UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A.

Financial Statements For Year Ended March 31, 2015 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte Touche Tohmatsu
Av. Dr. José Bonifácio Coutinho
Nogueira, 150 - 5º andar
Campinas - SP - 13091-611
Brasil

Tel: + 55 (19) 3707-3000
Fax:+ 55 (19) 3707-3001
www.deloitte.com.br

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of
UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A.
Ituverava - SP

Introduction

We have audited the accompanying financial statements of UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A. ("Company"), which comprise the balance sheet as of March 31, 2015, and the statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Company's preparation and fair presentation of the 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 Company'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 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 referred to above present fairly, in all material respects, the financial position of UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A. as of March 31, 2015, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Other matters

Financial statements prepared in English

The accompanying financial statements have been prepared in English for the convenience of readers outside Brazil.

Campinas, April 15, 2015

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Paulo de Tarso Pereira Jr.
Engagement Partner

UPL DO BRASIL INDÚSTRIA E COMÉRCIO DE INSUMOS AGROPECUÁRIOS S.A.

BALANCE SHEET AS OF MARCH 31, 2015
(In thousands of Brazilian reais - R$)

ASSETS	Note	03/31/2015	03/31/2014	LIABILITIES AND SHAREHOLDERS' EQUITY	Note	03/31/2015	03/31/2014
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	3	35,014	24,667	Borrowings and financing	11	180,504	182,927
Trade accounts receivable	4	617,354	388,578	Trade payables	12	217,139	164,450
Inventories	5	58,410	90,137	Related parties	7	222,981	79,170
Recoverable taxes	6	6,651	5,675	Payroll and related taxes		5,980	4,998
Related parties	7	2,829	478	Taxes payable		20,538	5,226
Derivative financial instruments	16	36,348	-	Advances from customers		14,106	437
Other assets		3,442	2,942	Proposed dividends	15	464	-
Total current assets		760,048	512,477	Derivative financial instruments	16	-	1,356
				Other payables		16,615	8,324
NON-CURRENT ASSETS				Total current liabilities		678,327	446,888
Trade accounts receivable	4	3,030	7,709				
Recoverable taxes	6	1,932	1,232	NON-CURRENT LIABILITIES			
Deferred income tax and social contribution	14	37,204	33,878	Borrowings and financing	11	4,240	13,399
Other assets		10,806	8,882	Provision for labor claims	13	1,565	4,313
Investments	8	51	42	Other payables		73	141
Property, plant and equipment	9	44,849	38,260	Total non-current liabilities		5,878	17,853
Intangible assets	10	74,897	69,492				
Total non-current assets		172,769	159,495	TOTAL LIABILITIES		684,205	464,741
				SHAREHOLDERS' EQUITY			
				Share capital	15	83,962	83,962
				Capital reserve	15	155,354	155,354
				Legal reserve	15	488	-
				Retained earnings		8,808	-
				Accumulated losses		-	(32,085)
				Total shareholders' equity		248,612	207,231
TOTAL ASSETS		932,817	671,972	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		932,817	671,972

The accompanying notes are an integral part of these financial statements

UPL DO BRASIL INDÚSTRIA E COMÉRCIO DE INSUMOS AGROPECUÁRIOS S.A.

STATEMENTS OF INCOME FOR THE YEAR ENDED MARCH 31, 2015
(In thousands of Brazilian reais - R$ - except income per share expressed in Brazilian Reais)

	Note	03/31/2015	03/31/2014
NET REVENUES	17	755,760	540,336
COST OF SALES	18	(519,812)	(385,322)
GROSS PROFIT		235,948	155,014
OPERATING INCOME (EXPENSES)			
Selling	18	(44,787)	(51,619)
General and administrative	18	(90,700)	(73,820)
Exchange rate variation on trade receivables and payables	18	(51,798)	(4,299)
Equity pick up	8.b	(14)	(50)
Other operating expenses, net		(5,085)	(3,554)
		(192,384)	(133,342)
OPERATING INCOME BEFORE FINANCIAL INCOME AND EXPENSES		43,564	21,672
Financial income	19	136,028	41,901
Financial expenses	19	(68,159)	(50,402)
Exchange rate variation on borrowing and financing	19	(39,939)	(3,179)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		71,494	9,992
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	14	(32,975)	(7,062)
Deferred	14	3,326	4,713
		(29,649)	(2,349)
NET INCOME FOR THE YEAR		41,845	7,643
NET INCOME PER SHARE - BASIC AND DILUTED (in Brazilian Reais)		0.419	0.137

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

UPL DO BRASIL INDÚSTRIA E COMÉRCIO DE INSUMOS AGROPECUÁRIOS S.A.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2015
(In thousands of Brazilian reais - R$)

	03/31/2015	03/31/2014
NET INCOME FOR THE YEAR	41,845	7,643
OTHER COMPREHENSIVE INCOME	-	-
COMPREHENSIVE INCOME FOR THE YEAR	41,845	7,643

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

UPL DO BRASIL INDÚSTRIA E COMÉRCIO DE INSUMOS AGROPECUÁRIOS S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED MARCH 31, 2015
(In thousands of Brazilian reais - R$)

	Note	Share capital	Capital reserve	Legal reserve	Retained earnings	Accumulated losses	Total
BALANCES AS OF MARCH 31, 2013		51,670	155,354	-	-	(39,728)	167,296
Capital increase	15	32,292	-	-	-	-	32,292
Net income for the year		-	-	-	-	7,643	7,643
BALANCES AS OF MARCH 31, 2014		83,962	155,354	-	-	(32,085)	207,231
Net income for the year		-	-	-	-	41,845	41,845
Distribution:							
To legal reserve	15	-	-	488	-	(488)	-
To mandatory minimum dividends	15	-	-	-	-	(464)	(464)
To retained earnings	15	-	-	-	8,808	(8,808)	-
BALANCES AS OF MARCH 31, 2015		83,962	155,354	488	8,808	-	248,612

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

UPL DO BRASIL INDÚSTRIA E COMÉRCIO DE INSUMOS AGROPECUÁRIOS S.A.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015
(In thousands of Brazilian reais - R$)

	Note	03/31/2015	03/31/2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		41,845	7,643
Adjustments to reconcile net income for the year to net cash provided by (used in) operating activities:			
Income tax and social contribution - current and deferred	14	29,649	2,349
Depreciation and amortization	18	14,313	11,393
Allowance for doubtful accounts	4	13,853	24,410
(Reversion of provision) provision for net realizable value of inventories	5	(397)	412
Equity pick up	8.b	14	50
Exchange rate variation on foreign investment	8.b	(23)	17
Net book value of property, plant and equipment and intangible assets disposed off		556	291
Disposals of intangibles assets		-	14
Interest on borrowings and financing	19	15,135	17,952
Present value adjustments on trade accounts receivable		13,252	5,083
Gain on derivative financial instruments	19	(37,704)	-
Exchange rate variation on borrowing and financing	19	39,939	3,179
Reversal of provision for labor claims	13	(2,748)	(1,331)
(Increase) decrease in operating assets:			
Trade accounts receivable		(251,202)	(108,683)
Inventories		32,124	(24,748)
Recoverable taxes		(1,676)	(665)
Related parties		(2,351)	6
Other assets		(2,424)	(5,582)
Increase (decrease) in operating liabilities:			
Trade payables		52,689	72,717
Payroll and related taxes		982	1,428
Related parties		143,811	(21,851)
Taxes payable		(1,091)	(3,888)
Advances from customers		13,669	(1,921)
Other payables		8,223	(863)
Cash provided by (used in) operating activities		120,438	(22,588)
Income tax and social contribution paid		(16,572)	(4,557)
Net cash provided by (used in) operating activities		103,866	(27,145)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(13,452)	(2,760)
Purchases of intangible assets		(14,886)	(9,282)
Net cash used in investing activities		(28,338)	(12,042)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase		-	32,292
New borrowings and financing		285,001	245,026
Payments of borrowings and financing		(350,182)	(225,629)
Net cash (used in) provided by financing activities		(65,181)	51,689
INCREASE IN CASH AND CASH EQUIVALENTS		10,347	12,502
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		24,667	12,165
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		35,014	24,667

