



Decco Worldwide post-harvest Holdings B.V.

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

Baker Tilly Berk N.V.
Authenticated

14 APR 2018

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Financial statements

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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 | 15,802,549 | 16,042,024 |
| | | <u>15,802,549</u> | <u>16,042,024</u> |
| Current assets | | | |
| Receivables (affiliated companies) | 2 | 3,204,574 | 3,002,416 |
| Other receivables | | 1,850 | 4,560 |
| Cash and bank | | 631,089 | 571,060 |
| | | <u>3,837,513</u> | <u>3,578,036</u> |
| Current liabilities | | | |
| | 3 | 1,054,202 | 2,578,572 |
| Long term loans | | | |
| | 4 | 13,266,908 | 11,981,807 |
| Current assets less current liabilities | | | |
| | | <u>(10,483,597)</u> | <u>(10,982,343)</u> |
| Total assets less current liabilities | | | |
| | | <u>5,318,952</u> | <u>5,059,681</u> |
| Shareholder's equity | | | |
| Issued capital | 5 | 18,000 | 18,000 |
| Share premium | | 3,700,299 | 3,700,299 |
| Retained earnings | | 1,341,382 | 1,408,781 |
| Unallocated result | | 259,271 | (67,399) |
| | | <u>5,318,952</u> | <u>5,059,681</u> |

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

Previous Year figures have been regrouped or rearranged wherever necessary.

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Profit and loss account for the year ended 31 March 2018

| | 2018 | 2017 |
|--|-----------------------|------------------------|
| | EUR | EUR |
| Net sales | 412,160 | 337,764 |
| Cost of sales | 409,920 | 335,628 |
| Gross Margin | <u>2,240</u> | <u>2,136</u> |
| Administrative expenses | 6 (39,209) | (25,203) |
| Operating result | <u>41,449</u> | <u>27,339</u> |
| Financial income/(expense) | 7 | |
| Interest income | 84,879 | 84,367 |
| Interest expense | (362,219) | (370,905) |
| Other financial income | 0 | 3,984 |
| Currency exchange gain/(loss) | 495,162 | 187,816 |
| | <u>217,822</u> | <u>(94,738)</u> |
| Result before taxation | <u>259,271</u> | <u>(67,399)</u> |
| Income tax charge | 8 0 | 0 |
| Net result for the year ended 31 March 2018 | <u><u>259,271</u></u> | <u><u>(67,399)</u></u> |

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

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Decco Worldwide post-harvest Holdings B.V.

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

General

Fidass B.V. which has been founded on 6 February 2007 changed their name into Decco Worldwide Post-harvest Holdings B.V. effective 21 April 2009.

Decco Worldwide Post-harvest Holdings B.V. ("the Company"), having its legal seat in Amsterdam, the Netherlands, is directly and fully owned by Decco Worldwide Post-harvest Holdings Coöperatief U.A. effective 17 April 2009, and is ultimately a wholly owned subsidiary of UPL Limited, India (formerly known as United Phosphorus Ltd.).

On 1 April 2014 the Company acquired 244 shares of Decco México from the former partner of Decco México. One share of Decco México was sold by the former partner to Decco U.S. as Mexican companies need two shareholders.

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

The financial year 2016 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 investments in subsidiaries are stated at historical cost adjusted for permanent decrease in value, if deemed necessary.

The investments in subsidiaries are:

- Anning Decco Fine Chemical Company Ltd., Peoples Republic of China, 55%
- Safepack Products Ltd., Israel, 100%
- Decco Ibérica Post Cosecha S.A., Spain, 100%
- Decco Italia S.R.L., Italy, 100%
- Decco U.S. Post-Harvest Inc., United States of America, 100%
- Citrashine Pty Ltd. (formerly known as Friedshelf 1114), South Africa, 100%
- Decco México (formerly known as Decco Jifkins México), Mexico, 99,8%
- Decco Chile, Chili, 100%
- UPL Agromed Tarım İlaçları Tohumculuk San. Ve Tic. A.S. at Adana, Turkey, 0.0001%;
- Blue Star B.V., The Netherlands, 51%;

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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.

