



Audit, Expertise comptable et Conseil

NEOFOG SAS
A UPL Group Company

ZA rue Ampère
59236 FRELINGHIEN

**INDEPENDENT AUDITOR'S REPORT
ON THE NON-STATUTORY FINANCIAL STATEMENTS
FOR THE 12 MONTHS PERIOD ENDED 31 MARCH 2016**



GMBA – Inscrite au Tableau de l'Ordre des Experts-Comptables de la Région Parisienne
Membre de la Compagnie Régionale des Commissaires aux Comptes de Paris
Membre de Baker Tilly France – Membre Indépendant de Baker Tilly International



Siège social 53 avenue Hoche - 75008 PARIS – Téléphone +33 (0)1 48 74 28 18 – Télécopieur +33(0)1 48 74 96 41 – Email paris@gmba.fr
Site internet : www.gmbabt.com – SAS au capital de 540 000 Euros – 352 644 199 RCS Paris – NAF 6920 Z – N°TVA : FR 72352644199

**INDEPENDENT AUDITOR'S REPORT
ON THE NON-STATUTORY FINANCIAL STATEMENTS
FOR THE 12 MONTHS PERIOD ENDED 31 MARCH 2016**

We have audited the accompanying financial statements of NEO FOG SAS, which include the balance sheet and the income statement as at 31 March 2016 (12 months period).

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these non-statutory financial statements in accordance with French Gaap. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 French Gaap. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of NEOFOG as of 31 March 2016 in accordance with French Gaap.

Paris, 13 April 2016

A handwritten signature in black ink, reading "J de NUCÉ", is written over two horizontal lines.

GMBA Baker Tilly
Represented by
Jacques de NUCÉ
Audit partner

NON-STATUTORY FINANCIAL STATEMENTS

for the 12 months period ended 31 March 2016

1- PROFIT AND LOSS ACCOUNT

Euros	Notes	1 April 2015 31 March 2016 12 months	1 April 2014 31 March 2015 12 months
Sales of good and services	1	3,774,877	3,577,293
Cost of sales		<u>2,443,544</u>	<u><2,210,220></u>
GROSS MARGIN		1,331,333	1,367,073
Personnel costs	2	<302,359>	<288,921>
Other operating expenses		<393,101>	<481,886>
OPERATING RESULT		635,873	596,266
Financial result		5,481	13,217
Fixed assets sales		35,692	
Goodwill depreciation			
Others			
Income tax	3	<224,520>	<198,272>
NET RESULT (1)		452,526	411,211
Local Gaap adjustments			<9,760>
NET RESULT (2)		452,526	401,451

2- BALANCE SHEET

€uros	Notes	31 March 2016	31 March 2015
ASSETS			
Cash and deposits		821,208	1,310,392
Debtors	8	1,215,236	470,816
Stocks	7	271,810	262,206
Intangible assets	5	0	1,103
Financial assets		2,400	
Tangible assets	6	<u>20,333</u>	<u>18,475</u>
Total Fixed assets		22,733	19,578
TOTAL NET ASSETS		2,330,987	2,062,992
LIABILITIES			
Payables	9	<547,820>	<777,812>
Other current liabilities	9	<196,067>	<140,846>
Capital		<300,000>	<300,000>
Prime		<282,833>	<282,833>
Statutory reserves		<30,000>	<30,000>
Other reserves		<521,741>	<120,290>
Profit and loss account		<u><452,526></u>	<u><411,211></u>
Shareholders investment:	10	<1,587,100>	<1,144,334>
TOTAL NET LIABILITIES		2,330,987	2,062,992

3- ACCOUNTING POLICIES FOR THE NON-STATUTORY FINANCIAL STATEMENTS

I- Purpose and contents of the non-statutory financial statements

The President presents the financial statements for the 12 months period ended 31 March 2016.

These financial statements have been prepared for the purpose of filling the parent company’s annual report. They are not statutory financial statements. The non-statutory statements have been prepared in accordance with the accounting policies on the basis of applicable French Gaap.

The non-statutory financial statements will include the information required by the parent company to enable the filling of their annual report.

II- Significant event of the period

NEOFOG SAS is fully integrated in the UPL’s consolidated financial statements.

III- Summary of significant accounting policies

- A- Intangible fixed assets:
Not material.
- B- Tangible fixed assets:
Tangible fixed assets are shown at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible assets.
- C- Depreciation
Assets depreciation is calculated on a straight-line basis as follows:

Goodwill:	Fully depreciated before the acquisition by the Group
Equipment:	5 to 10 years
Office material:	3 to 8 years

Impairment of assets:

Assets subject to amortization and depreciation are reviewed for impairment. If such indication exists, the asset’s recoverable amount is calculated as the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are

discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

D- Stock inventories:

Stocks are valued at last purchase price known. When the net realisable value, estimated on the basis of selling price less cost to be incurred to disposal, is lower than cost, a provision is made.

