



**United Phosphorus Holdings B.V.**

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

Authenticated  
date 20-04-2017  
Initials JVK

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

	2017	2016
	EUR	EUR
<b>Fixed assets</b>		
Financial fixed assets	1 580,299,043	304,315,203
	<u>580,299,043</u>	<u>304,315,203</u>
<b>Current assets</b>		
Receivables	2 13,218,978	28,786,911
Cash and bank	63,250,594	53,515,036
	<u>76,469,572</u>	<u>82,301,947</u>
<b>Current liabilities</b>	3 6,023,660	53,213,100
<b>Current assets less liabilities</b>	70,445,912	(130,906,181)
<b>Long term loan</b>	4 319,526,611	159,995,028
<b>Total assets less liabilities</b>	<u>331,218,344</u>	<u>173,409,022</u>
<b>Shareholder's equity</b>	5	
Issued capital	18,000	18,000
Share premium	318,400,673	162,301,881
Retained earnings	11,089,141	(1,098,685)
Unallocated result	1,710,530	12,187,826
	<u>331,218,344</u>	<u>173,409,022</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>	727,515	447,264
Cost of sales	722,925	445,132
<b>Gross margin</b>	<u>4,590</u>	<u>2,132</u>
Operation turnover	2,000	2,000
Administrative expenses	6 363,528	307,262
<b>Operating result</b>	<u>(356,938)</u>	<u>(303,130)</u>
<b>Financial income/(expense)</b>	7	
Interest income	9,755,186	13,462,409
Interest expense	(9,622,222)	(12,440,977)
Currency exchange gain/(loss)	2,456,767	12,073,583
	<u>2,589,731</u>	<u>13,095,015</u>
<b>Result before taxation</b>	<u>2,232,793</u>	<u>12,791,885</u>
Income tax charge	8 522,263	604,059
<b>Net result for the year</b>	<u><u>1,710,530</u></u>	<u><u>12,187,826</u></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 B.V. has been founded on 6 November 2006.

United Phosphorus Holdings B.V. ("the Company"), having its legal seat in Amsterdam, the Netherlands, is directly and fully owned by United Phosphorus Holdings Coöperatief U.A. effective 29 March 2011, and is ultimately a wholly owned subsidiary of UPL Limited, India (formerly known as United Phosphorus Ltd.).

The financial year 2017 concerns the period April 2016 until March 2017.  
The financial year 2016 concerns the period April 2015 until 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 investments in subsidiaries are stated at historical cost adjusted for permanent decrease in value, if deemed necessary.

The investments in subsidiaries are:

- Cerexagri B.V. at Rotterdam, The Netherlands, 100%;
- UPL Italia S.R.L., 100% (formerly known as Cerexagri Italia S.R.L.)  
As per 24 January 2013 United Phosphorus Limited Italy merged with Cerexagri Italia S.R.L. into Cerexagri Italia S.R.L., therefore the investment in United Phosphorus Limited Italy is replaced by the investment in Cerexagri Italia S.R.L. (now known as UPL Italia S.R.L.)
- United Phosphorus Holdings Brazil B.V. at Rotterdam, The Netherlands, 100%.
- Hodogaya UPL Co.Ltd., Japan, 40%.
- UPL Philippines Inc. (formerly known as United Phosphorus Corp. Philippines), 99,99%
- UPL Benelux B.V. (formerly known as AgriChem B.V.) at Oosterhout, The Netherlands, 100%.  
This company merged April 2014 with S.D. Agchem B.V.
- Blue Star B.V. at Amsterdam, The Netherlands, 49%.  
This company was incorporated March 2013
- Advanta Holdings B.V. at Rotterdam, The Netherlands, 52,34%.

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**United Phosphorus Holdings B.V.****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.

United Phosphorus Holdings B.V. forms part of the fiscal unity company tax with United Phosphorus Holdings Coöperatief U.A. and therefore is not separately liable for tax and is offset against the current account of the parent company. As per 31 March 2017 there are no unused tax losses/credits in the fiscal unity.

Details of the unused tax losses/credits in the fiscal unity can be found in the Non-Statutory Financial Statements of United Phosphorus Holdings Coöperatief U.A..

**Average number of employees**

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

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

**Capital and other commitments and contingent liabilities**

The Company has given a guarantee to the Bank of Baroda for EUR 11,000,000 in favour of UPL Italia S.R.L. towards working capital.

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## United Phosphorus Holdings B.V.

