SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

United Phosphorus Cayman Limited and its Colombian Branch

Year ended March 31, 2017
with Independent Auditor Report

United Phosphorus Cayman Limited and its Colombian Branch

Special Purpose Consolidated Financial Statements

Year ended March 31, 2017 and 2016

Content

United Phosphorus Cayman Limited and its Colombian Branch

Special Purpose Consolidated Financial Statements

Year ended March 31, 2017 and 2016

Content

Building a better working world

Independent Auditor's Report

To the Board of Directors of
United Phosphorus Cayman Limited
Cayman Island

Independent auditors' report on the special purposes Consolidated Financial Statements

As requested in the instructions dated February 24, 2017 received from auditors of the main office of the Company, we have examined the accompanying special-purpose consolidated financial statements of United Phosphorus Cayman Limited and its Colombian Branch, which comprise the consolidated statement of financial position at March 31, 2017 and the consolidated statement of comprehensive income, statement of changes in equity for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management's responsibility for the special purposes financial statements

Management is responsible for the preparation and fair presentation of the special-purpose consolidated financial statements in accordance with Accounting and Accounting and Financial Information Standards accepted in Colombia; of designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; and selecting and applying appropriate accounting policies and making estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these special - purpose consolidated financial statements based on our audit. We conducted our audit in accordance with 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purposes consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special - purpose consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our 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.

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Basis for qualified opinion

Accounting and Financial Information Standards accepted in Colombia (based in IFRS), require that the company prepare a full set of financial statements which include, the financial position, the result of its operations and the cash flows. Those standards require, as well, that the first time Company apply Accounting and Financial Information Standards, restate the comparative information, including statements of financial position, result of its operations and cash flows, and include all adjustments made in the opening balances as and adjustments in retaining earnings.

Company did not restate previous year financial statements prepared under COLGAAP, which considered Colombian peso as functional currency, to conform to Accounting and financial information standards where the functional currency is USD. Therefore, comparative information related to the statements of financial position, result of the operations and equity, were included by management just for reference purposes and do not comply with new standards. Cash flow for the year ended March 2017, was not included considering the comparative information was not restated to conform to Accounting and Financial Information Standards accepted in Colombia.

In terms of disclosures, attached financial statements do not include a reconciliation between corporate income tax and Company effective tax rate, neither a reconciliation of the movement by each element of the property plant and equipment, both of them required by Accounting and Financial Information Standards.

Opinion

In our opinion, except for the effect of the matters described above, the special - purpose consolidated financial statements, present fairly, in all material respects, the financial position of United Phosphorus Cayman Limited and its Colombian Branch as of March 31, 2017, and the results of its operations for the year then ended, in accordance with Accounting and Financial Information Standards accepted in Colombia

Restriction on use

The special purpose consolidated financial statement has been prepared for purposes of providing information to United Phosphorus Limited to enable it to prepare the group consolidated financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for United Phosphorus Cayman Limited and their shareholders and should not be distributed to parties other than United Phosphorus Cayman Limited and their shareholders.

Henry E. Barrera López
Professional Card 75239-T
Independent Accountant

Barranquilla, Colombia
April 22, 2017

United Phosphorus Cayman Limited and its Colombian Branch

Consolidated Statement of Comprehensive Income

	Note		March, 2017		2016 (Unaudited)
			(In US Dollars)		
Operating income	5	**$**	**34,895,500**	$	44,371,099
Other income	6		**196,086**		67,693
Financial income	7		**150,597**		183,445
Cost of sales and rendering of services	9		**(27,911,009)**		(30,950,722)
Expenses for employee benefits	8		**(3,205,151)**		(2,855,789)
Severance pay			**(203,755)**		(31,774)
Depreciation and amortization	11		**(796,219)**		(605,714)
Other operational expenses	12		**(1,501,202)**		(2,857,278)
Exchange difference - income			**135,748**		(844,217)
Financial expenses	10		**(2,674,639)**		(922,543)
Net (loss) income before income tax provision			**(914,044)**		5,554,200
Income and CREE taxes	13		**(499,233)**		(1,165,042)
Deferred tax	13		**799,622**		63,087
Net income for the year		**$**	**(613,655)**	$	4,452,245

