



**United Phosphorus Holdings B.V.**

**Non-statutory financial statements  
For the year ended 31 March 2016**

Baker Tilly Berk N.v.  
Authenticated

18 APR 2016

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United Phosphorus Holdings B.V.

**Balance sheet as at 31 March 2016***(before proposed appropriation of net result)*

		2016	2015
		EUR	EUR
<b>Fixed assets</b>			
Financial fixed assets	1	304,315,203	225,882,147
		<u>304,315,203</u>	<u>225,882,147</u>
<b>Current assets</b>			
Receivables	2	28,786,911	21,031,027
Cash and bank		53,515,036	67,458,137
		<u>82,301,947</u>	<u>88,489,164</u>
<b>Current liabilities</b>	3	53,213,100	19,286,098
<b>Long term loan</b>	4	159,995,028	222,465,399
<b>Current assets less liabilities</b>		<u>(130,906,181)</u>	<u>(153,262,333)</u>
<b>Total assets less liabilities</b>		<u><u>173,409,022</u></u>	<u><u>72,619,814</u></u>
<b>Shareholder's equity</b>	5		
Issued capital		18,000	18,000
Share premium		162,301,881	73,700,500
Retained earnings		(1,098,686)	(1,880,852)
Unallocated result		12,187,826	782,166
		<u>173,409,022</u>	<u>72,619,814</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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United Phosphorus Holdings B.V.

**Profit and loss account for the year ended 31 March 2016**

	2016	2015
	EUR	EUR
<b>Net sales</b>	447,264	487,353
Cost of sales	445,132	484,858
<b>Gross margin</b>	<u>2,132</u>	<u>2,495</u>
Operation turnover	2,000	2,000
Administrative expenses	6 307,262	308,669
<b>Operating result</b>	<u>(303,130)</u>	<u>(304,174)</u>
<b>Financial income/(expense)</b>	7	
Interest income	13,462,409	11,908,401
Interest expense	(12,440,977)	(11,045,222)
Currency exchange gain/(loss)	12,073,583	363,162
Income from liquidated investment	0	0
	<u>13,095,015</u>	<u>1,226,341</u>
<b>Result before taxation</b>	<u>12,791,885</u>	<u>922,167</u>
Income tax charge	8 604,059	140,001
<b>Net result for the year</b>	<u><u>12,187,826</u></u>	<u><u>782,166</u></u>

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

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**United Phosphorus Holdings B.V.**

## **Notes to the financial statements for the year ended 31 March 2016**

### **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 2016 concerns the period April 2015 until March 2016.

The financial year 2015 concerns the period April 2014 until March 2015.

### **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%.
- United Phosphorus Inc. U.S.A.  
This investment concerns preference shares acquired July and September 2011.
- 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.
- S.D. Agchem B.V. at Oosterhout, The Netherlands, 100%.  
This company was acquired July 2012 and merged into UPL Benelux B.V. April 2014.
- AgriChem Polska Sp. Z.O.O, Poland, 1%.  
This company was acquired July 2012 and was liquidated November 2014.
- Blue Star B.V. at Amsterdam, The Netherlands, 49%.  
This company was incorporated March 2013

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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.

**Average number of employees**

During 2015/2016 no employees were employed on the basis of a full time contract of service.  
During 2014/2015 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**

<b>1 Financial fixed assets</b>	<b>2016</b>	2015
	<b>EUR</b>	EUR
Investment Cerexagri B.V.	27,068,000	27,068,000
Investment UPL Italia S.R.L.	300,000	300,000
Investment United Phosphorus Inc.	0	43,253,433
Investment United Phosphorus Holdings Brazil B.V.	170,338,998	20,025,200
Investment Hodgaya 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.	1,127,490	955,990
Loan to Cerexagri B.V.	38	0
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.	3,950,000	3,400,000
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.	5,126,190	0
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.	69,263,424	87,307,013
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.	4,644,874	12,613,340
Long term Euro loan at LIBOR 6M + 3.75%		
Loan to United Phosphorus Inc.	0	8,828,444
Long term USD loan at LIBOR 6M + 2.75%		
Loan to UPL Iberia S.A.	3,071,250	2,705,788
Long term Euro loan at LIBOR 6M + 2.5%		
	<u>304,315,203</u>	<u>225,882,147</u>

In January 2016 United Phosphorus Inc. redeemed all 6,000 shares of Series C Preferred Stock held by the Company.