## Notes to the balance sheet

1	Financial fixed assets	2017	2016
		EUR	EUR
	Investment Cerexagri B.V.	29,418,716	27,068,000
	Investment UPL Italia S.R.L.	300,000	300,000
	Investment Advanta Holdings B.V.	23,542,962	0
	Investment United Phosphorus Holdings Brazil B.V.	300,544,496	170,338,998
	Investment Hodogaya UPL Co. Ltd.	1,812,493	1,812,493
	Investment UPL Philippines Inc.	156,836	156,836
	Investment UPL Benelux B.V.	10,800,099	10,800,099
	Investment Blue Star B.V.	1,176,490	1,127,490
	Loan to Cerexagri B.V.	0	38
	Long term USD loan at Euribor 3M + 3.75%		
	Long term Euro loan at Euribor 3M + 3.75%		
	Loan to United Phosphorus Holdings Coöperatief U.A.	2,828,207	3,950,000
	Long term Euro loan at LIBOR 6M + 3.5%		
	Loan to UPL Italia S.R.L.	6,655,511	6,655,511
	Long term Euro loan at LIBOR 6M + 2.5%		
	Loan to UPL Europe Ltd.	123,680,872	5,126,190
	Long term USD loan at LIBOR 3M + 3.5%		
	Long term Euro loan at LIBOR 3M + 3.5%		
	Long term JPY loan at LIBOR 3M + 2.5%		
	Loan to United Phosphorus Holdings Brazil B.V.	31,774,636	69,263,424
	Long term Euro loan at LIBOR 6M + 4.75%		
	Long term BRL loan at CDI + 1%		
	Long term USD loan at LIBOR 6M + 2%		
	Loan to UPL Benelux B.V.	0	4,644,874
	Long term Euro loan at LIBOR 6M + 3.75%		
	Loan to United Transterra	40,545,710	0
	Long term USD loan at LIBOR 6M + 2.75%		
	Loan to United Advanta Holdings B.V.	7,062,015	0
	Long term USD loan at LIBOR 6M + 2.75%		
	Loan to UPL Iberia S.A.	0	3,071,250
	Long term Euro loan at LIBOR 6M + 2.5%		
		<u>580,299,043</u>	<u>304,315,203</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

## 2 Receivables

Receivables comprise:	2017	2016
	EUR	EUR
Receivable UPL Deutschland GmbH	0	1,413
Receivable UPL Australia Limited	0	1,606
Receivable UPL Limited Japan	0	962
Receivable UPL Iberia S.A.	0	110,233
Receivable UPL Italia S.R.L.	587,753	432,156
Receivable UPL Europe Ltd.	2,602,412	1,342,294
Receivable United Phosphorus Holdings Coöperatief U.A.	75,684	0
Receivable Transterra	616,901	0
Receivable UPL Benelux B.V.	0	53,374
Receivable Advanta Holdings B.V.	35,040	0
Receivable United Phosphorus Holdings Brazil B.V.	7,903,035	26,613,220
Receivable United Phosphorus Inc.	1,271,983	112,520
Taxes	2	231
Other receivables	126,168	118,902
	<u>13,218,978</u>	<u>28,786,911</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

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**United Phosphorus Holdings B.V.****Contingent assets and liabilities**

United Phosphorus Holdings B.V. forms part of the fiscal unity company tax with United Phosphorus Holdings Coöperatief U.A., 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**

Current liabilities comprise:	2017	2016
	EUR	EUR
Payable to UPL Corporation Limited	3,348,473	23,369,593
Payable to United Phosphorus Inc.	785,347	0
Payable to United Phosphorus Holdings Coöperatief U.A.	1,888,044	636,780
Trade payables	0	6,235
Accrued liabilities	1,796	1,796
	<u>6,023,660</u>	<u>24,014,404</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

**4 Long term loans**

	2017	2016
	EUR	EUR
Loan from UPL Corporation Limited	317,055,374	159,995,028
Long term variable Euro loan at LIBOR 6M + 2.25%		
Long term variable USD loan at LIBOR 6M + 2.50%		
Long term loan of USD 5,255,000 at LIBOR 6M + 1.75%		
Long term loan of USD 16,000,000 at LIBOR 6M + 4.50%		
Long term loan of USD 35,000,000 at LIBOR 6M + 2.50%		
Long term loan of USD 25,000,000 at LIBOR 6M + 2.325%		
Loan from United Phosphorus Inc.	2,471,237	29,198,696
Long term USD loan at LIBOR 6M + 2.75%		
	<u>319,526,611</u>	<u>189,193,724</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

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## 5 Shareholder's equity

The movement in shareholder's equity is as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2016	18,000	162,301,881	(1,098,685)	12,187,826	173,409,022
Allocation of 2016 net result	0	0	12,187,826	(12,187,826)	0
Addition	0	156,098,792	0	0	156,098,792
Net result 2017	0	0	0	1,710,530	1,710,530
Balance 31 March 2017	<u>18,000</u>	<u>318,400,673</u>	<u>11,089,141</u>	<u>1,710,530</u>	<u>331,218,344</u>

The movements in 2016 were as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2015	18,000	73,700,500	(1,880,851)	782,166	72,619,815
Allocation of 2015 net result	0	0	782,166	(782,166)	0
Addition	0	88,601,381	0	0	88,601,381
Net result 2016	0	0	0	12,187,826	12,187,826
Balance 31 March 2016	<u>18,000</u>	<u>162,301,881</u>	<u>(1,098,685)</u>	<u>12,187,826</u>	<u>173,409,022</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 2017 180 shares have been issued and fully paid, amounting to EUR 18,000.