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

1. OPERATIONS

UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A. ("UPL Brasil" or "Company") headquartered in Campinas, with a factory in Ituverava, both cities located in the State of São Paulo, and branches in Cuiabá, State of Mato Grosso, Carazinho, State of Rio Grande do Sul, Aparecida de Goiania, State of Goiás, Ibiporã, State of Paraná and Luiz Eduardo Magalhães, Bahia, is engaged in:

- Production, packaging, repackaging, handling, storage, distribution, shipment, transportation, import, export, trading and sales representation of agricultural products and other chemicals; sanitizing products; household cleaning products; pesticides; fertilizers; soil ameliorators; products for veterinary use, wood treatment and agricultural use; inoculants; anti-growth products; semiochemicals; biosynthetic products; essential products; and natural products.

- Provision of phytosanitary services and technical assistance in the application of chemicals for agricultural, veterinary, sanitary and household cleaning use.

- Temporary or definitive onerous assignment of trademarks, patents, registrations or production techniques.

- Purchase, sale, import and export of grains and other agricultural and similar products and holding equity interests in other companies as a shareholder.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Statement of compliance

The Company´s financial statements are prepared and presented in accordance with accounting practices adopted in Brazil, which include the provisions of the Brazilian Corporate Law, as amended by Laws 11,638/07 and 11,941/09. The accounting practices adopted in Brazil embrace those included in the Brazilian corporate law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Federal Accounting Council ("CFC").

2.2. Basis of preparation

The financial statements were prepared in Real (R$), which is the Company's functional currency, and on the historical cost basis, except for certain financial instruments measured at their fair value, as described in the following accounting practices. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The summary of the significant accounting practices adopted in the preparation of the financial statements is as follows:

a) Cash and cash equivalents

Include cash on hand and in banks and short-term investments. These short-term investments are carried at cost plus yield accrued through the end of the reporting period, have maturities lower than 90 days or no fixed term for redemption from the investment date, and are highly liquid and subject to an insignificant risk of change in value. The fair value of short-term investments is calculated, when applicable, taking into consideration market quotations or information that allows such calculation.

b) Trade accounts receivable

Recorded in the balance sheet at their original amounts, plus exchange rate variation, when applicable, and adjusted at net present value. When deemed necessary by Management, an allowance for doubtful accounts is recorded based on an analysis of the aging of receivables, in an amount considered sufficient by Management to cover probable losses on their collection.

c) Present value adjustment

Assets and liabilities arising from short-term or long-term transactions, when there is a material effect, are adjusted to present value based on the discount rate used by the Company for funding purposes, which is compatible with the interest rates for government securities with similar risks and terms. The reversals of adjustment to present value are recorded under “financial income and expenses”. The discount rate used was approximately 1% per month, which is based on effective discount rate used by the Company. Measurement of the present value adjustment was performed in “pro rata die” exponential basis, from the origin of each transaction.

d) Inventories

Stated at average acquisition cost, lower than replacement costs or realizable values. Imports in transit are stated at the accumulated cost of each import. When applicable, a reserve for losses is recorded in an amount considered sufficient by Management to cover probable losses on the realization of inventories.

e) Other current and non-current assets

Other current and non-current assets are stated at cost plus, when applicable, accrued yields and inflation adjustment through the end of the reporting period, less any reserve for adjustment to realizable value, when applicable.

f) Financial assets

Investments are recognized and derecognized at the transaction date when the purchase or sale of an investment is under an agreement which requires the delivery of the investment within a schedule established by the market to which it belongs and are initially measured at fair value, plus transaction costs, except for financial assets at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following categories: at fair value through profit or loss, held-to-maturity, available-for-sale, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company has only financial assets classified as at fair value through profit or loss, and loans and receivables.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when either they are held for trading or they are designated as at fair value through profit or loss when acquired. A financial asset is classified as held for trading if:

- It has been acquired principally for selling it in the near term.
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- A derivative is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and CPC 38 - "*Financial Instruments*: *Recognition and Measurement"* permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 16.

Loans and receivables

The Company considers the following classes of financial assets and liabilities as part of the category of loans and receivables: cash and cash equivalents, trade accounts receivable, borrowings and financing and other receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as trade accounts receivable, the allowance for doubtful accounts is calculated based on the assessment of credit risks, which includes the history of losses, the individual situation of customers, the situation of the group to which they belong, guarantees for the debts, and the assessment by the legal counsel, and is considered sufficient to cover any losses on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade accounts receivable, where the carrying amount is reduced using an allowance account. When trade accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets included in the category of loans and receivables, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantiality all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset units entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

g) Investments in subsidiaries

Investments in subsidiaries are recognized by the equity method from the date that its control is acquired. According to this method, investments in subsidiaries are recognized in the financial statements at the acquisition cost and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee, in the investor’s statement of operations. These effects are recognized in income and expenses when selling or writing-off the investment.

After reducing to zero the balance value of investor share, additional losses are considered, and a liability (provision for unfunded liabilities) is recognized only to the extent in which the investor has incurred into legal or constructive obligations (not formalized) to make payments on behalf of the subsidiary.

On acquisition of the investment any difference between the cost of the investment and the investor’s share of the net fair value of the associate’s identifiable and liabilities accounted is treated as goodwill. Additionally, investment balance may be reduced by the recognition of impairment losses.

h) Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, plus interest capitalized during the construction period and written down to the recoverable amount of assets, when necessary.

Depreciation is recognized based on the estimated useful lives of each asset using the straight-line method, so as the cost less residual amount be completely written-off after useful live (except for land and construction in progress) less their residual values over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates used are disclosed in Note 9.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Subsequent costs are added to the residual value of property, plant and equipment or recognized as a specific item, as appropriate, only if future economic benefits associated to these items are probable and the amounts are measurable, plus borrowing costs capitalized during the construction period. The residual balance of the replaced item is written off. Other repairs and maintenance are directly recognized in profit or loss for the year when incurred. The residual value and useful life of the assets are reviewed and adjusted, if necessary, at the fiscal year end. The residual value of property, plant and equipment is immediately written off at their recoverable value when the residual balance exceeds the recoverable value.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

i) Intangible assets

Intangible assets are stated at acquisition or formation cost less amortization, which is calculated under the straight-line method at rates that take into consideration the contribution period of such assets, as mentioned in Note 10. An impairment test of these assets is made at least annually and when applicable, a reserve is recorded, when identified.

j) Receivables and payables denominated in foreign currency or subject to inflation adjustment

Receivables and payables, legally or contractually subject to indexation, are adjusted for inflation through the end of the reporting period, and assets and liabilities denominated in foreign currency are translated into Brazilian Real at the exchange rates in effect at the end of the reporting period. The contra entries to these adjustments are reflected directly in profit or loss for the year.

k) Income tax and social contribution

<u>Current taxes</u>

Income tax is calculated at the rate of 15% on taxable income plus 10% of surtax on taxable income exceeding R$240, and social contribution is calculated at the rate of 9% on taxable income.

