




United Phosphorus Holdings Coöperatief U.A.

**Non-statutory financial statements
For the year ended 31 March 2018**

Baker Tilly Berk N.V.
Authenticated

14 APR 2018

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Balance sheet as at 31 March 2018*(before proposed appropriation of net result)*

	2018	2017
	EUR	EUR
Fixed assets		
Financial fixed assets	1 367,438,760	321,794,274
	<u>367,438,760</u>	<u>321,794,274</u>
Current assets		
Receivables	2 4,599,630	5,307,902
Cash and bank	22,661	8,546
	<u>4,622,291</u>	<u>5,316,448</u>
Current liabilities	3 2,676,058	4,791,144
Current assets less current liabilities	1,946,233	525,304
Long term loan	4 4,425,000	2,828,207
Total assets less liabilities	<u>364,959,993</u>	<u>319,491,371</u>
Equity	5	
Members capital	364,064,159	318,419,674
Retained earnings	1,071,697	(589,993)
Unallocated result	(175,863)	1,661,690
	<u>364,959,993</u>	<u>319,491,371</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 2018

	2018	2017
	EUR	EUR
Net sales	643,104	722,925
Cost of sales	639,072	718,335
Gross Margin	<u>4,032</u>	<u>4,590</u>
Administrative expenses	6 93,785	42,487
Operating result	<u>(89,753)</u>	<u>(37,897)</u>
Financial income/(expense)	7	
Dividend income	0	1,771,793
Interest expense	(199,643)	(108,907)
Currency exchange gain/(loss)	0	0
	<u>(199,643)</u>	<u>1,662,886</u>
Result before taxation	<u>(289,396)</u>	1,624,989
Income tax charge	8 (113,533)	(36,701)
Net result	<u>(175,863)</u>	<u>1,661,690</u>

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

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United Phosphorus Holdings Coöperatief U.A.

Notes to the financial statements for the year ended 31 March 2018

General

United Phosphorus Holdings Coöperatief U.A. has been founded on 15 June 2009.

United Phosphorus Holdings Coöperatief U.A. ("the Company"), having its legal seat in Amsterdam, The Netherlands, is directly and fully owned by UPL Corporation Ltd. in Port Louis, Mauritius for 99% and by UPL Agro Limited in Port Louis, Mauritius for 1%, effective 29 December 2017 after a membership transfer from UPL Limited in Port Louis, Mauritius. The Company is ultimately a wholly owned subsidiary of UPL Limited, India.

The financial year 2018 concerns the period 1 April 2017 until 31 March 2018.

The financial year 2017 concerns the period 1 April 2016 until 31 March 2017.

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, 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 included in the policies and instructions contained in UPL Limited's financial statements.

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 subsidiary investment is stated at historical cost adjusted for permanent decrease in value, if deemed necessary.

The subsidiary investment is:

- United Phosphorus Holdings B.V. at Rotterdam, The Netherlands, 100%;
- United Phosphorus Switzerland Ltd. at Zurich, Switzerland, 100%;
Effective March 2014 the investment has increased due to the merger of Agrichem Helvetia GmbH into United Phosphorus Switzerland Ltd.
- UPL Agromed Tarim İlaçları Tohumculuk San. Ve Tic. A.S. at Adana, Turkey, 99.9998%;
Effective November 2017 the investment has increased with 24.5% due to purchase of shares of former owner.
Effective January 2018 the investment has increased with another 24.5% due to purchase of shares of former owner.

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United Phosphorus Holdings Coöperatief U.A.

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.

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 2017/2018 no employees were employed on the basis of a full time contract of service.
During the year 2016/2017 no employees were employed on the basis of a full time contract of service.

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United Phosphorus Holdings Coöperatief U.A.

Notes to the balance sheet

1	Financial fixed assets	2018	2017
		EUR	EUR
	Investment United Phosphorus Holdings B.V.	361,313,158	318,418,673
	Investment UPL Agromed Tarım İlaçları Tohumculuk San. Ve Tic. A.S.	6,026,695	3,276,695
	Investment United Phosphorus Ltd. Switzerland	98,906	98,906
		<u>367,438,759</u>	<u>321,794,274</u>

2	Receivables	2018	2017
		EUR	EUR
	Receivables comprise:		
	Taxes	486,951	1,225
	Receivable from Cerexagri B.V.	1,587,854	730,739
	Receivable from United Phosphorus Holdings B.V.	0	1,888,044
	Receivable from UPL Benelux B.V.	2,524,825	2,687,894
		<u>4,599,630</u>	<u>5,307,902</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

Contingent assets and liabilities

United Phosphorus Holdings Coöperatief U.A. is the head of the fiscal unity company tax with United Phosphorus Holdings B.V., United Phosphorus Holdings Brazil B.V., UPL Benelux B.V. and Cerexagri B.V. and is therefore jointly and severally liable for the liabilities of that partnership.

3	Current liabilities	2018	2017
		EUR	EUR
	Trade payables	3,600	0
	Payable to United Phosphorus Holdings B.V.	101,810	75,684
	Payable to United Phosphorus Holdings Brazil B.V.	2,569,148	3,526,035
	Taxes	0	1,187,925
	Accrual	1,500	1,500
		<u>2,676,058</u>	<u>4,791,144</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

4	Long term loan	2018	2017
		EUR	EUR
	Loan from United Phosphorus Holdings B.V. Long term Euro loan at LIBOR 6M + 3.5%	4,425,000	2,828,207

Previous Year figures have been regrouped or rearranged wherever necessary.

