



**United Phosphorus Holdings Coöperatief U.A.**

**Non-statutory financial statements  
For the year ended 31 March 2017**

Authenticated  
date 20-04-2017  
Initials J.M.

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**Balance sheet as at 31 March 2017***(before proposed appropriation of net result)*

	<b>2017</b>	2016
	<b>EUR</b>	EUR
<b>Fixed assets</b>		
Financial fixed assets	1 321,794,274	165,695,483
	<u>321,794,274</u>	<u>165,695,483</u>
<b>Current assets</b>		
Receivables	2 5,307,902	3,108,637
Cash and bank	8,546	30,047
	<u>5,316,448</u>	<u>3,138,684</u>
<b>Current liabilities</b>	3 4,791,144	3,153,278
<b>Current assets less current liabilities</b>	525,304	(14,594)
<b>Long term loan</b>	4 2,828,207	3,950,000
<b>Total assets less liabilities</b>	<u>319,491,371</u>	<u>161,730,889</u>
<b>Equity</b>	5	
Members capital	318,419,674	162,320,882
Retained earnings	(589,993)	(412,857)
Unallocated result	1,661,690	(177,136)
	<u>319,491,371</u>	<u>161,730,889</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

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 2017**

	2017	2016
	EUR	EUR
<b>Net sales</b>	722,925	445,132
Cost of sales	718,335	443,000
<b>Gross Margin</b>	<u>4,590</u>	<u>2,132</u>
Administrative expenses	6 42,487	37,690
<b>Operating result</b>	<u>(37,897)</u>	<u>(35,558)</u>
<b>Financial income/(expense)</b>	7	
Dividend income	1,771,793	0
Interest income	0	0
Interest expense	(108,907)	(200,623)
Currency exchange gain/(loss)	0	0
	<u>1,662,886</u>	<u>(200,623)</u>
<b>Result before taxation</b>	<u>1,624,989</u>	<u>(236,181)</u>
Income tax charge	8 (36,701)	(59,045)
<b>Net result</b>	<u>1,661,690</u>	<u>(177,136)</u>

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

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## Notes to the financial statements for the year ended 31 March 2017

### 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 Limited (formerly known as Uniphos Limited) in Port Louis, Mauritius for 1%, effective 1 February 2012 after a membership transfer from United Phosphorus Limited in Gibraltar. The Company is ultimately a wholly owned subsidiary of UPL Limited, India (formerly known as United Phosphorus Ltd.).

The financial year 2017 concerns the period 1 April 2016 until 31 March 2017.  
The financial year 2016 concerns the period 1 April 2015 until 31 March 2016.

### 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 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 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 Tohumculuk Sanayi Ve Ticaret Anonim Sirketi at Adana, Turkey, 51%;  
This company was incorporated October 2011.

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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 2016/2017 no employees were employed on the basis of a full time contract of service.  
During the year 2015/2016 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	<b>Financial fixed assets</b>	<b>2017</b>	2016
		<b>EUR</b>	EUR
	Investment United Phosphorus Holdings B.V.	318,418,673	162,319,882
	Investment UPL Agromed Tohumculuk Sanayi Ve Ticaret Anonim Sirketi	3,276,695	3,276,695
	Investment United Phosphorus Ltd. Switzerland	98,906	98,906
		<u>321,794,274</u>	<u>165,695,483</u>

2	<b>Receivables</b>	<b>2017</b>	2016
		<b>EUR</b>	EUR
	Receivables comprise:		
	Taxes	1,225	710,276
	Receivable from Cerexagri B.V.	730,739	0
	Receivable from United Phosphorus Holdings B.V.	1,888,044	636,780
	Receivable from UPL Benelux B.V.	2,687,894	1,761,581
		<u>5,307,902</u>	<u>3,108,637</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.

In 2016 the Tax Office disagreed with the deducted interest costs for the year 2011-2012.

This lead to a paid amount of EUR 424,000 regarding this year. This amount has been incorporated in the 2015-2016 result of United Phosphorus Holdings B.V..

The Company objected to this correction of 2011-2012 and in the event the later years are challenged by the Tax Office the Company will also object to this.

