

UPL FRANCE

Société par Actions Simplifiée

132 Boulevard de Verdun
92400 Courbevoie

Statutory Auditor's report on the non-statutory financial statements

For the year ended 31 march 2015

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For the year ended 31 march 2015

To the President,

As statutory auditors of UPL FRANCE and at your request, we have audited the accompanying non-statutory financial statements of the Company for the year ended 31 march 2015.

As these are the first non-statutory financial statements of UPL FRANCE prepared for the period ended 31 march 2015, the information presented for comparative purposes in respect of the period ended 31 march 2014 has not been audited.

These non-statutory financial statements have been prepared under your responsibility. Our role is to express an opinion on these non-statutory financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-statutory financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the non-statutory financial statements. An audit also includes evaluating the appropriateness of accounting policies used and significant accounting estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the non-statutory financial statements give a true and fair view of the assets and liabilities and of the financial position of the UPL FRANCE as at year end 31 march 2015 and of the results of its operations in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, in respect with this matter, we draw your attention to the sections I of the statement of accounting policies for the non-statutory-financial statements and to the note 4 to the financial statements :

- Section I describes the purposes and contents of the non-statutory financial statements,
- Note 4 describes the calculation and accounting of the deferred taxation.

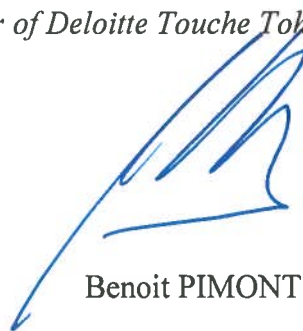
This report is governed by, and construed in accordance with, French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Neuilly-sur-Seine, 21 April 2015

The Statutory Auditor

Pierre-Henri Scacchi et Associés

Member of Deloitte Touche Tomastu Limited



Benoit PIMONT

UPL FRANCE

A UPL Limited Group company

Non-statutory financial statements

For the period ended 31 March 2015

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Pierre-Henri Scacchi et Associés**

PROFIT AND LOSS ACCOUNT
For the period ended 31 March 2015

	Notes	31/03/2015	31/03/2014
		K€	K€
Domestic & Export Sales	1	49 584	0
Intercompany Sales	1	882	0
Total Sales		50 466	0
Variable Cost of Sales		-42 558	0
Variable Margin		7 908	0
Operating Expenses & other non-operating	3	-7 095	0
Gross Operating Result		813	0
Asset Amortization		-173	0
Change in Provisions	13	-475	0
Unrealized Foreign exchange gain / loss net		-2	0
Excess provision written back / (Restructuring costs)	14	-446	0
Operating Result		-283	0
Interest & other Financial charge / income	2	-32	0
Income Tax		0	0
Deferred Income Tax	4	691	0
Net Result		376	0

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BALANCE SHEET
For the period ended 31 March 2015

Assets	Notes	31/03/2015	31/03/2014
		K€	K€
Cash & Deposits		803	1
Receivables	10	11 993	0
Stocks	9	5 566	0
Fixed Assets			
Intangible Assets	6	1 362	0
Tangible Fixed Assets	7	72	0
Financial Assets	8	38	0
Fixed Assets Total		1 472	0
Deferred Tax Asset	4	691	0
Total Net Assets		20 525	0
Liabilities			
Cash Payable / Receivable Intercompany		4 857	0
Payables	11	(15 866)	0
Other Current Liabilities	11	(4 982)	0
Long Term liabilities	12	(650)	0
Income Tax		0	0
Shareholders Total	15	(3 884)	0
Capital		(3 508)	(1)
Reserves		0	(1)
Profit & Loss Account		(376)	0
Total Net Liabilities		(20 525)	0

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**Statement of accounting policies for the non-statutory financial statements
For the period ended 31 March 2015**

I. Purpose and contents of the non-statutory financial statements

The President presents the non-statutory financial statements for the period ended 31 March 2015.

These financial statements have been prepared for the purpose of filling the parent company's annual report. They are not statutory financial statements. The non-statutory financial statements have been prepared in accordance with the accounting policies set out on page 5 and on the basis of applicable International Financial Reporting Standards ("IFRS").

Judgements made by management in the application of IFRS that have significant effect on the financial statements are limited to the estimates used to calculate the value in use of various assets within impairment reviews and recognition of deferred tax assets.

The non-statutory financial statements will include the information required by the parent company to enable the filling of their annual report. There are disclosures which would be required by French company law, IFRS or French accounting standards for statutory financial statements which are not included in these non-statutory financial statements. The presentation of the balance sheet and of the profit and loss departs from IAS 1 requirements.

II. Significant events of the period

The Sales, Marketing and Registration branch of Cerexagri was hived down to UPL France with effect from 1st April 2014. The net asset value transferred was 3 507 k€.

III. Comparative figures

Comparative figures correspond to the period ended 31 March 2014.

IV. Summary of significant accounting policies

A. Intangible fixed assets:

Intangible assets are shown at cost, net of depreciation.

B. Tangible fixed assets:

Tangible assets are shown at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets except land.

Assets depreciation is calculated on a straight-line basis over the following expected useful life of the assets, which is as follows:

Tangible Assets

Buildings	20 years
Plant and machinery	10 years
Motor vehicles	5 years
Office material	3 to 5 years
Capitalised leased assets	20 years

Intangible Assets

Re-registration costs	5 years
Software	1 year

C. Financial fixed assets, participations, deposits and guarantees, loans:

Financial assets are recorded at the lower of cost and realisable value.