The Company only recognizes a provision on fiscal matters if a past event origins a present obligation. The Company determines whether a present obligation exists at year-end taking into consideration all available evidence, including, for example, the legal counsel´s opinion.

Deferred taxes

Deferred income tax and social contribution are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, including the balance of tax losses, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and tax loss carryforwards to the extent that it is probable that taxable income will be available against which those deductible temporary differences and tax loss carryforwards can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

l) Financial instruments

Measurement of financial instruments, including derivatives: (a) at fair value or equivalent value for trading securities or available-for-sale securities, and (b) at the purchase or issue value, adjusted in conformity with contract or legal provisions and adjusted to realizable value, when this is lower, for held-to-maturity securities.

The Company has derivatives to hedge against the net exposure to exchange rate risks related to imports and exports/borrowings. Net gains or losses are recognized in the statement of operations as financial income or expenses.

m) Provisions

Provisions are recognized when the Company has a present obligation (legal or presumed) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The provision for labor, civil and tax claims, which includes the estimate of social security contributions, is recorded according to the risk assessment (probable losses) made by the Management of the Company and by their legal counsel, including its classification in non-current liabilities.

n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances, including present value adjustment.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognized when goods are delivered and legal title is passed. Freight on sales is recorded as selling expenses.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by references to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset's net carrying amount on initial recognition.

o) Critical judgment in applying accounting policies

The following are the critical judgments, apart from these involving estimations, that Management have made in the process of applying the Company´s accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

<u>Income and social contribution taxes</u>

Income projections prepared by management and approved by the Company's Board, which contain many assumptions and judgments, aiming to measure the potential to generate future taxable income to support the realization of generating taxable income for income tax and social contribution are recorded in used financial statements. The actual future taxable income may be higher or lower than the estimates made when determining the need for registering the income tax and social contribution.

Useful life of property, plant and equipment

The Company recognizes depreciation of its property, plant and equipment based on estimated useful lives, which is based on their practices and prior experience and reflects the economic life of these assets. However, the actual useful lives may vary due to several factors. The useful lives of property also affect the recovery testing cost.

Present value adjustment

Assets and liabilities arising from short-term or long-term transactions, when there is a material effect, are adjusted to present value based on the discount rate used by the Company for funding purposes, which is compatible with the interest rates for government securities with similar risks and terms. The reversals of adjustment to present value are recorded under "financial income and expenses". The discount rate used was approximately 1% per month, which is based on effective discount rate used by the Company. Measurement of the present value adjustment was performed in "pro rata die" exponential basis, from the origin of each transaction.

Reduction of the recoverable amounts of the assets

At each period ending date, the Company reviews the balances of property, plant and equipment and intangible, assessing whether or not an indication that those assets have suffered a reduction in their recovery values (value in use). The existence of such indicators, management performs a detailed analysis of the recoverable amount for each asset by calculating the individual future cash flow discounted to present value by adjusting the balance of the respective assets, if necessary.

p) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) Credit risk analysis to determine the allowance for doubtful accounts.

b) Net realizable value of inventories.

c) Measurement of the fair value of financial instruments.

d) Recognition of provision for labor claims.

q) New and revised technical standards and interpretations issued but not yet adopted

The accounting standards and interpretations issued by the International Accounting Standards Board - IASB and International Financial Reporting Standards Interpretations Committee - IFRIC described below have been issued or revised, but are not effective yet since not been issued by the CPC.

The Company will implement these standards as they become effective and approved by CPC, while it has not estimated the possible effects arising from these new standards and interpretations on its financial statements yet.

IFRS 9	Financial instruments	(5)
IFRS 15	Revenue from Contracts with Customers	(4)
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	(3)
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	(3)
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	(3)
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	(1)
Amendments to IFRSs	Annual improvements to IFRSs 2010-2012 Cycle	(2)
Amendments to IFRSs	Annual improvements to IFRSs 2011-2013 Cycle	(3)

(1) Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

(2) Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

(3) Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

(4) Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

(5) Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The aforementioned amendments to IFRSs have not been issued by CPC yet. Nevertheless, in view of the commitment assumed by CPC and the Federal Accounting Council ("CFC") to maintain this set of standards up-to-date as amendments are made by IASB, these amendments are expected to be issued by CPC and approved by CFC up to their effective date. The Company's Management does not expect such amendments to affect the financial statements. There are no other standards or interpretations issued and not yet adopted that may materially affect profit and loss for the year or shareholders' equity reported by the Company, based on Management’s opinion.

3. CASH AND CASH EQUIVALENTS

	March 31, 2015	March 31, 2014
Cash on hand and in banks	1,019	5,736
Short-term investments	33,995	18,931
Total	35,014	24,667

Short-term investments refer to Bank Deposit Certificates (CDB), with a yield equivalent to 75% to 100% of the Interbank Deposit Certificate (CDI).

4. TRADE ACCOUNTS RECEIVABLE

	March 31, 2015	March 31, 2014
Domestic customers	725,983	474,781
Present value adjustment	(30,841)	(17,589)
Sub-total	695,142	457,192
Allowance for doubtful accounts	(74,758)	(60,905)
Total	620,384	396,287
Current	617,354	388,578
Non-current	3,030	7,709
	620,384	396,287

Present value adjustment

The adjustment to present value in the amount of R$30,841 as of March 31, 2015 (R$17,589 as of March 31, 2014) was calculated for all trade accounts receivable, except those arising from commercial arrangements settled within a short period of time and whose effect is immaterial. Its calculation takes into account the term of realization of the asset by using a discount rate of approximately 1% a month, based on effective discount rate used by the Company.

Credit assignment without recourse

During the year ended March 31, 2015, the Company conducted trade receivables credits assignment without recourse transactions in the amount of R$24,273 (R$9,519 in 2014) and incurred in finance expenses on credits assignment of R$1,467 (R$773 in 2014), recorded as "Finance expenses" in the statement of income for the year ended.

The changes in the allowance for doubtful accounts are as follows:

	March 31, 2015	March 31, 2014
Opening balance, net	60,905	36,495
Allowance for doubtful accounts	37,963	24,410
Reversals	(24,110)	-
Closing balance, net	74,758	60,905

The aging list of trade accounts receivable is as follows:

	March 31, 2015	March 31, 2014
Current:		
From 1 to 30 days	47,304	58,759
From 31 to 60 days	179,230	135,582
From 61 to 90 days	48,391	16,691
From 91 to 180 days	214,615	149,734
From 181 to 360 days	147,054	58,476
Over 360 days	4,404	7,709
Total current	640,998	426,951

	March 31, 2015	March 31, 2014
Past due:		
From 1 to 30 days	5,186	3,618
From 31 to 60 days	115	32
From 61 to 90 days	353	4
From 91 to 180 days	2,901	639
From 181 to 360 days	36,344	22,875
Over 360 days	40,086	20,662
Total past due	84,985	47,830
	725,983	474,781

Past due amounts over 360 days increased mainly due to the crop failures occurred in the 2013/2014 harvest, for which the Company recorded an allowance for doubtful accounts for the cases that risk of realization was identified.

As of March 31, 2015, the Company had accounts receivable pledged as collateral to secure the Company´s working capital financing, agribusiness credit right certificates and Import Financing in the amount of approximately R$73,945 (R$35,029 in March 31, 2014).