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

United Phosphorus Cayman Limited and its Colombian Branch

Consolidated Statements of Financial Position

	Note		March, 2017		March, 2016 (Unaudited)
			(In US Dollars)		
Assets					
Non-current assets					
Property, plant and equipment	14	**$**	**53,690,587**	$	18,386,871
Intangible assets	15		**17,579**		21,963
			53,708,166		18,408,834
Current assets					
Inventories	16		**5,747,635**		2,523,599
Trade and other receivables	17.1		**1,503,992**		2,583,244
Account receivable to related parties	17.5		**7,152,412**		9,690,153
Tax assets			**909,350**		749,744
Prepayments			**13,081**		13,072
Short-term investments			**–**		61,878
Cash and equivalents	18		**843,147**		3,113,666
Total assets		**$**	**69,877,782**	$	37,144,190
Equity and liabilities					
Equity					
Assigned capital	19.1	**$**	**0,01**	$	0,01
Supplementary investment			**–**		–
Net income for the period			**(613,655)**		4,452,245
Retained earnings			**9,454,851**		1,203,166
Other capital reserves			**103,223**		245,643
Other comprehensive income			**–**		(1,834,398)
Total equity			**8,944,419**		4,066,656
Non-current liabilities					
Interest-bearing loans and borrowings	17.3		**33,839,240**		–
Deferred tax	13		**1,252,685**		119,312
			35,091,925		119,312
Current liabilities					
Trade and other payables	17.2		**11,429,949**		5,964,423
Account payable to related parties	17.5		**3,568,059**		2,955,161
Interest-bearing loans and borrowings	17.3		**9,412,527**		9,667,020
Other current financial liabilities	17.4		**807,972**		13,798,945
Employee benefits	21		**362,923**		377,852
Income tax payable and others	13		**260,008**		194,821
Total liabilities			**60,933,363**		33,077,534
Total equity and liabilities		**$**	**69,877,782**	$	37,144,190

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

United Phosphorus Cayman Limited and its Colombian Branch

Consolidated Statements of Changes in Equity

	Paid-in Capital	Reserves	Accumulated Profits	Cumulative Translation Adjustments	Net (Loss) Profit of the Year	Total
	(In US Dollars)					
Balance at March 31, 2015 (Unaudited)	$ 0,01	$ 433,567	$ 3,800,799	$ (1,317,294)	$ (2,785,557)	$ 131,515
Translation adjustments	–	–	–	(517,104)	–	(517,104)
Reserves movements	–	(187,924)	187,924		–	–
Reclassifications	–		(2,785,557)		2,785,557	–
Net loss of the year	–	–	–		4,452,245	4,452,245
Balance at March 31, 2016 (Unaudited)	0,01	245,643	1,203,166	(1,834,398)	4,452,245	4,066,656
Effect in adoption IFRS *(Note 22)*	**–**	**(142,420)**	**3,799,440**	**1,834,398**	**–**	**5,491,418**
Reclassifications	**–**	**–**	**4,452,245**	**–**	**(4,452,245)**	**–**
Net profit of the year	**–**	**–**	**–**	**–**	**(613,655)**	**(613,655)**
Balance at March 31, 2017	**$ 0,01**	**$ 103,223**	**$ 9,454,851**	**$ –**	**$ (613,655)**	**$ 8,944,419**

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

1. Organization and Summary of Significant Accounting Policies

Organization

In April 29, 2010, United Phosphorus Cayman Limited (the Company) was incorporated according to local law in the Cayman Islands. Its corporate purpose is to carry on business of an investment company to acquire, invest and hold by way of investment, sell and deal in shares, stocks, options, debenture stock, bonds, obligations, certificates of deposit, bills of exchange and securities of all kinds created, issued or guaranteed by any government, sovereign, ruler, commissioner, public body or authority in any part of the world.

Uniphos Colombia Plant Limited (the Branch), was organized on May 26, 2010, as a branch of the foreign company United Phosphorus Cayman Limited, and its duration is until 2060. Its corporate purpose consists of developing importation, exportation, manufacturing, refining, transformation, purchase, sale, distribution or commercialization of organic or inorganic products, chemical intermediaries, agrichemical, seeds, synthetic fibers, and minerals and its products or by-products. To comply with its corporate purpose, it counts upon a plant in Barranquilla (Atlántico) and the central administration in Barranquilla (Atlántico).

In June 2010, United Phosphorus de Colombia S.A.S., a company duly organized and validly existing under the laws of Colombia, entered into an Asset Purchase and Sale Agreement (APSA) with DuPont de Colombia S.A., to purchase some assets and assume some liabilities, contemplated in the first and second closing transactions.