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## United Phosphorus Holdings B.V.

## Notes to the profit and loss account

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## 6 Administrative expenses

Administrative expenses can be detailed as follows:

	2017	2016
	EUR	EUR
Management fee	197,000	179,000
Legal & Professional Fees	141,495	104,890
Auditor's Remuneration	7,282	1,796
Bank charges	17,751	21,576
	<u>363,528</u>	<u>307,262</u>

## 7 Financial income and expenses

	2017	2016
	EUR	EUR
Exchange difference	2,456,768	12,073,583
Interest income group companies	7,632,744	11,446,511
Interest income other	2,135,575	2,015,898
Interest expense other	(143,425)	0
Interest expenses group companies	<u>(9,491,931)</u>	<u>(12,440,977)</u>
	<u>2,589,731</u>	<u>13,095,015</u>

In the exchange difference of 2016 EUR 11,822,756 is included due to the redemption of the Series C Preferred Stock by UP Inc.. Due to the redemption of these shares, withholding tax had to be paid amounting to EUR 439,256 which is also included in the exchange difference.

## 8 Tax

	2017	2016
	EUR	EUR
Corporate income tax United Phosphorus Holdings B.V.	(55,994)	179,836
Adjustment tax previous years	578,257	424,223
	<u>522,263</u>	<u>604,059</u>

Effective tax rate	23.39%	4.72%
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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	522,263	604,059
Statutory tax charge / (benefit)	558,198	3,197,971
	<u>35,935</u>	<u>2,593,912</u>

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

	2017	2016
	EUR	EUR
Adjustment previous years	(578,257)	(424,223)
Exchange difference	614,192	182,377
Result on sale subsidiary	0	2,836,019
Other	0	(261)
	<u>35,935</u>	<u>2,593,912</u>

In 2016 the Tax Office disagreed with the deducted interest costs for the year 2011-2012. This led to a paid amount of EUR 424,223 regarding this year. This amount has been incorporated in the result of the year 2015-2016.

In 2016 the Tax Office disagreed with the deducted interest costs for the year 201-2013. This led to a paid amount of EUR 578,257 regarding this year. This amount has been incorporated in the result of the year 2016-2017.

The Company objected to both these corrections and in the event the later years are challenged by the Tax Office the Company will also object to this.

## United Phosphorus Holdings B.V.

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 Brazil B.V.	727,515	447,264
Purchases	United Phosphorus Holdings Coöperatief U.A.	722,925	445,132
Interest expense	UPL Corporation Limited	8,764,131	10,244,734
	United Phosphorus Inc.	410,965	1,025,894
	Cerexagri S.A.S.	0	0
	UPL Europe Ltd.	263,350	1,043,120
	Cerexagri B.V.	53,485	127,229
		<u>9,491,931</u>	<u>12,440,977</u>
Interest income	UPL Europe Ltd.	3,306,999	1,045,240
	UPL Corporation Limited	28,415	0
	UPL Benelux B.V.	126,024	333,863
	United Phosphorus Holdings Coöperatief U.A.	108,907	130,380
	United Phosphorus Holdings Brazil B.V.	1,916,494	9,697,895
	Cerexagri B.V.	0	193
	UPL Italia S.R.L.	154,596	168,218
	United Phosphorus Inc.	1,022,524	0
	Advanta Holdings B.V.	35,040	0
	Transterra	876,383	0
	UPL Iberia S.A.	57,362	70,722
		<u>7,632,744</u>	<u>11,446,511</u>
Administrative recharge expense	Cerexagri B.V.	25,000	25,000
Administrative recharge income	UPL Benelux B.V.	0	1,446
	UPL Iberia S.A.	0	1,507
	UPL Limited Japan	0	962
	UPL Deutschland GmbH	0	1,413
	UPL Australia Limited	0	1,606
	United Phosphorus Inc.	0	247,521
		<u>0</u>	<u>254,455</u>
Management Fee expense	UPL Corporation Limited	197,000	179,000
Management Fee income	Cerexagri B.V.	1,000	1,000
	UPL Italia S.R.L.	1,000	1,000
		<u>2,000</u>	<u>2,000</u>
Repayment of loan given	United Phosphorus Inc.	0	8,828,444
	United Phosphorus Holdings Brazil B.V.	37,488,788	18,043,588
	UPL Benelux B.V.	4,644,874	7,968,466
Repayment of loan taken	Cerexagri S.A.S.	0	6,583,748
	Cerexagri B.V.	38	11,163,143
	United Phosphorus Inc.	26,727,459	0
	UPL Corporation Limited	0	32,503,813
	UPL Europe Ltd.	0	12,026,586
		<u>26,727,497</u>	<u>62,277,290</u>

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**Other information****Appropriation of the net result for the year**

Article 19 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 ended 31 March 2017 is proposed to the General Meeting of Shareholders to transfer the net profit of EUR 1,710,530 to retained earnings. The result after tax for the year ended 31 March 2017 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.

**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 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 United Phosphorus Holdings B.V., 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 B.V. 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 B.V. 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 B.V. 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

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