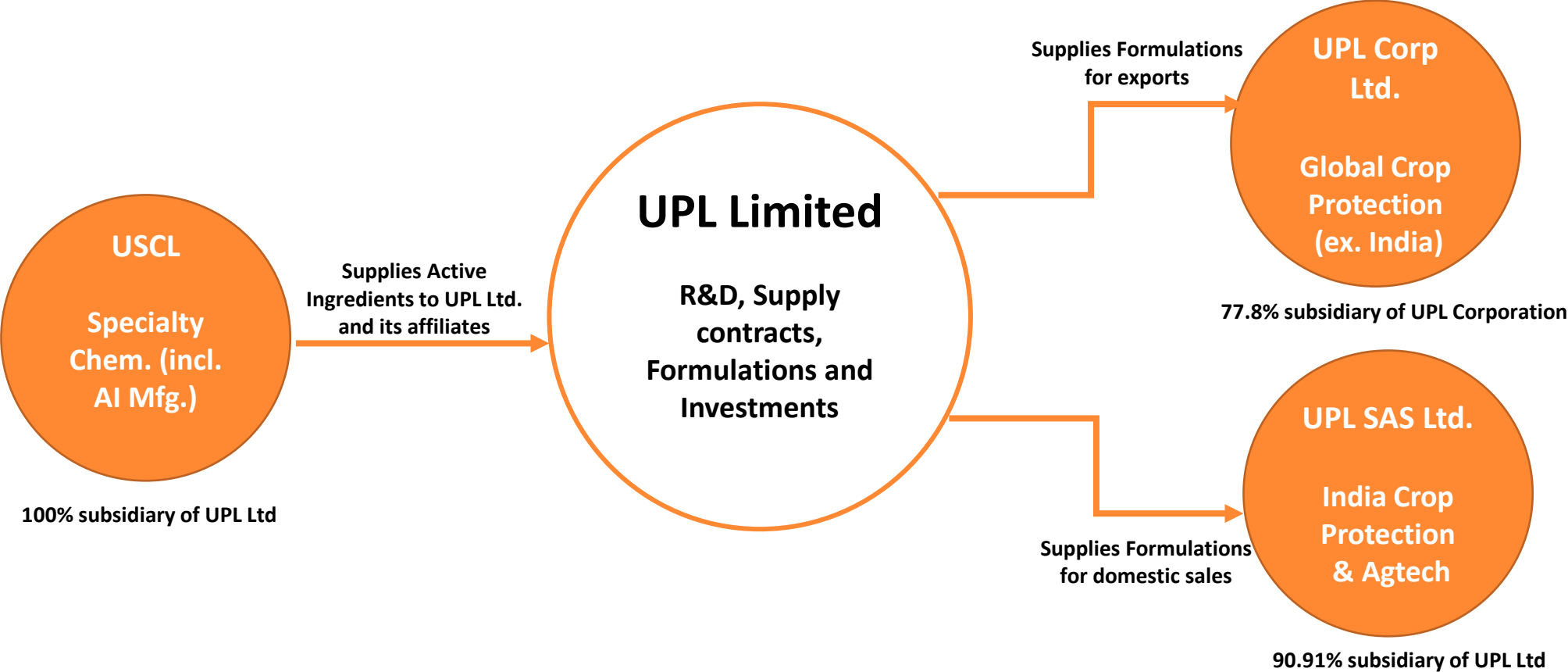
Proforma EBITDA (In ₹ Crore)



Proforma ROCE (%)