In July 30, 2010, the Branch signed an Assignment Agreement with United Phosphorus de Colombia S.A.S., whereby the Branch acquired all rights and obligations related with the “second closing”, which includes the transfer of assets, permissions, licenses and authorizations issued by a governmental body, the existing or new collective agreement, any benefit provided or the maintenance plans and any other obligation in respect to the employees transferred; the sales price for the second closing was US$22,235,000. The APSA contract included the purchase of the assets corresponding to the production plants of fungicides and herbicides.

All conditions identified in Resolution 0525, April 29, 2010 of Departamento Técnico Administrativo del Medio Ambiente Barranquilla – DAMAB - as constituting a purported breach of applicable legal requirements, should be repaired, corrected or remediated by DuPont de Colombia S.A. at its cost (the Permit Project). DuPont had the sole responsibility for the development, design and construction of the wastewater treatment process necessary to complete the Permit Project.

In May 2011, the Branch signed a second amendment to the APSA contract with DuPont whereby it established the delivery of US$5,700,000 for the Branch to assume the total cost of the construction of the residual waters treatment plant. On July 28, 2011, an early termination notice was sent by the Branch to Du Pont whereby it accepts the responsibility for the construction of the Project on exchange for the payment of US1,800,000.

1. Organization and Summary of Significant Accounting Policies (continued)

Organization (continued)

E.I. Du Pont de Nemours and United Phosphorus Limited are the parties to the contract of Mancozeb Supply and Regulatory Support entered into June 2, 2010, which was amended and fully re-issued on May 31, 2011 through the Amended and Restated Mancozeb Supply and Regulatory Support Agreement; the Branch is taking care of the requirements of Du Pont in Barranquilla for the supply of the fungicides Manzate WG/DF and Manzate WP, in accordance with this agreement.

On May 31, 2011, Du Pont de Colombia S.A. and United Phosphorus Limited entered into the Karmex Toll Formulation contract for the rendering of the herbicides "maquila" services per the DuPont formulations. The contract term is of 18 months as of the effective date of the APSA second closing.

In according with the Code of Commerce, the Branch's assets in the accompanying balance sheets as well as those of its Home Office (the Company) are legally available to meet the obligation of both.

In 2014 new agreements with related parties were signed; for technical assistance in IT Support and special advisory in Mancozeb program.

2. Basis of Presentation of the Financial Statements

2.1. Professional Accounting Standards Applied

The Branch prepares its financial statements according to the accounting and financial information standards accepted in Colombia (NCIF, for its acronym in Spanish), established by the Law 1314, 2009, regulated by the decree 2420 of 2015, amended by decree 2496 of 2015 and 2131 of 2016. These accounting and financial information standards correspond to the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB, for its acronym in English) at December 31, 2013.

For the preparation of these financial statements, the Company has applied the accounting policies, judgments, estimates and significant accounting assumptions described in Note 4.

Consolidated financial statements at March 31, 2017, included adjustments against retained earnings by $4,489,887 related to the transition from previous GAAP into NCIF, indicated above. Se detailed explanations in Note 22.

2.2. Basis for Preparation

Until the year ended March 31, 2016, the Company prepared its financial statements in accordance with General Accepted Accounting Principles in Colombia. The financial information corresponding prior period included in the current financial statements for reference purposes only, has been modified just with certain reclassifications to maintain the same current presentation but were not restated to conform to Accounting and Financial Information Standards accepted in Colombia. The effects of changes between GAAP applied until March 31, 2016 and NCIF are explained in the summary reconciliation in Note 22.

2.2. Basis for Preparation (continued)

These financial statements have been prepared on a historical cost basis. These financial statements are presented in US Dollar, which is also the Company´s functional currency, except when otherwise indicated.

2.3. Basis of Consolidation

The consolidated financial statements include the investment accounts of United Phosphorus Cayman Limited and its Colombia branch. The most significant balances, transactions and profits among the companies have been eliminated in consolidation.

The consolidation method used was the global integration. By means of this method, total assets, liabilities, equity and results of the branch are incorporated to the financial statements of the controlling entity, after eliminating the investment in the controlling entity made by it in the branch equity, as well as the operations and reciprocal balances existing at the cut-off date of the consolidated financial statements.