5. INVENTORIES

	March 31, 2015	March 31, 2014
Finished goods	42,044	70,154
Raw materials	9,905	6,578
Imports in transit	5,375	11,497
Advances to suppliers	1,086	1,908
Total	58,410	90,137

As of March 31, 2015, the Company recorded a provision for net realizable value of finished goods of R$3,269 (R$3,666 as of March 31, 2014), which is considered sufficient by Management to cover probable losses on the realization of inventories.

Changes in the provision for net realizable value of finished goods, which reduced the balance of inventories, are as follows:

Balance as at March 31, 2013	3,254
Recognition of provision	412
Balance as at March 31, 2014	3,666
Provision written-off	(397)
Balance as at March 31, 2015	3,269

As of March 31, 2015, the Company had inventories pledged as collateral to secure the Company´s financing of approximately R$14,350.

6. RECOVERABLE TAXES

	March 31, 2015	March 31, 2014
ICMS (state VAT)	4,703	2,756
Income tax and social contribution	3,159	962
PIS and COFINS (taxes on revenue)	1,157	2,989
IPI (federal VAT)	361	708
Provision for non-realization of ICMS tax credits	(797)	(508)
Total	8,583	6,907
Current	6,651	5,675
Non-current	1,932	1,232
	8,583	6,907

ICMS (state VAT) credits are due on purchases of raw materials, as well as purchases of property, plant and equipment, and are available to offset the tax to be collected as a result of the Company's sales. As part of the sales is made with a reduced tax base and ICMS exemption, the Company has accumulated credits.

The realization of these credits depends on the success of the measures implemented by management, which include requests for ICMS exemption on purchases of inputs, and permit the approval of credits and their consequent use for transfer to suppliers. The Company's management, based on an internal study, recorded a provision in the approximate amount of R$797 as of March 31, 2015 (R$508 as of March 31, 2014) to cover losses on the realization of ICMS credits.

7. RELATED PARTIES

Balances and transactions with related parties are summarized as follows:

	March 31, 2015		March 31, 2014	
	Current assets	Current liabilities	Current assets	Current liabilities
Associated companies:				
DVA Paraguay	-	-	279	-
DVA Health & Nutrition GmbH	-	-	199	-
RiceCo International Inc.	-	989	-	-
Cerexagri S.A.S.	-	1,588	-	-
Cerexagri B.V.	-	8,246	-	-
Decco Iberica Pos Cosecha, S.A.U.	-	220	-	118
	-	11,043	478	118
Controlling shareholders:				
United Phosphorus Limited, India	2,829	-	-	79,052
UPL Limited, Mauritius	-	208,601	-	-
United Phosphorus do Brasil Ltda.	-	3,337	-	-
	2,829	211,938	-	79,052
Total	2,829	222,981	478	79,170

Transactions	March 31, 2015 Sales	March 31, 2015 Purchases	March 31, 2014 Sales	March 31, 2014 Purchases
Associated companies:				
DVA Paraguay	-	-	790	-
Sipcam UPL Brasil S.A.	-	-	492	793
RiceCo International Inc.	-	721	858	-
Cerexagri S.A.S.	-	1,811	-	-
Cerexagri B.V.	-	6,880	-	-
Decco Iberica Pos Cosecha, S.A.U.	-	334	-	179
	-	9,746	2,140	972
Controlling shareholders:				
United Phosphorus Indústria e Comércio de Produtos Químicos Ltda. (a)	-	865	-	818
United Phosphorus Limited, India	2,842	-	-	141,534
UPL Limited, Mauritius	-	189,494	-	-
United Phosphorus do Brasil Ltda.	-	2,570	-	-
	2,842	192,064	-	142,352
Total	2,842	201,810	2,140	143,324

Nature of transactions

Amounts due from related parties for trading transactions, recorded in current assets, refer to sales of goods to other group companies; amounts due to related parties, recorded in current liabilities, refer to payables for purchases of inventories goods and services provided from other group companies, as shown in the table above.

The intercompany transactions follow prices and payments terms determined by the Group Board. For trade payables amounts, the average payment term is 270 days (180 days in 2013).

a) Refers to services related to obtaining registration of chemicals in general, especially agricultural products, and laboratory synthesis provided by the Company controlling shareholder.

Management compensation for years ended March 31, 2015 and 2014 is as follows:

Short-term benefits	March 31, 2015	March 31, 2014
Salaries, fees and charges	5,671	4,075
Healthcare plan	272	222
Total	5,943	4,297

The amount shown above is in conformity with the limits established by the Board of Directors.

The above management compensation amounts do not include social charges such as social security contributions - INSS, FGTS and others.

8. INVESTMENTS

The list below shows the equity that the Company has in its subsidiary, which is presented as investments in the financial statements.

	Equity interest - %		
	March 31, 2015	March 31, 2014	Operating activities
DVA Technology Argentina S.A. ("DVA Argentina")	100,00	100,00	Provision of services related to the obtaining of registration of chemicals in general, especially agricultural products, and laboratory synthesis and development of product formulations in general

The main balance sheet and statement of operations accounts of subsidiary for the years ended March 31, 2015 and 2014 are as follows:

	DVA Argentina	
Assets	March 31, 2015	March 31, 2014
Current	51	43
Total assets	51	43
Liabilities and equity		
Current	-	1
Equity	51	42
Total liabilities and equity	51	43
Transactions		
Loss before income tax and social contribution	(3)	(36)
Loss for the year	(3)	(36)

a) Breakdown of balances

	March 31, 2015	March 31, 2014
Investments in subsidiaries	51	42
Total	51	42

b) Changes in investments in subsidiary

	DVA Argentina	
	March 31, 2015	March 31, 2014
Share capital	7	8
Equity	51	42
Loss for the year	(3)	(36)
Number of shares	20,000	20,000
Number of shares held	20,000	20,000
Equity interest percentage	100%	100%
Carrying amount of investment	51	42
Exchange rate gain (loss) on foreign investment	23	(17)
Equity pick up	(14)	(50)

Due to the immateriality of this investment at the Company´s financial statements, management decided to not present consolidated financial statements.

9. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Computers and peripherals	Leasehold improvements	Communication equipment	Facilities	Property, plant and equipment in progress	Advances to suppliers	Total
Balance at March 31, 2013	5,727	23,703	7,530	3,142	1,381	1,250	400	166	1,376	67	817	45,559
Acquisitions	-	157	24	3,632	109	131	13	9	29	131	-	4,235
Disposals	-	-	-	(786)	-	-	(40)	-	(18)	(51)	-	(895)
Transfers	-	32	(6)	814	6	2	-	1	-	(32)	(817)	-
Balance at March 31, 2014	5,727	23,892	7,548	6,802	1,496	1,383	373	176	1,387	115	-	48,899
Acquisitions	-	1,183	3,616	4,013	148	842	51	29	444	1,651	-	11,977
Disposals	-	-	-	(1,661)	-	(3)	-	-	-	-	-	(1,664)
Transfers	-	-	(22)	-	16	15	-	(15)	40	(34)	-	-
Balance at March 31, 2015	5,727	25,075	11,142	9,154	1,660	2,237	424	190	1,871	1,732	-	59,212
Depreciation												
Balance at March 31, 2013	-	(2,287)	(1,723)	(1,314)	(398)	(794)	(88)	(86)	(571)	-	-	(7,261)
Depreciation for the year	-	(1,807)	(665)	(940)	(173)	(247)	(73)	(20)	(57)	-	-	(3,982)
Disposals	-	-	-	547	-	-	41	-	18	-	-	606
Transfers	-	-	3	-	(2)	(1)	-	-	-	-	-	-
Balance at March 31, 2014	-	(4,094)	(2,385)	(1,707)	(573)	(1,042)	(120)	(106)	(610)	-	-	(10,637)
Depreciation for the year	-	(1,820)	(744)	(1,673)	(192)	(209)	(82)	(15)	(97)	-	-	(4,832)
Disposals	-	-	26	1,067	-	1	-	11	1	-	-	1,106
Balance at March 31, 2015	-	(5,914)	(3,103)	(2,313)	(765)	(1,250)	(202)	(110)	(706)	-	-	(14,363)
Property, plant and equipment, net at March 31, 2015	5,727	19,161	8,039	6,841	895	987	222	80	1,165	1,732	-	44,849
Property, plant and equipment, net at March 31, 2014	5,727	19,798	5,163	5,095	923	341	253	70	777	115	-	38,260
Average depreciation rate - %	-	4%	10%	20%	10%	20%	4%	20%	4%	-	-	-