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Statement of accounting policies for the non-statutory financial statements (continued)
For the period ended 31 March 2015

D. Inventories stocks:

Stocks of finished goods are valued at standard cost. Raw material, packaging and trade goods are valued according to the method of the moving average prices. Manufactured products are stated at production cost.

Where the net realizable value, estimated on the basis of selling price less cost to be incurred to disposal is lower than cost, a provision is made.

E. Provisions for risks and charges:

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for risks and charges consist of provisions for social plan, provisions for employee litigations, and other risks and losses.

F. Foreign currency operations:

Transactions denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the exchange rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement.

G. Long term pensions reserves:

For defined benefit pension schemes, which are limited to retirement indemnities as applicable in France the cost of providing benefits is calculated using the projected unit credit method.

H. Investments:

Investments are shown at cost less provision for impairment.

I. Consolidation:

UPL FRANCE is a 100 % owned subsidiary of the CEREXAGRI (France), incorporated in UPL Limited an Indian group company. UPL India, as the ultimate parent company prepares the group financial statements. UPL FRANCE is fully integrated in the UPL's consolidated financial statements.

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Notes to the financial statements
For the period ended 31 March 2015

1 – Segment information	31/03/2015 K€	31/03/2014 K€
Sales to third parties	49 584	0
Sales to fellow group companies	882	0
Total Sales	50 466	0

No further segmental information has been provided as any disclosure would be prejudicial to the business.

2 – Interest payable and similar charges and profits	31/03/2015 K€	31/03/2014 K€
On bank overdrafts	0	0
On lease	0	0
Financial rebates	(42)	0
Interest on intercompany loans and borrowings	8	0
Other profit	2	0
Total Interest	-32	0

3 – Operating Expenses and Other non-Operating	31/03/2015 K€	31/03/2014 K€
Including Employee costs :		
Wages and salaries	(2 242)	0
Social security taxes	(864)	0
Other pension costs	(334)	0
Total Employee Costs	-3 440	0
Other and non-Operating	(3 630)	0
Total Operating Expenses and Other non-Operating	-7 095	0
Average number of employees during the period	35	0

4 – Income tax

Income tax: The Company has accumulated carry-forward tax losses amounting to 6.34 million euros as at 31 March 2015. Cerexagri had transferred 6.78 m€ to UPL France with effect from 1st April 2014.

Based on the projections from the impairment review, taxable profits of 2.074 million euros are expected over the next three fiscal years. According to the current legislation determining the use of carry-forward losses, a tax asset of 691 k€ has been recognised.

However, given the uncertainties described in the review, management has considered inappropriate that projections beyond this horizon which may generate profits against which the unused tax losses or unused tax credits can be utilised should be recognised at this time.

5 – Dividends

The company has not declared any dividends over the periods covered by this report.

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Notes to the financial statements (continued)
For the period ended 31 March 2015

6 – Intangible fixed assets

	K€ R & D
Gross value at 31 st March 2014	0
Net additions / deletions	6 818
Depreciation reserve	(5 456)
Impairment reserve	-
Net value at 31 March 2015	1 362

7 – Tangible fixed assets

	K€ Freehold Land and Buildings	K€ Plant and machinery, fixtures, Motor veh.	K€ Total
Gross value at 31 st March 2014	0	0	0
Net additions / deletions	85	138	223
Depreciation reserve	(21)	(130)	(151)
Impairment reserve	-	0	0
Net value at 31 March 2015	64	8	72

8 – Other investments

	31/03/2015 K€	31/03/2014 K€
Lease advance	-	-
Deposits	38	-
At 31 March 2015	38	0

9 – Stocks gross value

	31/03/2015 K€	31/03/2014 K€
Raw material and packaging	0	0
Depreciation reserve	0	0
Finished Goods and goods for resale	5 566	0
At 31 March 2015	5 566	0

10 – Debtors

	31/03/2015 K€	31/03/2014 K€
Trade debtors	11 556	0
Inter-company receivables	408	0
Employee advances	1	0
Suppliers purchase advances	29	0
Prepaid interest	0	0
VAT	0	0
At 31 March 2015	11 993	0

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Notes to the financial statements (continued)
For the period ended 31 March 2015

11 – Creditors: Amounts falling due within one year	31/03/2015 K€	31/03/2014 K€
Trade creditors	(1 072)	0
Inter-company	(14 794)	0
Rebates to customers	(3 810)	0
Fiscal and social taxes and charges	(901)	0
VAT Payable	(271)	0
Other accruals	0	0
At 31 March 2015	-20 848	0
12 – Creditors: Amounts falling due after more than one year	31/03/2015 K€	31/03/2014 K€
Unfunded pension reserve	(650)	0
At 31 March 2015	-650	0
13 – Variation in provisions for liabilities and charges	31/03/2015 K€	31/03/2014 K€
Employee litigation provision	175	0
Unfunded pension provision	(650)	0
At 31 March 2015	-475	0
14 – Excess provision written back / (Restructuring costs)	31/03/2015 K€	31/03/2014 K€
Employee redundancy expenses	-446	0
At 31 March 2015	-446	0
15 – Shareholder's funds		
At 31 March 2014	(1)	
Result 2014 allocated in retained earnings	0	
Contribution of Capital	(3 507)	
Result 2015 to be allocated	(376)	
At 31 March 2015	-3 884	

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