
NEOFOG SAS
A UPL Group Company

ZA rue Ampère
59236 FRELINGHIEN

**INDEPENDENT AUDITOR'S REPORT
ON THE NON-STATUTORY FINANCIAL STATEMENTS
FOR THE 12 MONTHS PERIOD ENDED 31 MARCH 2017**

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We have audited the accompanying financial statements of NEO FOG SAS, which include the balance sheet and the income statement as at 31 March 2017 (12 months period).

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these non-statutory financial statements in accordance with French Gaap. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with French Gaap. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of NEOFOG as of 31 March 2017 in accordance with French Gaap.

Paris, 20 April 2017

A handwritten signature in black ink, reading "J de NUCÉ", is written over a horizontal line. The signature is stylized and cursive.

GMBA Baker Tilly
Represented by
Jacques de NUCÉ
Audit partner

NON-STATUTORY FINANCIAL STATEMENTS

for the 12 months period ended 31 March 2017

1- PROFIT AND LOSS ACCOUNT

€uros	Notes	1 April 2016 31 March 2017 12 months	1 April 2015 31 March 2016 12 months
Sales of good and services	1	3,650,376	3,774,877
Cost of sales		<u>2,375,488</u>	<u>2,443,544</u>
GROSS MARGIN		1,274,889	1,331,333
Personnel costs	2	<314,680>	<302,359>
Other operating expenses		<371,036>	<393,101>
OPERATING RESULT		589,173	635,873
Financial result		4,828	5,481
Fixed assets sales			35,692
Goodwill depreciation			
Others		<1,886>	
Income tax	3	<195,727>	<224,520>
NET RESULT (1)		396,387	452,526
Local Gaap adjustments			
NET RESULT (2)		396,387	452,526

2- BALANCE SHEET

€uros	Notes	31 March 2017	31 March 2016
ASSETS			
Cash and deposits		45,804	821,208
Debtors	8	1,823,001	1,215,236
Stocks	7	426,258	271,810
Intangible assets	5	14	0
Financial assets		2,400	2,400
Tangible assets	6	<u>44,539</u>	<u>20,333</u>
Total Fixed assets		46,953	22,733
TOTAL NET ASSETS		2,342,016	2,330,987
LIABILITIES			
Payables	9	<190,265>	<547,820>
Other current liabilities	9	<166,491>	<196,067>
Capital		<300,000>	<300,000>
Prime		<282,833>	<282,833>
Statutory reserves		<30,000>	<30,000>
Other reserves		<974,267>	<521,741>
Profit and loss account		<396,387>	<452,526>
Shareholders investments	10	<1,983,488>	<1,587,100>
Exceptionnal depreciation		<1,773>	
TOTAL NET LIABILITIES		2,342,016	2,330,987

3- ACCOUNTING POLICIES FOR THE NON-STATUTORY FINANCIAL STATEMENTS

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

The President presents the financial statements for the 12 months period ended 31 March 2017.

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 statements have been prepared in accordance with the accounting policies on the basis of applicable French Gaap.

The non-statutory financial statements will include the information required by the parent company to enable the filling of their annual report.

II- Significant event of the period

NEOFOG SAS is fully integrated in the UPL’s consolidated financial statements.

III- Summary of significant accounting policies

- A- Intangible fixed assets:
Not material.

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

- C- Depreciation
Assets depreciation is calculated on a straight-line basis as follows:

Goodwill:	Fully depreciated before the acquisition by the Group
Equipment:	5 to 10 years
Office material:	3 to 8 years

Impairment of assets:

Assets subject to amortization 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.

D- Stock inventories:

Stocks are valued at last purchase price known. When the net realisable value, estimated on the basis of selling price less cost to be incurred to disposal, is lower than cost, a provision is made.

E- Provision for risks and charges:

A provision is generally recognized in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is likely that an outflow of economic benefits will be required to settle the obligation.

There are no provisions in the non-statutory accounts as at 31 March 2017.

F- Environmental risks:

Non applicable

G- Foreign Currencies operations:

Non applicable

H- Consolidation:

From the 1st June of 2013, NEOFOG SAS is a 100% owned subsidiary of BLUE STAR BV (Netherlands), incorporated in UPL Limited an Indian group company. UPL India, as the ultimate parent company prepares the group financial statements.

NEOFOG SAS is fully integrated in the UPL's consolidated financial statements.