Previous Year figures have been regrouped or rearranged wherever necessary.

<b>2 Receivables</b>	<b>2016</b>	2015
	<b>EUR</b>	EUR
Receivables comprise:		
Receivable UPL Deutschland GmbH	1,413	0
Receivable UPL Australia Limited	1,606	0
Receivable UPL Limited Japan	962	0
Receivable UPL Iberia S.A.	110,233	38,003
Receivable UPL Italia S.R.L.	432,156	262,938
Receivable UPL Europe Ltd.	1,342,294	867,750
Receivable UPL Benelux B.V.	53,374	120,773
Receivable United Phosphorus Holdings Brazil B.V.	26,613,220	19,517,371
Receivable United Phosphorus Inc.	112,520	201,027
Taxes	231	8,165
Other receivables	118,902	15,000
	<u>28,786,911</u>	<u>21,031,027</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

**Contigent 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.

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**United Phosphorus Holdings B.V.****3 Current liabilities**

Current liabilities comprise:	2016	2015
	EUR	EUR
Payable to Bio-win Corporation Limited	23,369,593	19,043,340
Payable to Cerexagri S.A.S.		20,536
Payable to Cerexagri B.V.		27,077
Payable to United Phosphorus Holdings Coöperatief U.A.	636,780	163,100
Trade payables	6,235	30,466
Accrued liabilities	1,796	1,579
	<u>24,014,404</u>	<u>19,286,098</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

**4 Long term loans**

	2016	2015
	EUR	EUR
Loan from Bio-win Corporation Limited	159,995,028	192,498,841
Long term BRL loan at CDI + 0.75%		
Long term JPY loan at LIBOR 6M + 2.50%		
Long term Euro loan at LIBOR 6M + 2.25%		
Long term 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 Cerexagri B.V.	0	11,163,143
Long term USD loan at Euribor 3M + 3.75%		
Long term Euro loan at Euribor 3M + 3.75%		
Loan from United Phosphorus Inc.	29,198,696	0
Long term USD loan at LIBOR 6M + 2.75%		
Loan from Cerexagri S.A.S.	0	6,776,829
Long term Euro loan at LIBOR 6M + 2.25%		
Loan from UPL Europe Ltd.	0	12,026,586
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%		
	<u>189,193,724</u>	<u>222,465,399</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

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## United Phosphorus Holdings B.V.

## 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 2015	18,000	73,700,500	(1,880,852)	782,166	72,619,814
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>(1,098,686)</u>	<u>12,187,826</u>	<u>173,409,021</u>

The movements in 2015 were as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2014	18,000	73,700,500	(2,687,652)	806,800	71,837,648
Allocation of 2014 net result	0	0	806,800	(806,800)	0
Dividend distribution	0	0	0	0	0
Net result 2015	0	0	0	782,166	782,166
Balance 31 March 2015	<u>18,000</u>	<u>73,700,500</u>	<u>(1,880,852)</u>	<u>782,166</u>	<u>72,619,814</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 2016 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

## 6 Administrative expenses

Administrative expenses can be detailed as follows:

	2016	2015
	EUR	EUR
Management fee	179,000	179,000
Legal & Professional Fees	104,890	111,337
Auditor's Remuneration	1,796	1,579
Write off investment	0	1,000
Bank charges	21,576	15,753
	<u>307,262</u>	<u>308,669</u>

## 7 Financial income and expenses

	2016	2015
	EUR	EUR
Exchange difference	12,073,583	363,162
Interest income group companies	11,446,511	10,536,499
Interest income other	2,015,898	1,371,901
Interest expenses group companies	<u>(12,440,977)</u>	<u>(11,045,221)</u>
	<u>13,095,015</u>	<u>1,226,341</u>