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5 Equity

The movement in equity is as follows:

	Members capital EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 31 March 2017	318,419,674	(589,993)	1,661,690	319,491,371
Allocation of 2017 net result	0	1,661,690	(1,661,690)	0
Addition	45,644,485	0	0	45,644,485
Net result 2018	0	0	(175,863)	(175,863)
Balance 31 March 2018	<u>364,064,159</u>	<u>1,071,697</u>	<u>(175,863)</u>	<u>364,959,993</u>

The movements in 2017 were as follows:

	Members capital EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 31 March 2016	162,320,882	(412,857)	(177,136)	161,730,889
Allocation of 2016 net result	0	(177,136)	177,136	0
Addition	156,098,792	0	0	156,098,792
Net result 2017	0	0	1,661,690	1,661,690
Balance 31 March 2017	<u>318,419,674</u>	<u>(589,993)</u>	<u>1,661,690</u>	<u>319,491,371</u>

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Notes to the profit and loss account

6 Administrative expenses

Administrative expenses can be detailed as follows:

	2018	2017
	EUR	EUR
Legal & Professional Fees	91,489	40,367
Auditor's Remuneration	1,500	1,500
Bank charges	796	620
	<u>93,785</u>	<u>42,487</u>

7 Financial income and expenses

	2018	2017
	EUR	EUR
Dividend income group companies	0	1,771,793
Interest expenses group companies	99,569	(108,907)
Interest expense third parties	100,074	0
	<u>199,643</u>	<u>1,662,886</u>

8 Tax

	2018	2017
	EUR	EUR
Corporate income tax United Phosphorus Holdings Coöperatief U.A.	<u>(113,533)</u>	<u>(36,701)</u>
Effective tax rate	39.23%	-2.26%

The effective tax rate differs from the statutory tax rate of 25% due to the difference between the statutory result and the fiscal result.

	2018	2017
	EUR	EUR
Income tax charge / (benefit) per the profit and loss account	(113,533)	(36,701)
Statutory tax charge / (benefit)	<u>(72,349)</u>	<u>406,247</u>
	<u>41,184</u>	<u>442,948</u>

The difference between the statutory tax rate and the effective tax rate relates to the following item:

	2018	2017
	EUR	EUR
Dividend income	0	442,948
Tax prior years	(66,202)	0
Non taxable interest	25,018	0
	<u>(41,184)</u>	<u>442,948</u>

Carry forward losses available

There are no carry forward losses available.

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The following are the details of the related party transactions entered by the Company for the years 2018 and 2017.

Nature of transactions	Name of the related party	2018	2017
		EUR	EUR
Sales	United Phosphorus Holdings B.V.	643,104	722,925
Purchases	Cerexagri B.V.	639,072	718,335
Interest expense	United Phosphorus Holdings B.V.	99,569	108,907
Dividend income	UPL Switzerland	0	1,771,793

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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 2018 is proposed to the General Meeting of the Members to transfer the net loss of EUR 175,863 to retained earnings. The result after tax for the year ended 31 March 2018 is included in the unappropriated results within shareholder's 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.

Auditor's report

The auditor's report is set forth on the following page.

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To the shareholders of United Phosphorus Holdings Coöperatief U.A.

INDEPENDENT AUDITORS' REPORT

We have audited, for purposes of the audit of the consolidated financial statements of UPL Group, the special purpose financial information United Phosphorus Holdings Coöperatief U.A. as of March 31, 2018 and for the year then ended.

Our opinion

In our opinion, the special purpose financial information of United Phosphorus Holdings Coöperatief U.A. as of March 31, 2018 and for the year then ended is prepared, in all material respects, in accordance with the policies of UPL Group.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the special purpose financial information' section of our report.

We are independent of United Phosphorus Holdings Coöperatief U.A. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

An independent member of Baker Tilly International

Baker Tilly Berk N.V. is a limited liability company and is the exclusive contracting party in respect of all commissioned work. The company's general terms and conditions, filed with the registry of the Dutch chamber of commerce under no. 24425560, which include a limitation of liability, are applicable to all work performed and all legal relationships with third parties.

Auditors

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

Basis of accounting and restriction on use and distribution

We note that this special purpose financial information is prepared for purposes of providing information to UPL Group to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of United Phosphorus Holdings Coöperatief U.A. in accordance with Dutch law and is not intended to give a true and fair view of the financial position of United Phosphorus Holdings Coöperatief U.A. as of March 31, 2018, and of its result and its cash flows for the year then ended. The special purpose financial information may, therefore, not be suitable for another purpose.

Responsibilities of management for the special purpose financial information

Management is responsible for the preparation of the special purpose financial information in accordance with the policies and instructions of UPL Group. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the special purpose financial information, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the special purpose financial information using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the special purpose financial information.

Management is responsible for overseeing the company's financial reporting process.

Auditors

Our responsibilities for the audit of the special purpose financial information

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this special purpose financial information. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the special purpose financial information, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

Auditors

- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the special purpose financial information, including the disclosures; and
- evaluating whether the special purpose financial information represents the underlying transactions and events free from material misstatement.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Eindhoven, The Netherlands, April 14, 2018
Baker Tilly Berk N.V.



drs. H.G.W. van Gerwen RA

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