Average number of employees

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

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Decco Worldwide post-harvest Holdings B.V.

Notes to the balance sheet

| 1 | Financial fixed assets | 2018 | 2017 |
|---|--|-------------------|-------------------|
| | | EUR | EUR |
| | Investment Anning Decco Fine Chemical Company Ltd. | 600,000 | 600,000 |
| | Investment Safepack Products Ltd. | 4,000,000 | 4,000,000 |
| | Investment Decco Ibérica Post Cosecha S.A. | 4,600,000 | 4,600,000 |
| | Investment Decco Italia S.R.L. | 2,500,000 | 2,500,000 |
| | Investment Decco U.S. Post-Harvest Inc. | 7 | 7 |
| | Investment Citrashine Pty Ltd. | 29 | 29 |
| | Investment Decco México | 16,088 | 16,088 |
| | Investment Decco Chile | 1,547 | 1,547 |
| | Investment UPL Agromed Tarim İlaçları Tohumculuk San. Ve Tic. A.S. | 4 | 4 |
| | Investment Blue Star B.V. | 1,275,510 | 1,224,510 |
| | Loan to Decco Worldwide Post-Harvest Holdings Coöperatief U.A. | 60,000 | 60,000 |
| | Long term loan of EUR 60,000 at LIBOR 3M + 2.5% | | |
| | Loan to Safepack | 25,595 | 97,662 |
| | Long term loan USD loan at LIBOR 6M + 3.25% | | |
| | Loan to Citrashine | 2,169,036 | 2,205,283 |
| | Long term loan of ZAR 20,733,882.74 at LIBOR 3M + 2.8% and | | |
| | Long term loan of ZAR 10,700,000 at LIBOR 3M + 2.9% | | |
| | Loan to Decco México | 232,127 | 269,212 |
| | Long term loan of USD 287,814 at LIBOR 3M + 2.9% | | |
| | Loan to Decco Chile | 322,606 | 467,683 |
| | Long term USD loan at LIBOR 3M + 2.9% | | |
| | | <u>15,802,549</u> | <u>16,042,024</u> |

Previous Year figures have been regrouped or rearranged wherever necessary.

| 2 | Current assets | 2018 | 2017 |
|---|---|------------------|------------------|
| | | EUR | EUR |
| | Receivable Citrashine Pty Ltd. | 1,119,278 | 956,157 |
| | Receivable Decco Ibérica Post Cosecha S.A. | 0 | 17,000 |
| | Receivable Decco Italia S.R.L. | 166,193 | 3,703 |
| | Receivable Safepack Products Ltd. | 1,097,981 | 970,550 |
| | Receivable Decco México | 94,098 | 55,468 |
| | Receivable Decco Chile | 66,500 | 58,135 |
| | Receivable Decco U.S. | 657,795 | 939,949 |
| | Receivable Decco Worldwide Post-Harvest Holdings Coöperatief U.A. | 2,729 | 1,454 |
| | Other receivables | 1,850 | 4,560 |
| | Cash and bank | 631,089 | 571,060 |
| | | <u>3,837,513</u> | <u>3,578,036</u> |


Previous Year figures have been regrouped or rearranged wherever necessary.

| 3 | Current liabilities | 2018 | 2017 |
|---|--|------------------|------------------|
| | | EUR | EUR |
| | Accounts payable UPL Corporation Limited | 368,289 | 2,207,491 |
| | Accounts payable UPL Management DMCC | 657,795 | 0 |
| | Accounts payable Decco Italia S.R.L. | 0 | 6,630 |
| | Accounts payable Decco US | 15,873 | 360,196 |
| | Accounts payable UPL Agromed Tarim İlaçları Tohumculuk San. Ve Tic. A.S. | 4 | 4 |
| | Accruals | 1,566 | 1,566 |
| | Accounts payable trade | 10,675 | 2,685 |
| | | <u>1,054,202</u> | <u>2,578,572</u> |

Previous Year figures have been regrouped or rearranged wherever necessary.