Below are assets, liabilities, equity and net profit or loss, of the entities included in the special purpose consolidated financial statements:

March 31, 2017

	UCPL Colombia Branch US$	UP Cayman US$
Assets	**$ 69,377,554**	**$ 2,862,229**
Liabilities	**58,954,154**	**1,979,209**
Net equity	**11,467,443**	**883,020**
Net loss (profit) of the year	**$ (1,044,043)**	**$ 430,389**

March 31, 2016

	UCPL Colombia Branch US$	UP Cayman US$
Assets	$ 37,144,190	$ 2,762,600
Liabilities	31,734,371	2,309,970
Net equity	5,976,024	452,630
Net profit of the year	$ 3,534,496	$ 416,934

3. Summary of Significant Accounting Policies

3.1. Foreign Currencies

Functional Currency and Presentation Currency

The company determines the functional currency (USD Dollar) based on the fact the sale prices for goods are determined, denominated and agreed in such currency. Goods purchases are mostly denominated in USD dollars and the cash flows of its regular operating activities are maintained in USD dollars for their subsequent use in that same currency.

For the legal purposes in Colombia, the main financial statements are the individual financial statements, which must be fill in Colombian pesos, for this purposes Company translated USD dollars into Colombian Pesos following IAS 21 considerations.

Transactions and Balances in foreign Currency

Transactions in foreign currencies are initially recorded at their respective functional currency spot rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss in the other comprehensive income or expenses or in the line of income or financial costs, whichever the nature of the asset or liability generating them.

Exchange Rates Used

Foreign currency transactions are made in accordance with legal regulations and are recorded at the applicable exchange rates on the date they occur. Balances denominated in foreign currencies are expressed in USD Dollar at the representative exchange rate of $2,969.57 pesos per US $ 1 at March 31, 2017.

3.2. Cash and Cash Equivalents

Cash in the statement of financial position comprise cash at banks and on hand freely available. The company considered cash equivalents, liquid and freely available short-term investments, which without notice or significant cost may easily become a specific amount of cash, and are subject to a low risk of changes in value, with a maturity of three months or less, whose main objective is not the investment or similar, but short term compromises.

3.3. Inventories

Branch has classified its inventories in raw materials, work in progress, finished goods and in transit. Inventories are valued at the lower of cost and net realizable value.

3.3. Inventories (continued)

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Spare parts: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: are measured at standard cost, which is similar to actual costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.4. Property, Plant and Equipment

Initial Measurement

Elements of the property, plant and equipment of the Company are initially recognized at their cost. Such cost includes the cost of acquisition less discounts, non-recoverable taxes, customs duties, costs of disassembly, other costs for installation and assembly.

Improvements and property, plant and equipment under construction, development or in the process of import to be used in the future, are registered at cost as under construction or machinery in assembly. When ready for the use, the accrued cost is transferred to the category of property, plant and equipment as corresponds. The disbursements because of repair and maintenance, which do not have the conditions for the recognition as asset and depreciation, are recognized as expenses in the period they are incurred.

Subsequent Measurement

Depreciation is calculated under the method of straight line with basis upon the estimated useful life for each type of asset. Residual value of depreciable assets, estimated useful life and the methods of depreciation are periodically revised by the administration and are adjusted when resulting as pertinent, by the end of each year.

Depreciation of property, plant and equipment begins when the asset is available for use, this is, when it is in the location and necessary conditions to be capable of operating in the way intended by management and will cease when the asset were off the accounts.

Asset	Measurement	Depreciation	Useful Live (years)
Lands	Cost	N/A	N/A
Constructions in progress	Cost	N/A	N/A
Buildings	Cost	Straight-line	20
Machinery and equipment	Cost	Straight-line	10
Furniture	Cost	Straight-line	5
Communication and computer equipment	Cost	Straight-line	5
Vehicles	Cost	Straight-line	5

3.4. Property, Plant and Equipment (continued)

Subsequent Measurement (continued)

Any gain or loss on the sale or retirement of equipment is recognized in results of operations in the transaction year. Normal disbursements for maintenance and repairs are charged to expense and significant costs that improve efficiency or extend the useful life are capitalized.

3.5. Intangible Assets

Intangible assets are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortization and impairment losses.

A summary of the applied accounting policies:

	Licenses
Useful lives	3 Years
Amortization method used	Straight line
Internally generated or acquired	Acquired

3.6. Taxes

Income Tax

The expenses per income tax include the current taxes and deferred taxes and are recorded in accordance with IAS 12 “Taxes to profit”.

Current Income Tax, Income Tax for Equality (CREE)

The current income tax is based on the taxable income recorded during the year. Taxable profit differs from profit reported in the statement of income, due to the items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Liabilities in respect of the current tax is calculated using tax rates enacted or substantially approved at the end of the year.