4- NOTES TO THE FINANCIAL STATEMENTS

1- Segment information

There are no group sales in F.Y 2017.

€uros	1 April 2016
	31 March 2017
	12 months
Purchases to third parties	933,450
Purchases to the Group	1,442,038
Total COST OF SALES	2,375,488

2- Personnel costs

€uros	1 April 2016
	31 March 2017
	12 months
Wages and salaries	226,375
Social security taxes	88,305
Total PERSONNEL COSTS	314,680
Number of employees at the end of the period	6

3- Income tax

On the basis of the 12 months FY17 profit, a € 195,727 corporate tax has been posted in the P&L.

	FY17	FY16	FY15
PROFIT BEFORE CIT	592 114	677 046	598 290
<u>Addition</u>			
Vehicle tax	774	2 993	4 028
C3S Tax			1 046
Penalties	113		1 236
<u>Deduction</u>			
C3S tax		-1 046	-7 801
CICE credit tax	-5 791	-5 366	-6 283
Other			
PROFIT TAXABLE	587 210	673 627	590 516
CORPORATE INCOME TAX 33.33%	195 727	224 520	196 839
NET PROFIT	396 387	452 526	401 451

Last year profit has been entirely allocated to the carryforward account. There are no tax losses to be carried forward.

4- Dividends

The company did not declare any dividends over the periods covered by this report.

5- Intangible fixed assets

€uros	Software
Net value as at 31 March 2016	1,103
Net additions/disposal/amortization	<1,103>
Net value as at 31 March 2017	0

6- Tangible fixed assets

€uros	Equipment and others
Net value as at 31 March 2016	20,331
Net additions/disposals/amortization	24,208
Net value as at 31 March 2017	44,539

7- Stock gross value

€uros	31 March 2017
Goods	426,258
Depreciation	0
Total Stocks	426,258

8- Debtors

€uros	31 March 2017
Trade debtors	298,611
Cash pooling BOA	1,479,672
Other debtors	44,718
Total debtors	1,823,001

9- Creditors: amounts falling due within one year

€uros	31 March 2017
Trade creditors	<86,433>
Creditor Arysta	<58,500>
Creditor UPL Europe Ltd	<34,000>
Creditor Cerexagri France SAS	<6,894>
Creditor UPL France SAS	<4,438>
Social liabilities	<79,643>
Tax liabilities	<71,267>
Others	<15,581>
Total creditors	<356,756>

10- Shareholder's funds

€uros	Shareholders funds
As at 31 March 2016	1,587,100
Profit 2016-2017	396,387
Net value as at 31 March 2017	1,983,487

11- Intercompany

Transactions during the year:

Code	Name of Related party	Nature of Transactions	2016-2017	2015-2016
2100	UPL Benelux B.V.	Sales	-	20 748,00
2200	Cerexagri B.V.	Sales	-	384,00
2000	UPL Europe Ltd	Purchases	1 297 220,00	- 968 040,00
2100	UPL Benelux B.V.	Purchases	86 092,00	- 9 828,00
2700	UPL France	Purchases		-
2000	UPL Europe Ltd	Management fees	34 000,00	- 47 000,00
2600	Cerexagri S.A.S.	Management fees	6 696,00	- 10 780,00
2700	UPL France	Interest income	4 372,00	1 531,74
2000	UPL Europe Ltd	Insurances expenses	3 458,04	
2100	UPL Benelux B.V.	Other Recharges		1 736,56
2200	Cerexagri B.V.	Other Recharges		220,00
2600	Cerexagri S.A.S.	Other Recharges expenses	1 188,00	- 990,00
2700	UPL France	Other Recharges income	3 469,20	
2700	UPL France	Promotion, incentive ope (401010)	1 812,50	
2700	UPL France	Entertainment - Income (401058)	160,84	
2700	UPL France	Other Recharges expenses	6 959,55	- 9 006,52
2580	DECCO Iberica	Other Recharges income	43,50	

Outstanding balances :

Code	Name of Related party	Nature of Balances	2016-2017	2015-2016
2200	Cerexagri B.V.	Receivables	-	604,00
2700	UPL France	Receivables	566,00	1 362,15
2580	DECCO Iberica	Receivables	43,50	
2000	UPL Europe Ltd	Payables	34 000,00	47 000,00
2600	Cerexagri S.A.S.	Payables	6 893,62	10 978,00
2700	UPL France	Payables	4 437,71	4 920,78
2700	UPL France	Loan given	-	1 000 000,00