In the exchange difference 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

	2016	2015
	EUR	EUR
Corporate income tax United Phosphorus Holdings B.V.	179,836	140,001
Adjustment tax previous years	424,223	0
	<u>604,059</u>	<u>140,001</u>
Effective tax rate	4.72%	15.18%

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

	2016	2015
	EUR	EUR
Income tax charge / (benefit) per the profit and loss account	604,059	140,001
Statutory tax charge / (benefit)	3,197,971	230,542
	<u>2,593,912</u>	<u>90,541</u>

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

	2016	2015
	EUR	EUR
Adjustment previous years	(424,223)	0
Exchange difference	182,377	90,791
Profit on sale subsidiary	2,836,019	0
Other	(261)	(250)
	<u>2,593,912</u>	<u>90,541</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 424,000 regarding this year. This amount has been incorporated in the result of the year 2015-2016. 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.

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## United Phosphorus Holdings B.V.

The following are the details of the related party transactions entered by the Company for the years 2016 and 2015.

Nature of transactions	Name of the related party	2016	2015
		EUR	EUR
Sales	United Phosphorus Holdings Brazil B.V.	447,264	487,353
Purchases	United Phosphorus Holdings Coöperatief U.A.	445,132	484,858
Interest expense	Bio-Win Corporation Limited	10,244,734	10,888,131
	United Phosphorus Inc.	1,025,894	62,976
	Cerexagri S.A.S.	0	20,536
	UPL Europe Ltd.	1,043,120	0
	Cerexagri B.V.	127,229	73,578
		<u>12,440,977</u>	<u>11,045,221</u>
Interest income	UPL Europe Ltd.	1,045,240	1,376,464
	UPL Benelux B.V.	333,863	504,779
	United Phosphorus Holdings Coöperatief U.A.	130,380	127,448
	United Phosphorus Holdings Brazil B.V.	9,697,895	7,997,934
	Cerexagri B.V.	193	0
	UPL Italia S.R.L.	168,218	182,668
	United Phosphorus Inc.	0	307,986
		<u>70,722</u>	<u>39,220</u>
		<u>11,446,511</u>	<u>10,536,499</u>
Administrative recharge expense	Cerexagri B.V.	25,000	25,000
Administrative recharge income	UPL Benelux B.V.	1,446	19,132
	UPL Iberia S.A.	1,507	24,056
	UPL Limited Japan	962	14,913
	UPL Deutschland GmbH	1,413	19,453
	UPL Australia Limited	1,606	12,622
	United Phosphorus Inc.	247,521	299,778
		<u>254,455</u>	<u>389,954</u>
Management Fee expense	Bio-Win Corporation Limited	179,000	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.	8,828,444	0
	United Phosphorus Holdings Brazil B.V.	18,043,588	29,349,484
	UPL Benelux B.V.	7,968,466	
Repayment of loan taken	Cerexagri S.A.S.	6,583,748	0
	Cerexagri B.V.	11,163,143	4,577,722
	United Phosphorus Inc.	0	1,820,433
	Bio-Win Corporation Limited	32,503,813	13,031,716
	UPL Europe Ltd.	12,026,586	0
		<u>62,277,290</u>	<u>19,429,871</u>

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**United Phosphorus Holdings B.V.**

**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 2016 is proposed to the General Meeting of Shareholders to transfer the net profit of EUR 12,187,826 to retained earnings. The result after tax for the year ended 31 March 2016 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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To: The board of directors  
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 Rotterdam, for the period 1 April 2015 until 31 March 2016 as identified by us for identification purposes.

### **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 non-statutory 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 judgement, 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.

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

Accountants



**Opinion**

In our opinion, the non-statutory financial statements of United Phosphorus Holdings B.V. as at 31 March 2016 and of its result for the period 1 April 2015 until 31 March 2016 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.

Eindhoven, 18 April 2016  
Baker Tilly Berk N.V.



drs. H.G.W. van Gerwen RA

Initial for identification purposes:

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