Impairment of property, plant and equipment

In view of the approval of CPC 01, which addresses the impairment of assets, as at March 31, 2015 and 2014 the Company analyzed the recoverability of property, plant and equipment items. The recoverable amount was determined based on the value in use. The Company used projections based on expected future profitability associated to their activities, under the discounted cash flow method, based on the year 2014. No indication of the need to record a provision for impairment of property, plant and equipment was identified.

[This page intentionally left blank]

Collaterals

As of March 31, 2015, the Company held the amount of R$6,946 related to machinery, equipment and vehicles collateralized under financing and finance leases (R$3,781 as of March 31, 2014).

10. INTANGIBLE ASSETS

	Annual amortization rate - %	March 31, 2015 Cost	Accumulated amortization	Impairment	Net	March 31, 2014 Net
Trademarks, patents and licenses in use	20%	50,309	(23,261)	-	27,048	36,356
Trademarks, patents and licenses under approval (a)	-	50,751	-	(3,360)	47,391	32,525
Software licenses	20%	1,494	(1,036)	-	458	611
Total		102,554	(24,297)	(3,360)	74,897	69,492

(a) The Company recognized an impairment loss of licenses under approval of R$3,360 as of March 31, 2015 and 2014 as the fair value provided by an appraisal report prepared by independent appraiser was below the net book value.

The changes in intangible assets are summarized as follows:

	March 31, 2015	March 31, 2014
Opening balance, net	69,492	67,635
Additions (b)	14,886	9,282
Disposals	-	(14)
Amortization	(9,481)	(7,411)
Closing balance, net	74,897	69,492

(b) Refers to the addition of licenses under approval acquired to increase the Company´s portfolio of products.

11. BORROWINGS AND FINANCING

Nature	Annual finance charges	Final maturity	March 31, 2015	March 31, 2014
Foreign currency - denominated in US dollars:				
Import financing	Interest of 2.45% to 3,86% p.y.	10/03/2015	131,971	63,794
			131,971	63,794
Local currency:				
Discounted trade receivables	11.75% to 13.76 % p.y.	11/10/2015	38,916	73,889
Working capital	CDI + 3.04% p.y.	09/06/2016	2,608	33,815
FINAME	5.50% to 8.70% p.y.	08/15/2019	1,962	2,222
Finance lease	13.44% to 14.13% p.y.	10/20/2017	4,984	1,559
Agribusiness credit right certificates (“CDCA”)	12.23% p.y.	(a)	-	15,595
Farmers bond (“Rural credit”)	5.5% p.y to 6.5% p.y.	11/15/2015	4,303	5,452
			52,773	132,532
Total			184,744	196,326
Portion of current liabilities			180,504	182,927
Portion of non-current liabilities			4,240	13,399
			184,744	196,326

CDI - “Bank Deposit Certificates”.

IRP - “Index of Saving Adjustments”.

a) The Agribusiness credit right certificates (“CDCA”), with final maturity date in November 2015 was anticipated paid by the Company during the year ended March 31, 2015.

Collateral and guarantees

As of March 31, 2015, some borrowings and financing are collateralized by receivables, in the proportion from 30% to 100% (100% in 2014) of the financing balance, liens on the financed equipment and promissory notes signed by the Company’s shareholders.

As mentioned in Note 4, the Company has accounts receivable pledged as collateral for working capital financing, agribusiness credit right certificates and import financing.

Finance lease commitments

The future minimum lease payment in respect to assets under finance lease is as follow:

Finance lease	March 31, 2015	March 31, 2014
Payable no later than 1 year	2,180	710
Payable later than 1 year	2,803	849
Total minimum lease payments	4,983	1,559
(-) Future finance charges	(905)	(247)
Present value of minimum lease payments	4,078	1,312

Contractual obligation

Certain loan agreements are subject to clauses that require the Company to comply with some contractual obligations. As at March 31, 2015, the Company is compliant with all contractual obligations.

As of March 31, 2015, the portion classified in non-current liabilities have the following maturity schedule:

Maturity year:	
2016	2,229
2017	1,449
2018	337
2019	225
Total	4,240

12. TRADE PAYABLES

	March 31, 2015	March 31, 2014
Domestic suppliers	4,923	24,360
Foreign suppliers	226,318	148,386
Present value adjustment	(14,102)	(8,296)
Total	217,139	164,450

Present value adjustment

The adjustment to present value of purchases is recorded under line item “Trade payables” (with a contra entry to line item “Inventories” and “Cost of sales”) and its reversal is recorded under line item “Financial income and expenses”, according to maturity. Its calculation takes into account the term of realization of the asset by using a discount rate of approximately 1% a month, which is based on effective discount rate used by the Company.

Confirming and *foirfaiting* transactions with trade payables

During the year ended March 31, 2015, the Company conducted *confirming* and *forfaiting* transactions with raw material traders and services providers. The balances as of March 31, 2015 in the amount of R$19,301 were present as “Trade payables” since the Company did not held financing obligation as finance interest or repayment clauses.

13. RESERVE FOR LABOR CLAIMS

Probable risks

As of March 31, 2015 the Company recognized a reserve for labor claims in the amount of R$1,565 (R$4,313 as of March 31, 2014) related to social security lawsuits in which they are the defendants and for which the likelihood of loss is considered probable by its legal counsel.

Possible risks

The Company is part to various lawsuits that are at administrative or judicial level or in their initial stages, involving labor, tax and civil matters. The Company contest in court all claims and, based on the assessment of their legal counsel, record a provision when the risk of loss is considered probable. The reserve recorded as of March 31, 2015 and 2014 refer to labor lawsuits in which the Company are the defendants, involving mainly secondary liability of outsourced companies.

The Company is part to tax and civil lawsuits involving approximately R$5,368 as of March 31, 2015 for which the assessment made by its legal counsel classifies the likelihood of loss as possible, reason why no provision was recorded by Management in the financial statements.

In addition, during the year ended March 31, 2014 the Company settled a claim with the State of São Paulo by applying to the special regime related to VAT taxes. The original amount including interest and penalty was R$19,437 and it was settled by R$9,936, which generated a discount of R$9,501. The original amount plus penalty with discount in the amount of R$6,300 was recognized as “Operating expenses” caption and the interest with discount in the amount of R$3,636 was recognized as “Finance expenses” caption. Such claim was assessed as a possible loss as of March 31, 2013, however Management decided to settle it considering the costs to continue the efforts to discuss the matter and the opportunity to settle it with a discount.