Management periodically evaluates the position taken in tax returns with respect to situations in which the tax laws are subject to interpretation. Company, when applicable, constitutes provisions on amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred tax is recognized on temporary differences between the net book value of assets and liabilities included in the financial statements and the corresponding tax bases used to determine the taxable profit. Deferred tax liabilities are generally recognized for all temporary tax differences. A deferred tax asset is recognized for unused tax losses, tax credits, excesses of presumptive income ordinary income and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which can be used.

3.6. Taxes (continued)

Deferred Tax (continued)

These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than the business combination) of other assets and liabilities in a transaction that does not affect taxable profit or the accounting profit. Deferred tax asset is reviewed at the end of each reporting period and it is adjusted, to the extent that the Company will not have sufficient taxable profit in the future, as to allow to recover the whole or part of the asset.

Assets and deferred tax liabilities should be measured using tax rates that are expected to be applied in the year which asset is realized or the liability is settled, based on rates (and tax laws) that, at the end of the year, which reportedly have been approved or practically completed the approval process. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would be derived from the way in which the entity expects, at the end of the reporting period. To recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxes must be recognized in profit or loss, except to the extent that the temporary difference were recognized in other comprehensive income or directly in equity, in that case the deferred tax is also recognized in other comprehensive income or directly in equity.

Assets and liabilities by deferred taxes are compensated for presentation purposes if there is a legally enforceable right to offset those assets and liabilities and are related to the taxable income applied by the same tax authority on the same taxable entity.

3.7. Employee Benefits

The Branch recognizes employee benefits, when: i) the service has been received and has been rendered by the employee, ii) the value of the service received can be reliably measured iii) corresponds to laws and regulations or there is a constructive obligation, and iv) is probable an outflow of resources. They are short-term benefits (other than benefits for termination of contract), granted to officials, payable in a period not exceeding twelve (12) months after the close of the period which has been generated the obligation or provided the service, for example: wages, salaries, contributions to social security, raw material of services, holidays, etc.

The Company does not grant post-employment benefits, other non-current employee benefits.

3.8. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Branch and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue will be recognized:

i) As far as the services are rendered or the risks and benefits associated with goods sold, are transferred
ii) When is probable the generation of economic benefits associated with the activity and,
iii) When is possible to reliably determine the value thereof.

3.8. Revenue Recognition (continued)

Sale of Goods

The value of the revenue from ordinary activities derived of one transaction is determined, normally, under agreement between the Company and third party (customers), will be measured under fair value of the compensation, received or to be received, taking into account the amount of any discount, bonus or reduction that the Company may grant.

The Branch has concluded that it is the principal in all of this revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risk.

Rendering of Services

Revenues from tolling agreement with DuPont, are recognized when the tolled product is delivered.

3.9. Determination of Fair Values

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

a) Using recent arm’s length market transactions;
b) Reference to the current fair value of another instrument that is substantially the same;
c) A discounted cash flow analysis or other valuation models.

3.10. Financial Assets and Liabilities with Related Parties

In the extent that such transactions be celebrated without considering the same conditions like with independent parties, any difference, between the fair value and the consideration given or received, on the initial recognition will be recognized as an equity transaction (paid in capital or dividends paid)

Subsequently to the initial recognition, those credits or debts are measured at its amortized cost, using effective interest rate method. The amortization of the interest is recognized in the statement of comprehensive income as income or financial costs or as other operating income or expenses depend on the nature of the assets or the liabilities that originate them.

3.11. Provisions

Recognition and Measurement

Provisions are recognized when (i) there is a present obligation, either legal or implicit, as a result of past events (ii) it is likely that it requires an outflow of resources is required to settle the obligation and (iii) its amount can be reliably estimated.

4. Judgements and Significant Estimates and Assumptions

4.1. Judgements

The preparation of the financial statements in accordance with the NCIF, requires managements to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, as well as in the determination and disclosure of contingent assets and liabilities at the closing date of the period being reported. Uncertainly about, these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.2. Significant Estimates and Assumptions

In Management opinion, estimates were made based on its understanding of the relevant facts and circumstances at the date of preparation of the financial statements; However, the final results may differ from the estimates included in the financial statements. Management is expecting that changes, if any, do not have any significant effect on the consolidated financial statements.

