

CEREXAGRI

Société par Actions Simplifiée

Parc Saint Christophe
Pôle Galilée 3 Niveau 1
95800 Cergy Pontoise

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

For the year ended 31 march 2015

CEREXAGRI

Société par Actions Simplifiée

Parc Saint Christophe
Pôle Galilée 3 Niveau 1
95800 Cergy Pontoise

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

For the year ended 31 march 2015

To the President,

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

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 Cerexagri 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 and IV note B 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,
- Section IV note B relates to the impairment test carried out as at 31 march 2015,
- Note 4 describes the calculation and accounting of the deferred taxation.

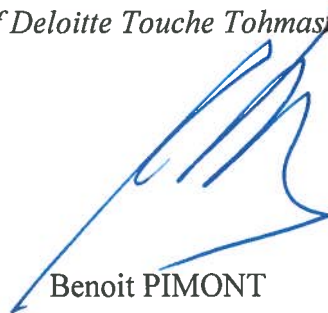
This report is governed by, and construed in accordance with, French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Neuilly-sur-Seine, 21 April 2015

The Statutory Auditor

Pierre-Henri Scacchi et Associés

Member of Deloitte Touche Tohmatsu Limited



Benoit PIMONT

CEREXAGRI SAS

A UPL Limited Group company

Non-statutory financial statements

For the period ended 31 March 2015

**Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés**

PROFIT AND LOSS ACCOUNT
For the period ended 31 March 2015

	Notes	31/03/2015	31/03/2014
		KE	KE
Domestic & Export Sales	1	627	44 423
Intercompany Sales	1	61 506	36 066
Total Sales		62 133	80 489
Variable Cost of Sales		-42 081	-54 463
Variable Margin		20 052	26 026
Operating Expenses & other non-operating	3	-14 256	-21 219
Gross Operating Result		5 796	4 807
Asset Amortization		-1 864	-1 566
Change in Provisions	14	776	-349
Unrealized Foreign exchange gain / loss net		-59	269
Excess provision written back / (Restructuring costs)	15	-1 311	-279
Operating Result		3 338	2 881
Interest & other Financial charge / income	2	-124	-180
Income Tax		-356	-459
Deferred Income Tax	4	694	105
Net Result		3 553	2 346

Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés

BALANCE SHEET
For the period ended 31 March 2015

Assets	Notes	31/03/2015	31/03/2014
		K€	K€
Cash & Deposits		(12 819)	(1 783)
Receivables	11	29 386	25 816
Stocks	10	9 144	13 918
Fixed Assets			
Intangible Assets	6	57	352
Tangible Fixed Assets	7	7 268	8 439
Financial Assets	8 & 9	3 523	55
Fixed Assets Total		10 849	8 845
Deferred Tax Asset	4	2 316	1 622
Total Net Assets		38 877	48 418
Liabilities			
Cash Payable / Receivable Intercompany		6 204	5 031
Payables	12	(10 976)	(17 485)
Other Current Liabilities	12	(2 727)	(6 979)
Long Term liabilities	13	(1 994)	(2 962)
Income Tax		(150)	(342)
Shareholders Total	16	(29 234)	(25 681)
Capital		(13 242)	(13 242)
Reserves		(12 439)	(10 093)
Profit & Loss Account		(3 553)	(2 346)
Total Net Liabilities		(38 877)	(48 418)

**Initialled for purposes
of identification
Pierre-Henri Scacchi et Associés**

**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 hive-down of the Sales, Marketing and Registration branch to the fully-owned subsidiary, UPL France, took place with effect from 1st April 2014. The net asset value transferred to the new entity is 3 507 k€.

The office buildings at Plaisir have been sold, with a net financial impact to the profit and loss account of 954 k€ in revenue.

The company was victim to an externally perpetrated fraud involving false bank transfers which is shown under exceptional items in the profit and loss account. The extent of the loss was 917k€.

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

**Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés**

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

Impairment of assets:

Assets subject to amortisation and depreciation are reviewed for impairment. If such indication exists, the asset's recoverable amount is calculated as the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The impairment test was carried out at the level of the independent manufacturing units.

The balance of the impairment at the end of the current financial year is 3,66 m€ belonging to the Bassens plant fully impaired.

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

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

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. Environmental risks:

Cerexagri runs industrial facilities that are in the scope of the article L.511-2 of French Code of environment. The industrial risks inherent to these installations relate to the products which are manufactured and stored. Certain facilities are under the 'Seveso' scheme, which requires the implementation of measures to prevent environmental risks. Provision for decommissioning, restoration and similar costs are recognised when an obligation arises from a decision made by local authorities or by Management. Currently there are no provisions pertaining to decommissioning costs.

G. 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.

H. 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.

I. Lease payments:

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as short-term liabilities for the one-year amount. The interest elements are charged to the profit and loss account over the period of the leases.

**Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés**

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

J. Investments:

Investments are shown at cost less provision for impairment.