Pursuant to prevailing legislation, the Company’ operations are open for review by tax authorities for a period of 5 years with respect to federal taxes (income tax, social contribution, PIS, COFINS and IPI) and state tax (ICMS). As a result of these reviews, transactions and payments may be challenged and the identified amounts may be subject to fines, interest and inflation adjustment.

The Company´s management, based on the opinion of its legal counsel, understands there are no significant risks not covered by sufficient provisions in the financial statements or that might have a significant impact on the Company's future results.

14. INCOME TAX AND SOCIAL CONTRIBUTION

The reconciliation of the tax effect on loss before income tax and social contribution is as follows:

	March 31, 2015	March 31, 2014
Income before income tax and social contribution	71,494	9,992
Effective rate - income tax and social contribution	34%	34%
	(24,308)	(3,397)
Reconciliation to effective rate:		
Permanent differences	(5,341)	1,048
Income tax and social contribution - current and deferred	(29,649)	(2,349)

Breakdown of deferred income tax

As of March 31, 2015 and 2014, the Company recognized deferred income tax and social contribution on temporary differences as follows:

	March 31, 2015	March 31, 2014
Temporary differences on tax credits:		
Tax loss carryforwards	-	9,745
Reserve for labor claims	1,565	4,313
Allowance for doubtful accounts receivable	58,860	60,905
Adjustment to present value on trade accounts receivable	30,841	17,589
Provision for service providers	11,035	5,499
Provision for net realizable value of inventories	3,269	3,666
Impairment of intangible assets	3,360	3,559
Impairment of recoverable taxes	797	508
Exchange variation not incurred in cash basis	44,871	-
Others temporary differences	5,551	2,431
Tax base	160,149	108,215
Statutory rate	34%	34%
Deferred income tax and social contribution - tax credit	54,451	36,793
Temporary differences on tax debits:		
Derivative financial instruments at the fair value	36,348	-
Adjustment to present value on trade payables	14,102	8,295
Others temporary differences	276	278
Tax base	50,726	8,573
Statutory rate	34%	34%
Deferred income tax and social contribution - tax debit	17,247	2,915
Deferred income tax and social contribution asset - net balance	37,204	33,878
Effect on the statement of operations for the year	3,326	

The Company, based on projections of future taxable profits approved by Management, recognized deferred income tax and social contribution on temporarily taxable and non-deductible differences, which can be carried forward indefinitely.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Based on these projections of future taxable profits, the Company estimates to realize the deferred income tax and social contribution as follows:

	Assets
	March 31, 2015
2015	12,341
2016	3,437
2017 and thereafter	21,426
Total	37,204

Changes in the current income tax legislation

The Company opted for the Transitional Tax Regime ("RTT") created by Provisional Measure 449/08, subsequently converted into Law 11941/09, under which income tax and social contribution on net income continue to be determined by using the same accounting methods and criteria in effect as of December 31, 2007. When applicable, deferred income tax and social contribution calculated on the adjustments arising from the adoption of the new accounting practices introduced by Law 11638/07 and Law 11941/09 were recorded in the Company's financial statements.

As at May 4, 2014 Provisional Measure 627, later converted into Law 12937/2014, was enacted, introducing changes in the tax rules and eliminating the Transition Tax System (RTT) and the Company Management did not to opt for the early adoption and, as result, did not recognized any tax effects in the financial statements for the year then ended.

The Company, supported by its legal counsel, analyzed the potential impacts on the financial statements for the year ended March 31, 2015 and understands that there are no material effects to be recognized for the year ended.

15. SHAREHOLDERS' EQUITY

a) Share capital

As of March 31, 2015 and 2014, the Company's subscribed and paid-in capital was R$83,962, represented by 99,867,194 common shares and represented as follows:

	As of March 31, 2015		As of March 31, 2014	
	Shares	Equity interest	Shares	Equity interest
United Phosphorus Indústria e Comércio de Produtos Químicos Ltda.	53,316,064	53.39%	26,351,921	26.39%
Uniphos Indústria e Comércio de Produtos Químicos Ltda.	46,551,130	46.61%	46,551,130	46.61%
DVA Empreendimentos S.A.	-	-	15,215,866	15.24%
DVA GmbH	-	-	11,748,277	11.76%
Total	99,867,194	100%	99,867,194	100%

Transactions during the year ended March 31, 2015

On March 18, 2015, United Phosphorus Indústria e Comércio de Produtos Químicos Ltda. (“United”) acquired remaining non-controlling interest shares from non-controlling shareholders, represented by 26,964,143 shares, increasing their interest from 26.39% as of March 31, 2014 to 53.39% as of March 31, 2015.

Transactions during the year ended March 31, 2014

On March 1, 2014 the Company´s share capital was increased by R$32,292 based on the issuance of 48,196,760 new shares. The Company´s ultimate controlling shareholder Uniphos Indústria e Comércio de Produtos Químicos Ltda. (“Uniphos”) acquired 46,551,130 shares and the noncontrolling shareholder DVA Empreendimentos S.A. acquired 1,645,630 shares of the Company. As a result of this corporate transaction, the shareholder United Phosphorus Indústria e Comércio de Produtos Químicos Ltda. (“United”) diluted its investment in the Company from previous 51% as of March 31, 2013 to 26,39% as of March 31, 2014 and Uniphos invests 46,61% as of March 31, 2014.

b) Capital reserve

On July 25, 2011, United provided R$175,462 in cash to the Company, for which R$20,114 was allocated as share capital and R$155,354 was allocated as share premium.

c) Legal reserve

Recognized pursuant to the corporate legislation and articles of organization, based on 5% (five percent) of net income for the year.

d) Dividends

The shareholders are entitled to annual mandatory minimum dividends of 5% (five percent) of net income for the year after recognition of legal reserve and as statutorily adjusted, when applicable.

	March 31, 2015
Net income for the year	41,845
(-) Compensation of accumulated losses	(32,085)
(-) Recognition of legal reserve - 5%	(488)
Base income for calculating mandatory minimum dividends	9,272
Mandatory minimum dividends - 5%	464
Dividend per share - in R$	0.005

e) Income per share

In compliance with technical pronouncement, the following table reconciles the net income to the amounts used to calculate the basic and diluted income per share:

	March 31, 2015	March 31, 2014
Net income for the year	41,485	7,643
Weighted average of shares issued (in thousands)	99,867	55,764
Basic and diluted loss per share in Brazilian Reais	0,419	0.137

16. FINANCIAL INSTRUMENTS AND OPERATING RISKS

Financial assets and liabilities are stated in the financial statements at cost, plus income earned and less expenses incurred through the end of the reporting period, which approximate the fair values for transactions with similar nature and risks.

The main market risk factors that affect the Company's and its subsidiaries' businesses are as follows:

- Credit risk: arises from the possibility of the Company not receiving amounts arising from sales. To mitigate this risk, the Company perform a detailed analysis of the financial position of their customers, establishing an ongoing monitoring of the debt balance of their counterparties.

- Price risk of products sold or manufactured or inputs acquired arises from the possibility of fluctuations in the market prices of products sold or manufactured by the Company and other inputs used in the production process. These price fluctuations may cause substantial changes in the Company and subsidiaries' revenues and costs. In order to mitigate these risks, the Company perform an ongoing monitoring of local and foreign markets, seeking to anticipate any price changes.

- Interest rate risk: this risk arises from the possibility of the Company incurring losses because of fluctuations in interest rates that increase the financial expenses related to borrowings and financing. Borrowings are controlled in terms of exposure and contracted rates, considering their nature, to avoid exposing the Company to excessive risks.