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| 4 Long term loans | 2018 | 2017 |
|--|-------------------|-------------------|
| | EUR | EUR |
| Loan UPL Corporation Limited Long term Euro loan at LIBOR 3M + 2.5% | 13,266,908 | 7,117,903 |
| Loan from Decco U.S. Long term USD loan at LIBOR 3M + 2.5% | 0 | 4,863,904 |
| | <u>13,266,908</u> | <u>11,981,807</u> |

Previous Year figures have been regrouped or rearranged wherever necessary.

5 Shareholder's equity

The movement in shareholder's equity is as follows:

| | Issued and paid-in capital EUR | Share premium EUR | Retained earnings EUR | Unallocated result EUR | Total EUR |
|-------------------------------|--------------------------------------|-------------------------|-----------------------------|------------------------------|------------------|
| Balance 31 March 2017 | 18,000 | 3,700,299 | 1,408,781 | (67,399) | 5,059,681 |
| Allocation of 2017 net result | 0 | 0 | (67,399) | 67,399 | 0 |
| Net result 2018 | 0 | 0 | 0 | 259,271 | 259,271 |
| Balance 31 March 2018 | <u>18,000</u> | <u>3,700,299</u> | <u>1,341,382</u> | <u>259,271</u> | <u>5,318,952</u> |

The movements in 2016 were as follows:

| | Issued and paid-in capital EUR | Share premium EUR | Retained earnings EUR | Unallocated result EUR | Total EUR |
|-------------------------------|--------------------------------------|-------------------------|-----------------------------|------------------------------|------------------|
| Balance 31 March 2016 | 18,000 | 3,700,299 | 103,747 | 1,305,034 | 5,127,080 |
| Allocation of 2016 net result | 0 | 0 | 1,305,034 | (1,305,034) | 0 |
| Net result 2017 | 0 | 0 | 0 | (67,399) | (67,399) |
| Balance 31 March 2017 | <u>18,000</u> | <u>3,700,299</u> | <u>1,408,781</u> | <u>(67,399)</u> | <u>5,059,681</u> |

The Company's authorised capital amounts to EUR 90,000 consisting of 900 shares with a par value of EUR 100 each. At 31 March 2018 180 shares have been issued and fully paid, amounting to EUR 18,000.

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Notes to the profit and loss account

6 Administrative expenses

| | 2018 | 2017 |
|---|-----------------|-----------------|
| | EUR | EUR |
| Administrative expenses can be detailed as follows: | | |
| Management fee | (249,531) | (320,314) |
| Legal & Professional Fees | 207,226 | 291,283 |
| Auditor's Remuneration | 1,528 | 1,550 |
| Bank charges | 1,568 | 2,278 |
| | <u>(39,209)</u> | <u>(25,203)</u> |

7 Financial income and expenses

| | 2018 | 2017 |
|-----------------------------------|----------------|-----------------|
| | EUR | EUR |
| Other financial income | 0 | 3,984 |
| Exchange difference | 495,162 | 187,816 |
| Interest income third parties | 2,326 | (30) |
| Interest income group companies | 82,553 | 84,397 |
| Interest expenses group companies | (362,219) | (370,906) |
| | <u>217,822</u> | <u>(94,739)</u> |

8 Tax

| | 2018 | 2017 |
|------------------------------------|----------|----------|
| | EUR | EUR |
| Provision for Corporate Income Tax | <u>0</u> | <u>0</u> |
| | <u>0</u> | <u>0</u> |
| Effective tax rate | 0.00% | 0.00% |

As the fiscal result is a profit of EUR 259,271, but the carry forward loss as per 31 March 2018 is EUR 2,283,324 no provision for tax is needed. The statutory tax rate in the Netherlands is 25%.

Decco Worldwide post-harvest Holdings forms part of the fiscal unity with Decco Worldwide post-harvest Holdings Coöperatief U.A.. The amount of unused tax losses/credits is therefore not shown in these statements but mentioned in the Non-Statutory Financial Statements of Decco Worldwide post-harvest Holdings Coöperatief U.A.. The total carry forward loss for the fiscal unity as per 31 March 2018 is EUR 2,283,324.