Recovery of Deferred Tax Assets

The use of professional judgment is required to determine if the deferred tax assets must be recognized in the statement of financial situation. Deferred tax assets require the Management evaluation of the probability that the company generates taxable profits in future periods to use deferred taxes. Estimates of future taxable income are based on financial projections and the application of the tax laws in each jurisdiction. Insofar as future cash flows and the taxable income differ significantly from the estimates, this could affect the ability of the company to recover net deferred taxes recorded at the reporting date.

In addition, future changes in the tax laws could limit the company's ability to obtain tax deductions in future periods. Any difference between the estimates and the subsequent actual expenditure is recorded in the year in which it occurs.

Impairment of Long-Lived Assets

The Branch assesses at the end of each reporting period whether there is any indicator of impairment of any asset, in which case the Branch estimates the recoverable amount of the asset or assets according to IAS 36, in order to compare them with the net book value and recognize probable losses, understood as: "The amount by which the carrying amount of the asset exceeds its recoverable amount". Also, the company assesses whether there is a recovery of an impairment loss recognized in prior periods which, estimates new recoverable amount as appropriate.

At the date of the financial statements, available projections of these variables show favorable tendencies for the interests of CHM which support the recovery of its operating assets.

Legal Contingencies

At the date of the financial statements are issued, there may be conditions that result in losses for the Branch, but which will only be known if certain circumstances arise in the future. Such situations are evaluated by Management and legal advisers as to its nature, the probability that materialize and the amounts involved, to decide on changes to accrued amounts or revealed. This analysis includes the current legal processes against the Branch.

4.2. Significant Estimates and Assumptions (continued)

Legal Contingencies (continued)

The company recognizes provisions to cover estimated liabilities, probable loss contingencies. The other contingent liabilities are not recognized in the financial statements, but are disclosed in notes to the financial statements, unless the possibility of that is disbursed an economic flow is remote. A contingent asset is not recognized in the financial statements, but is revealed when their level of contingency is probable.

4.3. Accounting Standards and Financial Information Accepted in Colombia Issued Not yet in Force

Annual Improvements to the IFRS: cycle 2010-2012 (December 2013): IAS 16 Property, Plant and Equipment; IAS 24 Information to Disclose of the Related Parties; IAS 38 Intangibles Assets

IAS 24 Related Party Disclosures

The amendment applies retroactively and clarifies that a management entity (an entity that provides services of key management personnel) is a related party subject to disclosure by related parties. In addition, a Company that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant to the company, as it does not receive management services from other entities.

Annual Improvements to the IFRS: Cycle 2011-2013 (December 2013): IFRS 1 First time adoption of International Financial Reporting Standards; IFRS 13 Fair Value Measurement

These amendments include:

IFRS 13 Measurement of the Fair Value

The amendment is applied in a prospective way and clarifies that the exception of portfolio in the IFRS 13 can be applied not only to financial assets and financial liabilities, but also for other contracts within the scope of the IAS 39.

New Accounting and Financial Reporting Standards (NCIF) Accepted in Colombia Applicable at January 1, 2017, With the Exception of IFRS 15 Applicable at January 1, 2018.

IFRS 9 Financial Instruments: Classification and Assessment

In July 2014, the IASB published the final version of IFRS 9 Financial Instruments that compiles all phases of the draft financial instruments and replaces IAS 39 Financial Instruments: valuation, classification, and all previous versions of IFRS 9. The standard introduces new requirements for classification, valuation, impairment and hedge accounting. IFRS 9 is applicable for fiscal years beginning on or after January 1, 2018, although Decree 2420 has established it by January 1, 2017 and allows for early application. Retroactive application is required, but no comparative information is required. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is allowed if the initial date of application is earlier than 1 February 2015.

4.3. Accounting Standards and Financial Information Accepted in Colombia Issued Not yet in Force (continued)

IFRS 14 Deferrals of Regulated Activities

Entities adopting IFRS 14 have to present the deferred accounts regulated as separate items in the statement of financial position and present the movements of those accounts as separate items in the income statement and in the statement of comprehensive income. The standard requires disclosures regarding the nature and risks associated with the entity's regulated rates, as well as the impacts of regulated rates on the financial statements. IFRS 14 is applicable to financial years beginning on or after 1 January 2016.

Annual Improvements to IFRS, Cycle 2010 – 2012

These improvements are effective as of July 1, 2014. Improvements include the following modifications:

IFRS 15 Revenue of Ordinary Activities Related with Contracts with Customers

IFRS 15 was published in May 2014 and establishes a new five-step model that applies to revenue from customer contracts. In accordance with IFRS 15 revenue is recognized at an amount that reflects the consideration that an entity expects to be entitled to receive in exchange for transferring goods or services to a customer. The principles of IFRS 15 involve a more structured approach to valuation and recording of income.

