B S R & Associates LLP

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Audit Committee of UPL Limited
UPL Limited
3-11, G.I.D.C.,
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Audit Committee of Advanta Limited
Advanta Limited
Krishnama House, #8-2-418, 4th Floor,
Road No. 7, Banjara Hills,
Hyderabad - 500 034

22 November 2015

Sub: Recommendation of Share Exchange Ratio for the proposed amalgamation of Advanta Limited with UPL Limited by B S R & Associates LLP

Dear Sirs,

We refer to the engagement letter dated 6 November 2015 and addendum to the engagement letter dated 21 November 2015 with B S R & Associates LLP (hereinafter referred to as "B S R" or "us" or "we") wherein UPL Limited ("UPL") and Advanta Limited ("Advanta") (collectively referred to as the "Clients", "Specified Companies", or "You") have requested B S R to recommend a share exchange ratio in connection with the Proposed Amalgamation of Advanta with UPL ("Proposed Amalgamation").

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that the Board of Directors of the Specified Companies propose to amalgamate Advanta with UPL. The Appointed Date for the Proposed Amalgamation is 1 April 2015. This is proposed to be achieved by way of a scheme of amalgamation under Section 391 – 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/ or the Companies Act, 2013. Under the Scheme of Proposed Amalgamation, as consideration for their equity shares in Advanta, the shareholders of Advanta will be issued equity shares and preference shares of UPL.

B S R has been requested by the Audit Committees of the Specified Companies to submit a letter recommending a share exchange ratio, as at date of this report, in connection with the Proposed Amalgamation. This valuation report ("Valuation Report") may be placed before the audit committee, as per SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013, as amended by CIR/ CFD/DIL/8/2013 dated 21 May 2013 and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Proposed Amalgamation.

Advanta informed us that they have appointed Kotak Mahindra Capital Co. Ltd. ("Kotak") to provide fairness opinion on the recommended share exchange ratio for the purpose of the aforesaid amalgamation. Similarly, UPL informed us that they have appointed Citigroup Global Markets India Private Limited ("Citi") to provide fairness opinion on the recommended a share exchange ratio for the purpose of the Proposed Amalgamation.

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We have carried out a relative valuation of the equity shares of UPL and Advanta with a view to arrive at the share exchange ratio of UPL and Advanta ("Share Exchange Ratio") for the Proposed Amalgamation.

This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Specified Companies ("Management"):

- Conolidated Balance Sheet of UPL and Advanta as on 30 September 2015
- Consolidated Management Business Plan for Advanta ;
- Interviews and discussions with the Management to augment our knowledge of the operations of the Specified Companies;
- Draft Scheme of Amalgamation;
- Other information, explanations and representations that were required and provided by the Management of the Specified Companies;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Specified Companies. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquires, as we considered necessary.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report. Further, based on the consolidated balance sheet of the Specified Companies as on 30 September 2015 ("Period end Balance Sheet").

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received from the Specified Companies till 21 November 2015 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our

1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India. Chartered Accountants recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio. You acknowledge and agree that you have the final responsibility for the determination of the Share Exchange Ratio at which the Proposed Amalgamation shall take place and factors other than our Valuation Report will need to be taken into account in determining the Share Exchange Ratio; these will include your own assessment of the Proposed Amalgamation and may include the input of other professional advisors.

In the course of the Share Exchange Ratio, we were provided with both written and verbal information/guidance, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Specified Companies. We have not carried out a due diligence or audit of the Specified Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Specified Companies is accurate. Also, with respect to explanations and information sought from the Specified Companies, we have been given to understand by the Specified Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Specified Companies. The Management has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Specified Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Specified Companies. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Specified Companies, their directors, employees or agents. In no circumstances shall the liability of a B S R, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to B S R in respect of the fees charged by it for these services.

The Valuation Report assumes that the Specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Specified

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Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in Period end Balance Sheets of the Specified Companies. Our conclusion of value assumes that the assets and liabilities of the Specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

This Valuation Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Specified Companies claim to title of assets has been made for the purpose of this Valuation Report and the Specified Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to only the Audit Committees of the Specified Companies which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Proposed Amalgamation, without out prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders meeting(s) to be held in connection with the Proposed Amalgamation.

BACKGROUND OF THE SPECIFIED COMPANIES

UPL Limited

UPL is a public listed company headquartered in Mumbai. UPL, together with its subsidiaries, manufactures and markets agrochemicals, industrial chemicals, chemical intermediates, and specialty chemicals globally. The company operates through two segments, Agro Activity and Non-agro Activity. The company was formerly known as United Phosphorus Limited and changed its name to UPL Limited in October 2013.

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The shareholding pattern of UPL as at 30 September 2015 is as follows:

Category	% shareholding
Promoters and Promoter Group	29.8
Institutions – FII	47.8
Institutions – DII	9.9
Non Institutions	12.4
Custodians	0.1
Total	**100.0**

Source: BSE

Advanta Limited

Advanta is a public listed company based in Hyderabad, India. Advanta, together with its subsidiaries, researches, develops, produces, distributes, and markets hybrid agricultural field crop seeds and plant seeds globally. The company was formerly known as Advanta India Limited and changed its name to Advanta Limited in June 2013.

