



United Phosphorus Holdings Brazil B.V.

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

Authenticated
date 20-04-2017
Initials *JM*

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

		2017	2016
		EUR	EUR
Fixed assets			
Financial fixed assets	1	322,373,891	282,271,612
		<u>322,373,891</u>	<u>282,271,612</u>
Current assets			
Receivables (affiliated companies)	2	3,526,035	26,113,724
Other receivables		1,000,232	0
Cash and bank		47,979	260,429
		<u>4,574,246</u>	<u>26,374,153</u>
Current liabilities	3	7,904,535	27,942,078
Current assets less current liabilities		(3,330,289)	(1,567,925)
Long term loans	4	31,774,636	119,584,562
Total assets less liabilities		<u><u>287,268,966</u></u>	<u><u>161,119,125</u></u>
Shareholder's equity	5		
Issued capital		18,200	18,200
Share premium		300,519,296	170,313,798
Retained earnings		(9,212,873)	(5,468,222)
Unallocated result		(4,055,657)	(3,744,651)
		<u><u>287,268,966</u></u>	<u><u>161,119,125</u></u>

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

Previous Year figures have been regrouped or rearranged wherever necessary.

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Profit and loss account for the year ended 31 March 2017

		2017 EUR	2016 EUR
Net sales		732,105	449,396
Cost of sales		727,515	447,264
Gross Margin		<u>4,590</u>	<u>2,132</u>
Administrative expenses	6	14,261	4,730
Operating result		<u>(9,671)</u>	<u>(2,598)</u>
Financial income/(expense)	7		
Interest income		4	10,942,484
Interest expense		(1,916,494)	(14,591,718)
Currency exchange gain/(loss)		(184,119)	(1,005,777)
		<u>(2,100,609)</u>	<u>(4,655,011)</u>
Result before taxation		<u>(2,110,280)</u>	<u>(4,657,609)</u>
Income tax charge	8	1,945,377	(912,958)
Net result for the year		<u><u>(4,055,657)</u></u>	<u><u>(3,744,651)</u></u>

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

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

General

Kelly Beheer B.V. which has been founded on 28 August 1998 changed their name into Regentstreet B.V. effective 26 November 2009. Effective 9 May 2011 this name was changed to United Phosphorus Holdings Brazil B.V..

United Phosphorus Holdings Brazil B.V. ("the Company"), having its legal seat in Amsterdam, the Netherlands, is directly and fully owned by United Phosphorus Holdings B.V. in Vondelingenplaat, The Netherlands for 100% effective 23 February 2011 and is ultimately a wholly owned subsidiary of UPL Limited, Mumbai, India.

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

Consolidation policy

As provided by Article 408 of part 9, Book 2 of the Netherlands Civil code, consolidated financial statements are not prepared by the company as the Company and its subsidiaries are included in the consolidated financial statements of UPL Limited Mumbai, 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:

- Uniphos Empreendimentos e Participacoes Ltda at Sao Paulo, Brazil, 100%;
This investment has been acquired in July 2011.
- 3SB Produtos Agrocolas S.A. at Primavera do Leste, Brazil, 40%;
This investment has been acquired in June 2016.
- Sinagro Produtos Agropecuarios S.A. at Primavera do Leste, Brazil, 40%;
This investment has been acquired in June 2016.

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.

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

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

Average number of employees

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

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

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United Phosphorus Holdings Brazil B.V.

Notes to the balance sheet

1 Financial fixed assets

	2017 EUR	2016 EUR
Investment Uniphos Empreendimentos e Participacoes Ltda	289,539,781	161,625,771
Investment 3SB Produtos Agrocolas S.A.	14,950,250	14,950,250
Investment Sinagro Produtos Agropecuarios S.A.	17,883,859	17,883,859
Loan to Uniphos Empreendimentos	0	87,811,732
Long term loan of USD 100,000,000 at LIBOR 6M + 5%		
	<u>322,373,890</u>	<u>282,271,612</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

2 Receivables

	2017 EUR	2016 EUR
Receivable from United Phosphorus Holdings Coöperatief U.A.	3,526,035	3,045,119
Receivable from Uniphos Empreendimentos	0	23,068,605
Other receivables	232	0
Withholdings tax	1,000,000	0
	<u>4,526,267</u>	<u>26,113,724</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

Contigent assets and liabilities

United Phosphorus Holdings Brazil B.V. forms part of the fiscal unity company tax with United Phosphorus Holdings Coöperatief U.A., United Phosphorus Holdings B.V., UPL Benelux B.V. and Cerexagri B.V. And is therefore jointly and severally liable for the liabilities of that partnership.

3 Current liabilities

	2017 EUR	2016 EUR
Accrual	1,500	1,500
Payable to UPL Ltd. Gibraltar	0	1,326,973
Payable to United Phosphorus Holdings B.V.	7,903,035	26,613,220
Other payables	0	385
	<u>7,904,535</u>	<u>27,942,078</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

4 Long term loans

	2017 EUR	2016 EUR
Loan from United Phosphorus Holdings B.V.	31,774,636	69,263,425
Long term BRL loan at CDI + 1%		
Long term Euro loan at LIBOR 6M + 2.5%		
Long term USD loan at LIBOR 6M + 4.75%		
Loan from UPL Ltd. Gibraltar		
Long term BRL loan at CDI + 1%	0	50,321,137
Long term USD loan at LIBOR 6M + 4.75%		
	<u>31,774,636</u>	<u>119,584,562</u>

Previous Year figures have been regrouped or rearranged wherever necessary.