- Exchange rate risk: this risk arises from the possibility of the Company incurring losses or cash constraints due to fluctuations in exchange rates, affecting the balance of foreign currency-denominated assets (or liabilities).

Derivative financial instruments

As mentioned above, during the year ended March 31, 2015 the Company contracted derivatives to reduce its liabilities exposure to exchange variation, mainly U.S. dollars. As a result of the hedges acquired to reduce such exposures, during the year ended March 31, 2015 the Company recorded the amount of R$78,885 of gains in hedging transactions which is recorded in financial income and expenses captions in the statement of income. Since the related instrument is combined for receivables, payables and borrowing and financing, the Company's management has allocated the aforesaid gain in hedging transaction in the proportion of their respective average balances during the year ended March 31, 2015 as follow:

Balances denominated in foreign currency - U.S dollars	Average balance during the year ended March 31, 2015	Balance as of March 31, 2015	Hedge gain (loss)
	R$	R$	R$
Operating activities			
Trade account receivables	(279,638)	(314,545)	41,055
Trade payables	245,791	231,348	
Related parties (liabilitiies)	220,978	222,981	
Operating exposure - liabilities	187,131	139,784	
Financing activities			
Borrowing and financing	136,988	133,140	37,830
Financing exposure - liabilities	136,988	133,140	
Net exposure - liabilities	324,119	272,924	78,885

The average balances and balances as of March 31, 2015 for each caption refer to the Brazilian Real amounts of assets and liabilities denominated in U.S.dollars currency.

As of March 31, 2015, the position of derivative financial instruments and the adjustment at the fair value recorded in the balance sheet is as follow:

Transaction	Maturity	Position	Fixed rate (US$)	Notional amount	Fair value	Adjustment
March 31, 2015						
NDF - U.S. dollar	6/25/2015	Long	2.4370	22,244	29,371	7,488
NDF - U.S. dollar	4/02/2015	Long	2.8939	21,434	23,738	2,305
NDF - U.S. dollar	4/02/2015	Long	2.8894	21,670	24,018	2,348
NDF - U.S. dollar	4/02/2015	Long	2.8938	27,491	30,478	2,987
NDF - U.S. dollar	4/02/2015	Long	3.1557	3,162	3,215	53
NDF - U.S. dollar	4/02/2015	Long	2.8940	27,493	30,059	2,566
NDF - U.S. dollar	5/05/2015	Long	2.7602	110,408	129,010	18,601
Total				233,902	269,889	36,348

As of March 31, 2014, the position of derivative financial instruments and the adjustment at the fair value recorded in the balance sheet is as follow:

Transaction	Maturity	Position	Fixed rate (US$)	Notional amount	Fair value	Adjustment
March 31, 2014						
NDF - U.S. dollar	4/25/2014	Long	2.4176	4,439	4,189	(250)
NDF - U.S. dollar	6/30/2014	Short	2.4259	745	782	37
NDF - U.S. dollar	6/16/2014	Long	2.4483	4,512	4,264	(248)
NDF - U.S. dollar	9/07/2014	Long	2.4595	8,512	8,063	(449)
Total				18,208	17,298	(910)

Sensitivity analysis of the financial instruments

a. Interest rate risk:

The analysis is made considering the changes in the related interest rates: what would be the impact of the changes in interest rates on profit or loss under different scenarios. The table below summarizes all the Company’s positions impacted by the changes in interest rates.

Description	Notional amount	Impact in a probable scenario		Impact in a possible scenario		Impact in a remote scenario	
	R$	10%	-10%	25%	-25%	50%	-50%
March 31, 2015							
Borrowings with floating interest rate, without hedge	2,583	(258)	258	(646)	646	(1,292)	1,292
Investments with floating interest rate, without hedge	33,995	3,400	(3,400)	8,499	(8,499)	16,998	(16,998)
Impact on operating profit or loss		3,142	(3,142)	7,853	(7,853)	15,706	(15,706)

In the scenario above, the interest rate was combined in two manners under three scenarios: probable, possible and remote. For these scenarios, the changes shown above were presumed (e.g.: +/- 10% of the interest rate in the probable scenario), based on observations of the current market conditions. All other variables of the amounts above were kept constant.

Below are the main assumptions for the analysis:

- Borrowings with floating interest rate, without hedge.
- Investments with floating interest rate, without hedge.

The interest rates were compared with the LIBOR, CDI and TJLP.

b. Exchange rate risk:

The analysis is made considering the changes in the related exchange rates: what would be the impact of the changes in exchange rates on profit or loss or on equity under different scenarios.

Description	Notional amount	Impact in a probable scenario		Impact in a possible scenario		Impact in a remote scenario	
	US$	10%	-10%	20%	-20%	30%	-30%
March 31, 2015							
Reference exchange rate - US$	3.2080	3.5288	2.8872	3.8496	2.5664	4.1704	2.2456
Borrowing and financing in foreign currency	40,381	(12,954)	12,954	(25,908)	25,908	(38,862)	38,862
Financial liabilities in foreign currency	126,219	(40,491)	40,491	(80,982)	80,982	(121,473)	121,473
Financial assets in foreign currency	139,034	44,602	(44,602)	89,204	(89,204)	133,806	(133,806)
Impact on operating profit or loss		(8,843)	8,843	(17,686)	17,686	(26,529)	26,529

The table above shows the sensitivity of the Company's operating profit or loss and equity to possible changes in the currency parity.

The currency parity included in the analysis is the U.S. dollar against Reais.

Each parity was combined in two manners, under three scenarios: probable, possible and remote. For these scenarios, the changes shown above were presumed (e.g.: +/- 10% in the probable scenario), based on observations of the current market conditions. All other variables were kept constant.

Below are the main assumptions for the analysis:

- Net value of financial assets and liabilities in foreign currency.
- Receivables and payables in foreign currency.
- The fair value of derivative instruments of commodities denominated in foreign currency.
- The fair value of derivative instruments of exchange rate.

The impacts of these possible changes are stated in the operating profit or loss for each item.

c. Financial instruments by category

The main financial assets and financial liabilities are show below:

Financial assets	Book and fair value March 31, 2015	Book and fair value March 31, 2014
Loans and receivables:		
Cash and cash equivalents	35,014	24,667
Trade accounts receivable - current	617,354	388,578
Trade accounts receivable - non-current	3,030	7,709
Related parties receivable - current	2,829	478
Derivative financial instruments:		
Derivative financial instruments - current	36,348	-

Financial liabilities	Book and fair value March 31, 2015	Book and fair value March 31, 2014
Financial liabilities to amortized cost:		
Borrowings and financing - current	180,504	182,927
Trade payables - current	217,139	164,450
Related parties payables - current	222,981	79,170
Borrowings and financing - non-current	4,240	13,399
Derivative financial instruments:		
Derivative financial instruments - current	-	1,356

The measurement method used for calculating the fair value of financial assets and liabilities was the discounted cash flow with the ANBID benchmark index, considering the expected settlement or realization of assets and liabilities and the market rates prevailing at the information cut-off dates.

d. Liquidity risk management

The Company's Management has ultimate responsibility for the management of the liquidity risk and has prepared an appropriate liquidity risk management model to manage funding requirements and short, medium - and long-term liquidity management. The Company manages the liquidity risk through the continuous monitoring of estimated and actual cash flows, the combination of the maturity profiles of financial assets and liabilities and the maintenance of a close relationship with financial institutions, with regular disclosure of information to support credit decisions when external funds are necessary.

