


**Blue Star B.V.**

**Non-statutory financial statements  
For the year ended 31 March 2016**

Baker Tilly Berk N.V.  
Authenticated

15 APR 2016

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**Balance sheet as at 31 March 2016***(before proposed appropriation of net result)*

	<b>2016</b>	2015
	<b>EUR</b>	EUR
<b>Fixed assets</b>		
Financial fixed assets	1 2,238,858	2,138,858
	<u>2,238,858</u>	<u>2,138,858</u>
<b>Current assets</b>		
Receivables	2 9	37
Cash and bank	20,244	24,004
Receivable United Phosphorus Holdings B.V.	0	0
	<u>20,253</u>	<u>24,041</u>
<b>Current liabilities</b>	3 1,500	251,815
<b>Current assets less current liabilities</b>	<u>18,753</u>	<u>(227,774)</u>
<b>Total assets less current liabilities</b>	<u>2,257,611</u>	<u>1,911,084</u>
<b>Long term liabilities</b>	0	0
	<u>2,257,611</u>	<u>1,911,084</u>
<b>Shareholder's equity</b>	4	
Issued capital	1,000	1,000
Share premium	2,300,000	1,950,000
Retained earnings	(39,916)	(32,131)
Unallocated result	(3,473)	(7,785)
	<u>2,257,611</u>	<u>1,911,084</u>

The accompanying notes are an integral part of the financial statements.

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**Profit and loss account for the year ended 31 March 2016**

		<b>2016</b>	2015
		<b>EUR</b>	EUR
<b>Net sales</b>		360,724	0
Cost of sales		359,058	0
<b>Gross Margin</b>		<u>1,666</u>	<u>0</u>
Administrative expenses	5	5,139	7,785
<b>Operating result</b>		<u>(3,473)</u>	<u>(7,785)</u>
Income tax charge	6	0	0
<b>Net result for the year</b>		<u><u>(3,473)</u></u>	<u><u>(7,785)</u></u>
Effective tax rate		0.00%	0.00%

The accompanying notes are an integral part of the financial statements.

**The following are the details of the related party transactions entered by the Company for the years 2016 and 2015.**

		<b>2016</b>	2015
<b>Nature of transactions</b>	<b>Name of the related party</b>	<b>EUR</b>	<b>EUR</b>
Sales	UPL Europe Ltd.	360,724	0
Purchases	Decco Worldwide Post-Harvest Holdings B.V.	359,058	0

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## Notes to the financial statements for the year ended 31 March 2016

### General

Blue Star B.V. which has been founded on 27 March 2013.

Blue Star B.V. ("the Company"), having its legal seat in Amsterdam, the Netherlands, is directly owned by United Phosphorus Holdings B.V. in Vondelingenplaat, The Netherlands for 49% and by Decco Worldwide Post-Harvest Holdings B.V. in Vondelingenplaat, The Netherlands for 51% effective 4 June 2013 and is ultimately a wholly owned subsidiary of UPL Limited Mumbai, India.

The financial year 2016 concerns the period 1 April 2015 until 31 March 2016.  
The financial year 2015 concerns the period 1 April 2014 until 31 March 2015.

### Consolidation policy

As provided by Article 408 of part 9, Book 2 of the Netherlands Civil code, consolidated financial statements are not prepared by the company as the Company and its subsidiaries are included in the consolidated financial statements of UPL Limited Mumbai, India.

### Accounting policies for the valuation of assets and liabilities

#### General

The valuation of assets and liabilities and the determination of the result are on the basis of the historical cost convention, except as stated below. Income and expenditure are allocated to the year to which they relate.

The financial statements have been prepared in accordance with generally accepted accounting principles in the Netherlands and comply with the financial reporting requirements included in Part 9 Book 2 of the Netherlands Civil Code.

Profits are only recognised if they have been realised on the balance sheet date. Losses and risks which originate before the end of the financial year are considered if they have become known before the annual accounts are drawn up.

#### Financial fixed assets

The investments in subsidiaries are stated at historical cost adjusted for permanent decrease in value, if deemed necessary.

As per 1 April 2014 JPB Courtage S.A.R.L., Frelinghien, France has been merged into Neo-Fog S.A., Frelinghien, France.

The investments in subsidiaries are:

- Neo-Fog S.A. at Frelinghien, France, 100%;
- This investment has been acquired in June 2013.

### Accounting policies for determining the result

#### Operating turnover

Dividends from investments are determined as net turnover according RJ article 214.505 and are allocated to the year to which they relate.

#### Other operating costs

Costs are determined on a historical cost base and are allocated to the year to which they relate.

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### **Financial income and expenses**

Income and expenses not arising from ordinary activities are classified under extraordinary income and expenses.

### **Taxation**

Tax on result is computed by applying the current rate to the result of the financial year, taking into account temporary and permanent differences between profit calculations for financial statement purposes and those for tax purposes. The differences are incorporated in tax on the result from ordinary activities.