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5 Shareholder's equity

The movement in equity is as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2016	18,200	170,313,798	(5,468,222)	(3,744,651)	161,119,125
Addition	0	130,205,498	0	0	130,205,498
Allocation of 2016 net result	0	0	(3,744,651)	3,744,651	0
Net result 2017	0	0	0	(4,055,657)	(4,055,657)
Balance 31 March 2017	<u>18,200</u>	<u>300,519,296</u>	<u>(9,212,873)</u>	<u>(4,055,657)</u>	<u>287,268,966</u>

The movements in 2016 were as follows:

	Issued capital EUR	Share Premium EUR	Retained earnings EUR	Unallocated result EUR	Total EUR
Balance 1 April 2015	18,200	20,000,000	(8,306,480)	2,838,258	14,549,978
Addition	0	150,313,798	0	0	150,313,798
Allocation of 2015 net result	0	0	2,838,258	(2,838,258)	0
Net result 2016	0	0	0	(3,744,651)	(3,744,651)
Balance 31 March 2016	<u>18,200</u>	<u>170,313,798</u>	<u>(5,468,222)</u>	<u>(3,744,651)</u>	<u>161,119,125</u>

The Company's authorised capital amounts to EUR 91,000 consisting of 91,000 shares with a par value of EUR 1 each. At 31 March 2017 18,200 shares have been issued and fully paid, amounting to EUR 18,200.

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Notes to the profit and loss account

6 Administrative expenses

Administrative expenses can be detailed as follows:

	2017 EUR	2016 EUR
Legal & Professional Fees	6,713	696
Auditor's Remuneration	5,806	1,500
Bank charges	1,742	2,534
	<u>14,261</u>	<u>4,730</u>

7 Financial income and expenses

	2017 EUR	2016 EUR
Exchange difference	184,119	(1,005,777)
Interest income group companies	0	10,942,484
Interest expenses group companies	1,916,494	(14,591,718)
	<u>2,100,613</u>	<u>(4,655,011)</u>

8 Tax

	2017 EUR	2016 EUR
Corporate income tax United Phosphorus Holdings Brazil B.V.	<u>1,945,377</u>	<u>(912,958)</u>
Effective tax rate	-92.19%	19.60%

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

	2017 EUR	2016 EUR
Income tax charge / (benefit) per the profit and loss account	1,945,377	(912,958)
Statutory tax charge / (benefit)	(527,570)	(1,164,402)
	<u>(2,472,947)</u>	<u>(251,444)</u>

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

	2017 EUR	2016 EUR
Exchange difference	46,030	(251,444)
Withholding tax on loan conversion into equity	2,426,917	0
	<u>2,472,947</u>	<u>(251,444)</u>

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

Nature of transactions	Name of the related party	2017	2016
		EUR	EUR
Sales	UPL Europe Ltd.	732,105	449,396
Purchases	United Phosphorus Holdings B.V.	727,515	447,264
Interest expense	United Phosphorus Holdings B.V.	1,916,494	9,697,895
	UPL Ltd. Gibraltar	0	4,893,823
		<u>1,916,494</u>	<u>14,591,718</u>
Interest income	Uniphos Empreendimentos	0	5,186,378
	UPL Ltd. Gibraltar	0	5,756,268
		<u>0</u>	<u>10,942,646</u>

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Other information

Appropriation of the net result for the year

Article 20 of the Articles of Association of the Company provides that net income for the year is at the disposal of the Annual General Meeting of the Members.

The following appropriation of the result after taxes for the year ended 31 March 2017 is proposed to the General Meeting of the Members to transfer the net loss of EUR 4,055,657 to retained earnings. The result after tax for the year ended 31 March 2017 is included in the unappropriated results within the equity.

Proposed appropriation of net income

At present no decision has been taken with regard to the proposed appropriation of the net profit, pending the approval of the Company's shareholder.

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Accountants



Baker Tilly Berk N.V.
Anderlechtstraat 7
Postbus 8710
5605 LS Eindhoven
T: +31 (0)40 250 57 00
F: +31 (0)40 250 57 99
E: eindhoven@bakertillyberk.nl
KvK: 24425560
www.bakertillyberk.nl

To: the Board of Directors of
United Phosphorus Holdings Brazil 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 Brazil B.V., at Amsterdam, for the period 1 April 2016 until 31 March 2017 as identified by us for identification purposes.

Opinion with respect to the financial statements

In our opinion, the non-statutory financial statements of United Phosphorus Holdings Brazil B.V. as at 31 March 2017 and its result for the period 1 April 2016 until 31 March 2017 are prepared in all material respects, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of matter

We draw attention to the fact that the non-statutory financial statements have been prepared for consolidation purposes of UPL Ltd. only. The non-statutory financial statements of United Phosphorus Holdings Brazil B.V. and our auditor's report thereon are intended solely for UPL Ltd. and are not suitable for other purposes.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report. We are independent of United Phosphorus Holdings Brazil B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Auditors, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Description of responsibilities regarding the non-statutory financial statements

Management's responsibility

Management is responsible for the preparation and fair presentation of these non-statutory financial statements, in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

The non-statutory financial statements have been prepared solely for consolidation purposes of UPL Ltd.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and Part 9 of Book 2 of the Dutch Civil Code.

This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-statutory financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-statutory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-statutory financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-statutory financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-statutory financial statements.

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



drs. H.G.W. van Gerwen RA

Initial for identification purposes:

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