The table below details the remaining contractual maturity of the Company's financial liabilities and the contractual amortization as of March 31, 2015:

	3 months to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 5 years	Total undiscounted cash flows	Carrying amount at March 31, 2015
Borrowing and financing	182,985	4,709	-	141	187,835	184,744
Trade payables	217,066	73	-	-	217,139	217,139
Related parties payables	222,981	-	-	-	222,981	222,981
Other payables	16,615	-	-	-	16,615	16,615

17. NET REVENUES

	March 31, 2015	March 31, 2014
Sales of product	878,384	641,871
Returns and rebates	(37,940)	(42,083)
Taxes on sales	(21,558)	(15,170)
Present value adjustment	(63,126)	(44,282)
Net revenues	755,760	540,336

18. OPERATING COSTS AND EXPENSES BY NATURE

Costs and expenses by nature	March 31, 2015	March 31, 2014
Raw materials and consumables used	557,071	411,184
Salaries, charges and benefits	60,164	41,737
Freight	3,388	6,120
Services from third parties	16,113	12,814
Materials for use and consumption	4,348	3,966
Depreciation and amortization	14,313	11,393
Travel and lodging	7,341	4,817
Warehouse	4,213	2,646
Rental	2,110	2,080
Cost of discarded packaging´s	1,635	1,390
Inventories adjustment	(397)	412
Tax retention and other fees	589	1,441
Tax claim on ICMS VAT	-	6,300
Allowance for doubtful accounts	13,853	24,410
Present value adjustment of trade payables	(41,077)	(28,053)
Written-off of advances on trade payables	649	-
Other costs and expenses	10,986	8,104
Total of costs and operating expenses	655,299	510,761
Exchange variation on trade receivables and payables		
Exchange rate variation on trade receivables	(18,989)	(13,408)
Exchange rate variation on trade payables	70,787	17,707
Total of exchange variation on trade receivables and payables	51,798	4,299
Total of cost and operating expenses, including exchange variation	707,097	515,060
Classified as:		
Cost of sales	519,812	385,322
Selling expenses	44,787	51,619
General and administrative expenses	90,700	73,820
Exchange rate variation on trade receivables and payables	51,798	4,299
	707,097	515,060

19. FINANCE INCOME AND EXPENSES

	March 31, 2015	March 31, 2014
Finance income:		
Discounts obtained	290	304
Yield from investments	3,201	2,398
Present value adjustment of trade account receivable	49,874	39,199
Gain on derivative financial instruments, realized contracts	42,537	-
Gain on derivative financial instruments, non realized contracts	36,348	-
Other finance income	3,778	-
	136,028	41,901
Finance expenses:		
Loss on derivative financial instruments	-	(278)
Cash discount	(159)	(498)
Discounts granted and other exchange rate effect	(11,562)	(6,344)
Interest on borrowings and financing	(15,135)	(17,952)
Present value adjustment of trade payables	(35,268)	(22,680)
Interest on remised trade receivables	(5,080)	(1,579)
Other finance expenses	(954)	(1,071)
	(68,159)	(50,402)
Exchange rate variation on borrowing and financing	(39,939)	(3,179)

20. EMPLOYEE BENEFITS

The Company offers to its employees' health care benefits, dental reimbursement, life insurance, meal ticket, transportation voucher, among others. The expense on such benefits, recorded during the year ended March 31, 2015 was R$3,300 (R$2,487 for the year ended March 31, 2014).

21. INSURANCE

The Company have insurance contracts for operational risks, vehicles, civil liability - property damage, bodily injury and general civil liability. The coverage of these insurance contracts is determined by specialists, in amounts considered by Management sufficient to cover eventual risks on its assets and/or liabilities. As of March 31, 2015, insurance coverage is as follows:

Coverage	Effective period	Coverage amount
Plant		
Fire, including fire caused by riot, strikes, aircraft crashes, lightning and explosions of any nature	2/10/2014 to 2/10/2015 extended until 4/11/2015	70,000
Electrical damages		200
Windstorm, hurricane, cyclone, tornado, hail and smoke		2,000
Falling Aircraft or any other gadgets Aereos		3,000
Impact of land vehicles		3,000
Robbery and theft		1,000
Riots, strikes e lock out		400
Deterioration of products in refrigerated environments		510
Stationary equipment in the facilities		800
Recovery of records and documents		100
Fixed expenses		1,956
Internal Moving		3,000
Others		610

Coverage	Effective period	Coverage amount
Office		
Fire		8,000
Electrical damages		200
Recovery of records and documents		500
Fixed expenses		400
Electronic equipment	12/19/2014	250
Equipment/Portable objects	to 12/19/2015	20
Loss/ Rent		801
Breaking windows/mirrors		100
Robbery and theft		300
Windstorm, hurricane, cyclone, tornado, hail and smoke		1,000
Civil liability of Management	4/11/2014 to 4/11/2015	20,000
Civil liability		
Civil liability of Employer		
Civil Liability Fairs and Exhibitions		
Civil Liability Robbery / Theft Third Party Goods		
Contingent Liability Vehicles and Transport Employees		15,000
Liability Products in the National Territory	5/11/2014	
Liability Products Abroad	to 5/11/2015	
Civil Liability for Project Error in Brazil and abroad		
Liability Vehicle Guard		1,000
Moral damage		3,000
International transport insurance	8/14/2014 to 8/14/2015	100% of value imported
Vehicles Insurance	12/10/2014 to 12/10/2015	100% of vehicles

22. TRANSACTIONS NOT AFFECTING CASH

Changes in equity not affecting the Company’s cash flows are as follows:

	March 31, 2014
Purchases of property, plant and equipment with financing leasing	1,475

23. NET PRESENT VALUE ADJUSTMENT

As required by its Parent Company, in order for them to follow Indian accounting practices ("Indian GAAP"), the following are the adjustments that could be made if the net present value needs to be reversed for the purposes of Indian GAAP:

Closing balance sheet entry (March 31, 2013):	
Dr. Trade accounts receivable	12,506
Cr. Retained earnings	10,228
Cr. Net effect on profit and loss	645
Cr. Trade payables	2,923
Current period entry (April 1, 2013 to February 28, 2014):	
Dr. Trade accounts receivable	6,636
Cr. Trade payables	5,588
Dr. Cost of sales	26,527
Dr. Finance income	33,805
Cr. Net revenues	40,441
Cr. Finance expenses	20,939
Closing balance sheet entry (February 28, 2014):	
Dr. Trade accounts receivable	19,143
Cr. Retained earnings	9,584
Cr. Net effect on profit and loss	1,048
Cr. Trade payables	8,511
Current period entry (March 1, 2014 to March 31, 2014):	
Cr. Trade accounts receivable	1,553
Dr. Trade payables	215
Dr. Cost of sales	1,525
Dr. Finance income	5,394
Cr. Net revenues	3,840
Cr. Finance expenses	1,741
Closing balance sheet entry (March 31, 2014):	
Dr. Trade accounts receivable	17,589
Cr. Retained earnings	9,584
Dr. Net effect on profit and loss	291
Cr. Trade payables	8,296
Current period entry (April 1, 2014 to March 31, 2015):	
Dr. Trade accounts receivable	13,252
Cr. Trade payables	5,807
Dr. Cost of sales	41,075
Dr. Finance income	49,874
Cr. Net revenues	63,126
Cr. Finance expenses	35,268
Closing balance sheet entry (March 31, 2015):	
Dr. Trade accounts receivable	30,841
Cr. Retained earnings	9,293
Cr. Net effect on profit and loss	7,446
Cr. Trade payables	14,102

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2015 were approved by the shareholders and authorized for issue on April 15, 2015.