The shareholding pattern of Advanta as at 30 September 2015 is as follows:

Category	% shareholding
Promoters and Promoter Group	59.5
Institutions – FII	16.1
Institutions – DII	1.1
Non Institutions	7.5
Custodians	15.8
Total	**100.0**

Source: BSE

APPROACH - BASIS OF AMALGAMATION

The Proposed Amalgamation contemplates the amalgamation of Advanta with UPL pursuant to the Scheme.

Arriving at the Share Exchange Ratio for the Proposed Amalgamation, this would require determining the value of the equity shares of Advanta in terms of the value of the equity shares of UPL. These values are to be determined independently but on a relative basis, and without considering the Proposed Amalgamation.

There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case, to the extent relevant and applicable, including:

1. Comparable Companies' Multiples method
2. Market Price method
3. Discounted Cash Flows method
4. Net Asset Value method (NAV)

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It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Specified Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Specified Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for Proposed Amalgamation of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Comparable Companies' Multiple (CCM) / Guideline Company method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Though we have analysed EV/EBITDA multiple of comparable companies of both UPL and Advanta for our valuation analysis, we have not assigned any weights to this method as the comparable companies differ in size and geographic mix from the Specified Companies.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of UPL and Advanta are listed on BSE and NSE. In the circumstances, the share price of UPL and Advanta over an appropriate period has been considered for determining the value of UPL and Advanta under the market price methodology. The shareprice data considered for the purpose of this Valuation Report is from NSE.

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Discounted Cash Flows ("DCF") Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital.

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained generally from DCF analysis, the amount of loans is adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share.

For UPL's valuation analysis, we have applied the DCF method using projected financial results as estimated and published from time to time by investment advisors, share brokers and independent research houses as available in the public domain (sources like CapitalIQ, Capitaline, Bloomberg, Thomson ReutersInvestext, ISI Emerging Markets, etc), past trends, management outlook and guidance, current financial trends and general economic and industry outlook.

For Advanta's valuation analysis, the forecast free cash flow of Advanta is based on Management Business Plan as provided by the management of Advanta.

We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the management of UPL and the Management Business Plan of Advanta for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan of Advanta, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders of the Specified Companies, value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent, borrowings, cash receivable on exercise of employee stock options ("ESOPs"), surplus assets, estimated contingent liabilities, value of investments and other matters. The total value is then divided by outstanding equity shares for UPL and in case of Advanta by the fully diluted equity shares (arrived considering the conversion of FCCBs and ESOPs, vested plus granted) in case of Advanta, to arrive at the value per equity share.

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Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. Considering the aforementioned, we have not considered this method for valuation of UPL and Advanta.

BASIS OF AMALGAMATION

The basis of amalgamation of Advanta into UPL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a Share Exchange Ratio it is necessary to arrive at a single value for the equity shares of UPL and of Advanta. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

We have assigned appropriate weightages to the value per equity share of UPL and Advanta, arrived using the Market Price Method and DCF method, to value the equity shares of UPL and Advanta.

Based on the factors discussed and outlined above, we hereby recommend the following Share Exchange Ratios for the purpose of the amalgamation of Advanta with UPL

For every 1 (One) equity share of Advanta of the face value of Rs. 2/- (Rupees Two) each fully paid up held by the shareholders of the Advanta on the Record Date following shares will be issued:

(a) 1 (One) equity shares of UPL of Rs. 2/- (Rupees Two) each fully paid up; and

(b) 3 (Three) preference shares of UPL of Rs. 10/- (Rupees Ten) each fully paid up, (the "Preference Shares"), convertible into 10 (Ten) equity shares of UPL for every 471 (Four Seventy One) preference shares of UPL.

For the purpose of arriving at Share Exchange Ratio the outstanding equity shares of Advanta has been calculated on a fully diluted basis (considering the conversion of FCCBs and ESOPs, vested plus granted). Further, in order to arrive at the Share Exchange Ratio we have rounded it to nearest 2 decimal places.

As per the Scheme, the Preference Shares shall be issued in the following manner:

On the Record Date, if the shareholder is Person resident in India, 3 (Three) optionally convertible preference shares of UPL of Rs. 10/- (Rupees Ten) each fully paid up, (the "OCPS") will be issued which will be convertible into equity at any point of time at the option of the shareholder, subject to terms specified in the Scheme.

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On the Record Date, if the shareholder is Person Resident Outside India, 3 (Three) compulsorily convertible preference shares of UPL of Rs.10 (Rupees Ten) each fully paid up, (the "CCPS") will be issued which will be convertible into equity at any point of time at the option of the shareholder, subject to terms specified in the Scheme.

Key terms of the Preference Shares include:

No.	Terms	OCPS	CCPS
1.	Face Value	Rs. 10/-	Rs. 10/-
2.	Coupon Rate	5% p.a.	5% p.a.
3.	Coupon payable	Annually	Annually
4.	Accumulation of Dividend	Non-cumulative	Non-cumulative
5.	Redemption	Redeemable at par on the expiry of 18 months from the date of allotment	Not Applicable
6.	Conversion	Convertible at any time after the allotment at the option of shareholder	Convertible at any time after the allotment at the option of shareholder

Respectfully submitted.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No: 116231W

Mahek Vikamsey
Partner
Membership No: 108235
Dated: 22 November 2015