E- Provision for risks and charges:

A provision is generally recognized in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is likely that an outflow of economic benefits will be required to settle the obligation.

There are no provisions in the non-statutory accounts as at 31 March 2016.

F- Environmental risks:

Non applicable

G- Foreign Currencies operations:

Non applicable

H- Consolidation:

From the 1st June of 2013, NEOFOG SAS is a 100% owned subsidiary of BLUE STAR BV (Netherland), incorporated in UPL Limited an indian group company. UPL India, as the ultimate parent company prepares the group financial statements.

NEOFOG SAS is fully integrated in the UPL's consolidated financial statements.

4- NOTES TO THE FINANCIAL STATEMENTS

1- Segment information

€uros	1 April 2015 31 March 2016 12 months
Sales to third parties	0
Sales to the Group	21,132
Total SALES	21,132

€uros	1 April 2015 31 March 2016 12 months
Purchases to third parties	1,460,276
Purchases to the Group	983,268
Total COST OF SALES	2,443,544

2- Personnel costs

€uros	1 April 2015 31 March 2016 12 months
Wages and salaries	215,661
Social security taxes	86,698
Total PERSONNEL COSTS	302,359
Number of employees at the end of the period	5

3- Income tax

On the basis of the 12 months FY16 profit, a € 224,520 corporate tax has been posted in the P&L.

	FY16	FY15
PROFIT BEFORE CIT	677 046	598 290
Addition		
Vehicle tax	2 993	4 028
C3S Tax		1 046
Penalties		1 236
Deduction		
C3S tax	-1 046	-7 801
CICE credit tax	-5 366	-6 283
Other		
PROFIT TAXABLE	673 627	590 516
CORPORATE INCOME TAX 33.33%	224 520	196 839
NET PROFIT	452 526	401 451

4- Dividends

The company did not declare any dividends over the periods covered by this report.

5- Intangible fixed assets

€uros	Software
Net value as at 31 March 2015	1,103
Net additions/disposals/amortization	<1,103>
Net value as at 31 March 2016	0

6- Tangible fixed assets

€uros	Equipment and others
Net value as at 31 March 2015	18,475
Net additions/disposals/amortization	1,858
Net value as at 31 March 2016	20,333

7- Stock gross value

€uros	31 March 2016
Goods	271,810
Depreciation	0
Total Stocks	271,810

8- Debtors

€uros	31 March 2016
Trade debtors	157,609
UPL France	1,000,000
Other debtors	57,627
Total debtors	1,215,236

9- Creditors: amounts falling due within one year

€uros	31 March 2016
Trade creditors	<54,282>
Creditor Arysta	<432,000>
Creditor UPL Europe Ltd	<47,000>
Creditor Cerexagri France SAS	<10,978>
Creditor UPL France SAS	<3,559>
Social liabilities	<69,642>
Tax liabilities	<114,407>
Others	<12,019>
Total creditors	<743,887>

10- Shareholder's funds

€uros	Shareholder's funds
As at 31 March 2015	1,144,334
French adjustments FY15	<9,760>
Profit 2015-2016	452,526
Net value as at 31 March 2016	1,587,100

11- Intercompany

Transactions during the year :

Code	Name of Related party	Nature of Transactions	2015-2016	2014-2015
2100	UPL Benelux B.V.	Sales	20 748,00	
2200	Cerexagri B.V.	Sales	384,00	
2000	UPL Europe Ltd	Purchases	(968 040,00)	(436 020,00)
2100	UPL Benelux B.V.	Purchases	(9 828,00)	
2700	UPL France	Purchases	0,00	(450 780,00)
2000	UPL Europe Ltd	Management fees	(47 000,00)	(53 000,00)
2600	Cerexagri S.A.S.	Management fees	(10 780,00)	
2700	UPL France	Interest income	1 531,74	
2100	UPL Benelux B.V.	Other Recharges	1 736,56	
2200	Cerexagri B.V.	Other Recharges	220,00	
2600	Cerexagri S.A.S.	Other Recharges	(990,00)	(792,00)
2700	UPL France	Other Recharges	(9 006,52)	

Outstanding balances :

Code	Name of Related party	Nature of Balances	2015-2016	2014-2015
2200	Cerexagri B.V.	Receivables	604,00	
2700	UPL France	Receivables	1 362,15	
2000	UPL Europe Ltd	Payables	47 000,00	411 800,00
2600	Cerexagri S.A.S.	Payables	10 978,00	1 081,00
2700	UPL France	Payables	4 920,78	3 442,00
2700	UPL France	Loan given	1 000 000,00	