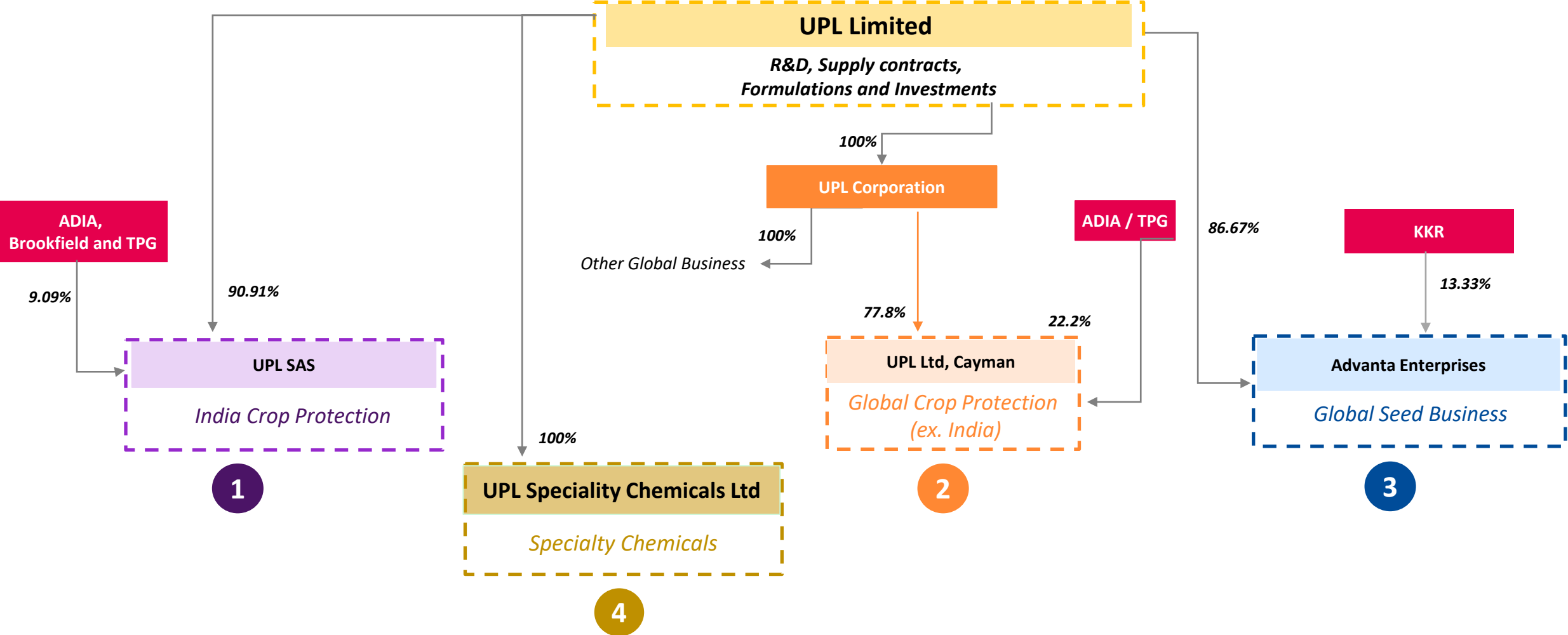


Business Model - Post Transfer of Specialty Chemicals Business



UPL Ltd, as a majority shareholder will enable growth and augment future opportunities across all platforms

New Group Structure - Post Transfer of Specialty Chemicals Business



The Process is envisaged to completed within 3 to 4 months from the date of Shareholder Approval

Proforma Financials Post Realignment of Specialty Chemicals

Prior to Realignment

All Figures are in INR crore for FY23

Key metrics	UPL Ltd (Standalone)
Revenue	18,784 ¹
EBITDA	2,283

Post Realignment

Proforma Financials, All Figures are in INR crore for FY23

Key metrics	UPL Ltd (Manufacturing & Specialty Chemicals)	Others	Intersegment & Intercompany Eliminations
Revenue	16,090	16,969	(14,275)
EBITDA	1,792	491	

Note:

- ¹Revenue of different platforms does not add up to the figures on left as it includes intercompany transactions



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Annexure 2

Transfer of Specialty Chemical business on 'slump sale' basis as a going concern to UPL Specialty Chemicals Limited (wholly owned subsidiary)

SN	Particulars	Details
1.	Brief details of buyers and, details in brief such as size, turnover etc. and area of activity	UPL Specialty Chemicals Limited ("USCL") (wholly-owned subsidiary of UPL Ltd). The company was incorporated in FY 2022-23 to house Specialty Chemical business. Standalone Turnover of USCL in FY22-23 was Rs.15.16 crores.
2.	Whether any of the buyers belong to the promoter/ promoter group / group companies. Whether transaction would fall within related party transactions? If yes, details thereof including arm's length pricing	Transactions with USCL are out of the purview of provisions pertaining to Related Party Transactions since it is a wholly-owned subsidiary. There is no direct interest of promoter / promoter group / group companies in proposed slump sale to USCL.
3.	<ul style="list-style-type: none"> Brief background of business of the undertaking / unit, amount Percentage of the turnover or revenue or income and net assets contributed by such unit or division of the listed entity during the last financial year 	Specialty Chemical Business consist of manufacturing of ingredients used in making crop protection, pharma, paints, textiles, mining, flavours and fragrance, lubricants, water treatment, personal care, petroleum/oilfield, etc products. Financial details of the Specialty Chemical undertaking are: Proforma Revenue for FY22-23 (including inter-segmental reporting) – Rs.16,090 crores (86%) Net asset value for FY22-23 as per Rule 11UAE of Income Tax Rules – Rs.3,572 crores (50.54%)
4.	Objects and effects of slump sale (rationale of slump sale)	<ul style="list-style-type: none"> i. Facilitate better value creation for stakeholders - Specialty Chemical business and formulation business that will continue in UPL have different dynamics. ii. Allow to have differentiated play in the fast-growing agrochemical and specialty chemical markets and in scaling-up the specialty chemical business at a faster pace. iii. Facilitate accelerating growth in B2B active ingredients manufacturing business. iv. Help to achieve better operational efficiency.



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SN	Particulars	Details
		v. Facilitate creating a lean, competitive organization.
5.	Date on which agreement for sale has been entered into	It is proposed that the business transfer agreement will be executed in due course. Closing of the proposed transfer will be subject to fulfilment of certain conditions (including approval of shareholders of UPL Limited).
6.	Expected date of completion of sale	3 to 4 months from the date of shareholder approval
7.	Consideration received from sale	Slump Sale is proposed to be done at a fair market value arrived under Rule 11UAE of Income Tax Rules. The same is Rs.3,572 crores, subject to adjustments on closing.
8.	Change in shareholding pattern, if any of the listed entity	There is no change in the shareholding pattern of UPL Limited on account of the transaction.