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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 | Blue Star B.V. | 412,160 | 337,764 |
| Purchases | Decco WW PH Holdings Coöperatief U.A. | 409,920 | 335,628 |
| Interest expense | UPL Corporation Limited | 153,409 | 155,295 |
| | Decco U.S. Post-Harvest Inc. | 206,198 | 215,610 |
| | Decco Italia S.R.L. | 2,612 | 0 |
| | | <u>362,219</u> | <u>370,905</u> |
| Interest income | Decco WW PH Holdings Coöperatief U.A. | 1,275 | 1,309 |
| | Citrashine (Pty) Ltd. | 51,342 | 46,854 |
| | Decco México | 6,257 | 6,886 |
| | Decco Chile SpA | 20,453 | 17,627 |
| | Decco Iberica Post Cosecha S.A.U. | 0 | 1,630 |
| | Decco Italia S.R.L. | 0 | 3,723 |
| | Safepack Products Ltd. | 3,225 | 6,368 |
| | | <u>82,552</u> | <u>84,397</u> |
| Management Fee expense | UPL Corporation Limited | 0 | 939,949 |
| | UPL Management DMCC | 657,795 | 0 |
| | Decco Iberica Post Cosecha S.A.U. | 52,000 | 0 |
| | Decco U.S. Post-Harvest Inc. | 362,232 | 0 |
| | | <u>1,072,027</u> | <u>939,949</u> |
| Management Fee income | Decco U.S. Post-Harvest Inc. | 657,795 | 608,651 |
| | Citrashine (Pty) Ltd. | 120,907 | 99,952 |
| | Decco México | 42,015 | 36,438 |
| | Decco Chile SpA | 67,052 | 54,849 |
| | Decco Italia S.R.L. | 163,000 | 168,000 |
| | Decco Iberica Post Cosecha S.A.U. | 0 | 17,000 |
| | Safepack Products Ltd. | 270,789 | 275,373 |
| | | <u>1,321,558</u> | <u>1,260,263</u> |
| Loan given | Decco Chile SpA | 0 | 924,706 |
| | Decco Iberica Post Cosecha S.A.U. | 0 | 0 |
| | Citrashine | 0 | 211,534 |
| | Safepack Products Ltd. | 0 | 0 |
| | | <u>0</u> | <u>1,136,240</u> |
| Repayment of loan given | Decco Iberica Post Cosecha S.A.U. | 0 | 450,000 |
| | Safepack Products Ltd. | 72,067 | 0 |
| | Decco Chile SpA | 80,652 | 843,482 |
| | | <u>152,719</u> | <u>1,293,482</u> |
| Loan taken | UPL Corporation Limited | 6,149,005 | 0 |
| Repayment of loan taken | Decco U.S. Post-Harvest Inc. | 4,863,904 | 307,560 |

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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 Shareholders.

The following appropriation of the result after taxes for the year 2018 is proposed to the General Meeting of Shareholders to transfer the net profit of EUR 259,271 to retained earnings. The result after tax for the year 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 profit, 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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Auditors

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To the shareholders of Decco Worldwide Post-Harvest Holdings B.V.

INDEPENDENT AUDITORS' REPORT

We have audited, for purposes of the audit of the consolidated financial statements of UPL Group, the special purpose financial information of Decco Worldwide Post-Harvest Holdings B.V. as of March 31, 2018 and for the year then ended.

Our opinion

In our opinion, the special purpose financial information of Decco Worldwide Post-Harvest Holdings B.V. 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 Decco Worldwide Post-Harvest Holdings B.V. 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 Decco Worldwide Post-Harvest Holdings B.V. in accordance with Dutch law and is not intended to give a true and fair view of the financial position of Decco Worldwide Post-Harvest Holdings B.V. as of March 31, 2018, and of its result and its cash flows for the year then. 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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