This new standard is applicable to all entities and will repeal all previous revenue recognition rules. A full retroactive or partial retroactive application is required for the years beginning January 1, 2018, allowing early application.

Amendments to IFRS 11: Accounting for Interest Acquisitions in Operations

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Amortization

These modifications cleared that revenues reflect a pattern of profits derived from the operation of a business (of which the asset is part), rather than the economic benefits that are consumed by the use of the asset. Therefore, the property, plant and equipment cannot be amortized using a revenue-based amortization method and can only be used in very limited circumstances to amortize intangible assets. These changes will be applied prospectively for periods beginning on or after January 1, 2016, although they may be applied in advance.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally arranged either through sale or distribution to their owners. The amendment clarifies that the change from one disposal method to another would not be considered a new disposal plan, but rather a continuation of the original plan. There is therefore no interruption in the application of the requirements of IFRS 5. This should be applied prospectively.

4.3. Accounting Standards and Financial Information Accepted in Colombia Issued Not yet in Force (continued)

IFRS 7 Financial Instruments: Disclosures

(i) Service Agreements

The amendment clarifies that a service contract that includes a fee may constitute ongoing involvement in a financial asset. An entity must assess the nature of the rate and according to the guide continued involvement in IFRS 7 in order to assess whether the disclosures are required.

Assessing which service delivery contracts constitute a continuing involvement must be done retrospectively. However, the disclosure requirement would not have to be provided for a period beginning before the annual period in which the entity applies the amendments for the first time.

(ii) Applicability of the Amendments to IFRS 7 to the Interim Financial Statements Condensed

The amendment clarifies that disclosure requirements do not apply to compensation condensed interim financial statements, unless such disclosures provide a significant update of the information reported in the most recent annual report. This amendment should be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that the depth of the market for high-quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high-quality corporate bonds in that currency, government bond rates should be used. This amendment should be applied prospectively.

IAS 34 Interim Financial Information

The amendments clarify that the required interim disclosures should be in the interim financial statements or incorporated by cross-referencing between the interim financial statements and either wherever interim financial information is included, (for example in management's comments or risk reports). The other information within the interim financial information should be available to users under the same conditions as the interim financial statements and at the same time. This amendment should be applied retrospectively.

Amendments to IAS 1 Disclosure Initiative

Amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, the existing requirements of IAS 1. The amendments clarify:

- The materiality requirements in IAS 1.
- Which specific lines in the income statements and IRO and financial statement can be disaggregated,
- That entities have flexibility in the order in which the notes are presented to the financial statements,
- That the participation in the OCI of associates and joint ventures accounted for using the equity method must be presented together in a single line and classified among those items that will be reclassified or subsequently reclassified to the income statement,

4.3. Accounting Standards and Financial Information Accepted in Colombia Issued Not yet in Force (continued)

In addition, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and income statements and ORI. These amendments are effective for annual periods beginning on or after January 1, 2017, with early adoption allowed.

5. Operating Incomes

	2017	2016
Export sales to related parties *(Note 17.5)*	**$ 29,485,357**	$ 34,361,435
Tolling sales to DuPont	**4,910,143**	9,509,664
Other *(Note 17.5)*	**500,000**	500,000
	$ 34,895,500	$ 44,371,099

6. Other Income

Recoveries	**$ 150,872**	$ 52,942
Other sales	**45,214**	13,068
Prior period income	**–**	1,683
	$ 196,086	$ 67,693

7. Financial Income

Interest on loans – subsidiaries *(Note 17.5)*	**$ 150,597**	$ 183,445

8. Expenses for Employee Benefits

Salaries	**$ 1,841,256**	$ 1,716,668
Social security	**679,144**	682,450
Other employee benefits	**192,492**	237,975
Other	**492,259**	218,696
	$ 3,205,151	$ 2,855,789

9. Cost of Sales and Rendering of Services

Finish goods	**$ 16,908,004**	$ 23,958,112
Packing material	**2,303,499**	1,456,700
Taxes	**259**	–
Rentals	**65**	–
Utilities	**3,803,875**	2,336,707
Legal expenses	**1,031,822**	1,151,087
Maintenance and repairs	**2,271,025**	1,247,947
Travel expenses	**122,247**	96,398
Net realizable value – inventory *(Note 16)*	**341,803**	135,960
Others	**1,128,410**	567,811
	$ 27,911,009	$ 30,950,722