3	<b>Current liabilities</b>	<b>2017</b>	2016
		<b>EUR</b>	EUR
	Payable to Cerexagri B.V.	0	106,211
	Payable to United Phosphorus Holdings B.V.	75,684	0
	Payable to United Phosphorus Holdings Brazil B.V.	3,526,035	3,045,119
	Taxes	1,187,925	448
	Accrual	1,500	1,500
		<u>4,791,144</u>	<u>3,153,278</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

4	<b>Long term loan</b>	<b>2017</b>	2016
		<b>EUR</b>	EUR
	Loan from United Phosphorus Holdings B.V.	2,828,207	3,950,000
	Long term Euro loan at LIBOR 6M + 3.5%		

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 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>

The movements in 2016 were as follows:

	Members capital EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 31 March 2015	73,719,500	(316,059)	(96,798)	73,306,643
Allocation of 2015 net result	0	(96,798)	96,798	0
Addition	88,601,382	0	0	88,601,382
Net result 2016	0	0	(177,136)	(177,136)
Balance 31 March 2016	<u>162,320,882</u>	<u>(412,857)</u>	<u>(177,136)</u>	<u>161,730,889</u>

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## Notes to the profit and loss account

## 6 Administrative expenses

Administrative expenses can be detailed as follows:

	2017	2016
	EUR	EUR
Legal & Professional Fees	40,367	35,627
Auditor's Remuneration	1,500	1,500
Bank charges	620	563
	<u>42,487</u>	<u>37,690</u>

## 7 Financial income and expenses

	2017	2016
	EUR	EUR
Dividend income group companies	1,771,793	0
Interest expenses group companies	(108,907)	(130,380)
Interest expense third parties	0	(70,243)
	<u>1,662,886</u>	<u>(200,623)</u>

## 8 Tax

	2017	2016
	EUR	EUR
Corporate income tax United Phosphorus Holdings Coöperatief U.A.	<u>(36,701)</u>	<u>(59,045)</u>
Effective tax rate	-2.26%	25.00%

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

	2017	2016
	EUR	EUR
Income tax charge / (benefit) per the profit and loss account	(36,701)	0
Statutory tax charge / (benefit)	406,247	0
	<u>442,948</u>	<u>(0)</u>

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

	2017	2016
	EUR	EUR
Dividend income	442,948	0
<b>Carry forward losses available</b>		
	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Carry forward loss Financial Year 2013 expiry date 31-03-2022	0	101,148
Carry forward loss Financial Year 2014 expiry date 31-03-2023	0	114,900
	<u>0</u>	<u>216,048</u>

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The following are the details of the related party transactions entered by the Company for the years 2017 and 2016.

Nature of transactions	Name of the related party	2017	2016
		EUR	EUR
Sales	United Phosphorus Holdings B.V.	722,925	445,132
Purchases	Cerexagri B.V.	718,335	443,000
Interest expense	United Phosphorus Holdings B.V.	108,907	130,380
Dividend income	UPL Switzerland	1,771,793	0

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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 2017 is proposed to the General Meeting of the Members to transfer the net profit of EUR 1,661,690 to retained earnings. The result after tax for the year ended 31 March 2017 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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Accountants



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To: the Board of Directors of  
United Phosphorus Holdings Coöperatief U.A.

## **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 United Phosphorus Holdings Coöperatief U.A., at Amsterdam, for the period 1 April 2016 until 31 March 2017 as identified by us for identification purposes.

### **Opinion with respect to the financial statements**

In our opinion, the non-statutory financial statements of United Phosphorus Holdings Coöperatief U.A. as at 31 March 2017 and its result for the period 1 April 2016 until 31 March 2017 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 of United Phosphorus Holdings Coöperatief U.A. and our auditor's report thereon are intended solely for UPL Ltd. and are not suitable for other purposes.

### **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 financial statements' section of our report. We are independent of United Phosphorus Holdings Coöperatief U.A. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Auditors, 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).

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

## Description of responsibilities regarding the non-statutory financial statements

### 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 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 judgment, 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.

Eindhoven, April 20, 2017  
Baker Tilly Berk N.V.



drs. H.G.W. van Gerwen RA

Initial for identification purposes:

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