### **Average number of employees**

During the year 2016 no employees were employed on the basis of a full time contract of service.  
During the year 2015 no employees were employed on the basis of a full time contract of service.

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**Notes to the balance sheet****1 Financial fixed assets**

	2016 EUR	2015 EUR
Investment Neo-Fog S.A.	2,238,858	2,138,858
Investment JPB Courtage	0	0
	<u>2,238,858</u>	<u>2,138,858</u>

**2 Receivables**

	2016 EUR	2015 EUR
Taxes	9	0
Trade receivables	0	37
	<u>9</u>	<u>37</u>

**3 Current liabilities**

	2016 EUR	2015 EUR
Accrual	1,500	251,815
Payables affiliated companies	0	0
Trade payables	0	0
Other payables	0	0
	<u>1,500</u>	<u>251,815</u>

**4 Shareholder's equity**

The movement in equity is as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2015	1,000	1,950,000	(32,131)	(7,785)	1,911,084
Allocation of 2015 net result	0	0	(7,785)	7,785	0
Addition	0	350,000	0	0	350,000
Net result 2016	0	0	0	(3,473)	(3,473)
Balance 31 March 2016	<u>1,000</u>	<u>2,300,000</u>	<u>(39,916)</u>	<u>(3,473)</u>	<u>2,257,611</u>

The movements in 2015 were as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2014	1,000	1,700,000	0	(32,131)	1,668,869
Allocation of 2014 net result	0	0	(32,131)	32,131	0
Addition	0	250,000	0	0	250,000
Net result 2015	0	0	0	(7,785)	(7,785)
Balance 31 March 2015	<u>1,000</u>	<u>1,950,000</u>	<u>(32,131)</u>	<u>(7,785)</u>	<u>1,911,084</u>

The Company's authorised capital amounts to EUR 1,000 consisting of 1,000 shares with a par value of EUR 1 each. At 31 March 2016 1,000 shares have been issued and fully paid amounting to EUR 1,000.

**Contingent liabilities**

According to the Sales Purchase Agreement of Neo-Fog, The Company may need to pay an additional earn-out fee up to EUR 900,000. This earn-out is based on the results of Neo-Fog in the period 1 April 2015 to 31 March 2018.

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**Notes to the profit and loss account****5 Administrative expenses**

Administrative expenses can be detailed as follows:

	<b>2016</b>	2015
	<b>EUR</b>	EUR
Legal & Professional Fees	2,529	4,887
Auditor's Remuneration	1,500	1,815
Bank charges	1,110	1,083
	<u>5,139</u>	<u>7,785</u>

**6 Tax**

	<b>2016</b>	2015
	<b>EUR</b>	EUR
Corporate income tax Blue Star B.V.	<u>0</u>	<u>0</u>
Effective tax rate	0.00%	0.00%

As the fiscal result is a loss of EUR 3,473 no provision for tax is needed.  
The statutory tax rate in The Netherlands is 25%.

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## Other information

### Appropriation of the net result for the year

Article 20 of the Articles of Association of the Company provides that net income for the year is at the disposal of the Annual General Meeting of the Members.

The following appropriation of the result after taxes for the year ended 31 March 2016 is proposed to the General Meeting of the Members to transfer the net loss of EUR 3,473 to retained earnings. The result after tax for the year ended 31 March 2016 is included in the unappropriated results within the equity.

### Proposed appropriation of net income

At present no decision has been taken with regard to the proposed appropriation of the net loss, pending the approval of the Company's shareholder.

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To: The board of directors  
Blue Star B.V.

## **INDEPENDENT AUDITOR'S REPORT**

We have audited, for purposes of audit of the consolidated financial statements of UPL Ltd., the non-statutory financial statements of Blue Star B.V., at Rotterdam, for the period 1 April 2015 until 31 March 2016 as identified by us for identification purposes.

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these non-statutory financial statements, in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

The non-statutory financial statements have been prepared solely for consolidation purposes of UPL Ltd.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these non-statutory financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and Part 9 of Book 2 of the Dutch Civil Code.

This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-statutory financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-statutory financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the non-statutory financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-statutory financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the non-statutory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Accountants



**Opinion**

In our opinion, the non-statutory financial statements Blue Star B.V. as at 31 March 2016 and of its result for the period 1 April 2015 until 31 March 2016 are prepared in all material respects, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

**Emphasis of matter**

We draw attention to the fact that the non-statutory financial statements have been prepared for consolidation purposes of UPL Ltd. Only. The non-statutory financial statements Blue Star B.V. and our auditor's report thereon are intended solely for UPL Ltd. and are not suitable for other purposes.

Eindhoven, 15 April 2016  
Baker Tilly Berk N.V.



drs. H.G.W. van Gerwen RA

Initial for identification purposes:

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