K. Credit facility:

The Company is using a receivables purchase agreement on a non-recourse basis with Bank of Baroda backed by a credit insurance policy. This agreement is regarded as qualifying for derecognising the related receivables in accordance with IAS 39.

L. Consolidation:

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

**Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés**

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	627	44 423
Sales to fellow group companies	61 506	36 066
Total Sales	62 133	80 489
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	(168)	(99)
On lease	0	0
Financial rebates	0	(65)
Interest on intercompany loans and borrowings	44	(29)
Other profit	0	13
Total Interest	-124	-180
3 – Operating Expenses and Other non-Operating	31/03/2015 K€	31/03/2014 K€
Including Employee costs :		
Wages and salaries	(5 717)	(8 131)
Social security taxes	(1 938)	(2 786)
Other pension costs	(678)	(979)
Total Employee Costs	-8 333	-11 896
Other Operating (including plant operating costs)	(5 923)	(9 324)
Total Operating Expenses and other Non-Operating	-14 256	-21 219
Average number of employees during the period	124	161

4 – Income tax

Income tax: The Company has accumulated carry-forward tax losses amounting to approximately 21,8 million euros as at 31 March 2015, after the transfer of 6,78 m€ carry-forward loss to the new subsidiary, UPL France.

Based on the projections from the impairment review, taxable profits of 10.898 million euros are expected over the next three fiscal years. According to the current legislation determining the use of carry-forward losses, the estimated value of the deferred tax asset has been revised upwards by 694k€. A tax asset of 2.316 million euros 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 and over the last five years.

**Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés**

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	9 479
Net additions / deletions	(6 301)
Depreciation reserve	(3 121)
Impairment reserve	-
Net value at 31 March 2015	57

7 - Tangible fixed assets

	K€	K€	K€
	Freehold Land and Buildings	Plant and machinery, fixtures, Motor veh.	Total
Gross value at 31 st March 2014	24 366	18 171	42 537
Net additions / deletions	(2 178)	251	(1 927)
Depreciation reserve	(16 184)	(13 492)	(29 676)
Impairment reserve	-	(3 666)	(3 666)
Net value at 31 March 2015	6 004	1 264	7 268

8 - Other Investments

	31/03/2015 K€	31/03/2014 K€
Lease advance	-	-
Deposits	12	49
At 31 March 2015	12	49

9 - Investments in subsidiary company

	31/03/2015 K€	31/03/2014 K€
UPL Ziraat ve Kimya Sanayi ve Ticaret Limited Sirketi (Turkey)	4	4
UPL France	3 508	1
At 31 March 2015	3 512	5

UPL France (formerly Aspen SAS) was hived-down from Cerexagri with effect from 1st April 2014

10 - Stocks gross value

	31/03/2015 K€	31/03/2014 K€
Raw material and packaging	3 536	3 071
Depreciation reserve	(282)	(437)
Finished Goods and goods for resale	5 891	11 284
At 31 March 2015	9 144	13 918

**Initialled for purposes
of identification
Pierre-Henri Scacchi et Associés**

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

11 – Debtors	31/03/2015 K€	31/03/2014 K€
Trade debtors	6	5 784
Inter-company receivables	28 268	19 690
Employee advances	15	35
Suppliers purchase advances	51	307
Prepaid interest	0	0
VAT	1 046	
At 31 March 2015	29 386	25 816
12 – Creditors: Amounts falling due within one year	31/03/2015 K€	31/03/2014 K€
Trade creditors	(9 494)	(6 598)
Inter-company	(1 481)	(10 887)
Rebates to customers	(6)	(3 258)
Fiscal and social taxes and charges	(2 490)	(3 125)
VAT Payable	0	(357)
Social plan	0	0
Employee Litigation	(226)	(226)
Other accruals	(5)	(13)
At 31 March 2015	-13 702	-24 464
13 – Creditors: Amounts falling due after more than one year	31/03/2015 K€	31/03/2014 K€
Capital lease obligations	0	0
Unfunded pension reserve	(1 485)	(1 979)
Social plan	(95)	(95)
Employee litigation	(414)	(888)
At 31 March 2015	-1 994	-2 962

**Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés**

Notes to the financial statements (continued) For the period ended 31 March 2015	31/03/2015 K€	31/03/2014 K€
14 - Variation in provisions for liabilities and charges		
Employee litigation provision	282	(285)
Unfunded pension provision	494	(70)
Bad debts provision		(5)
Miscellaneous provision		10
At 31 March 2015	776	-350
15 - Excess provision written back / (Restructuring costs)	31/03/2015 K€	31/03/2014 K€
Employee redundancy expenses	-76	(195)
Restructuring costs	-18	(84)
Product Contamination Expenses	-300	0
Bank Fraud	-917	0
At 31 March 2015	-1 311	-279
16 - Shareholder's funds		
At 31 March 2014	(23 335)	
Result 2014 allocated in retained earnings	(2 346)	
Result 2015 to be allocated	(3 553)	
At 31 March 2015	-29 234	

Initialed for purposes
of identification
Pierre-Henri Scacchi et Associés