10. Financial Expenses

		2017		2016
Interest and bank expenses	**$**	**1,448,279**	$	761,327
Tax on financial movements		**262,575**		128,142
Exchange difference		**963,785**		19,518
Other		**–**		13,556
	$	**2,674,639**	$	922,543

11. Depreciation and Amortization

Depreciation machinery and equipment *(Note 14)*	**$**	**661,855**	$	485,300
Depreciation on buildings *(Note 14)*		**97,903**		85,393
Depreciation on office equipment *(Note 14)*		**5,830**		5,948
Depreciation on computer and communication *(Note 14)*		**23,871**		24,315
Depreciation on software *(Note 15)*		**6,760**		4,758
	$	**796,219**	$	605,714

12. Other Operating Expenses

Insurances	**$**	**38,322**	$	30,000
Equity tax *(Note 13.4)*		**22,917**		29,485
Fees		**292,868**		167,784
Industry and commerce tax		**45,867**		50,276
Community expenses		**13,944**		13,235
Other taxes		**76,292**		72,330
Freight & forwarding		**996,403**		1,451,539
Other		**14,589**		1,042,629
	$	**1,501,202**	$	2,857,278

13. Income Tax Expense

Current Tax Assets and Liabilities

The following is the detail of the current tax assets and liabilities:

Current tax assets				
Income tax advance	**$**	**885,387**	$	526,842
Income tax CREE advance		**23,963**		–
VAT receivable		**–**		83,644
Other		**–**		139,258
	$	**909,350**	$	749,744

13. Income Tax Expense (continued)

	2017	2016
Current tax liabilities		
VAT	**$ 236,867**	$ 152,683
Withholding Industry and Commerce tax	**23,141**	42,138
	$ 260,008	$ 194,821

The main items of income tax expense for annual ended March 31, 2017 and 2016 are as follows:

	2017	2016
Current income tax:		
Current income tax expense	**$ 499,233**	$ 1,165,042
Deferred tax expense (income)	**(799,622)**	(63,087)
	$ (300,389)	$ 1,101,155

Deferred Income Tax

The net deferred tax asset / liability is composed of the following items:

	Statement of Financial Position	
	2017	2016 (Unaudited)
Property, plant and equipment	**$ (1,067,150)**	$ –
Intangible assets	**296**	–
Inventories	**16,623**	–
Other temporary differences	**(202,454)**	(119,312)
Net deferred	**$ (1,252,685)**	$ (119,312)

	Deferred Tax Liability
Deferred tax liability as of March 31, 2016	**$ (119,312)**
Additional adjustment - recognized against equity on deferred tax liability as of March 31, 2016 *(Note 22)*	**(1,932,995)**
Recognized regards income statements	**799,622**
Deferred tax liability as of March 31, 2017	**$ (1,252,685)**

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset current tax assets and liabilities; and in the case of deferred tax assets and liabilities, to the extent that they also correspond to income taxes required by the same tax entity.

In accordance with current tax legislation, losses generated in income tax and/or income tax for equality - CREE before 2017, should be offset against the net income obtained in 2017 and subsequent periods, taking into account the formula established in numeral 5, of article 290 of Law 1819 of 2016. The fiscal losses determined must not be adjusted fiscally.

13. Income Tax Expense (continued)

Deferred Income Tax (continued)

From 2017 onwards, companies will be able to offset the tax losses obtained in the current period, with the ordinary income generated in the 12 taxable periods following the attainment of the aforementioned tax losses, without prejudice to the Consequently, the deferred tax asset related to these tax losses has not been recognized, since Management has assessed and concluded that it is not probable that the deferred tax asset related to these tax losses will be recoverable. The subsidiaries that originated the losses do not have taxable temporary differences or have tax planning opportunities that could support the recognition of such impairments as a deferred tax asset.

The excesses of presumptive income and minimum base excesses generated before 2017 in income tax and in income tax for equality - CREE, respectively, will be offset by the ordinary net income obtained by the Company within the following 5 years, using for that purpose the formula established in numeral 6 of article 290 of law 1819 of 2016.

Firmness of Income Tax Returns and CREE

The tax authorities can review tax returns for 2016, 2015, 2014 and 2013 within 5 years from the date of filing and/or correction.

Starting in 2017, the general term of the tax returns will be 3 years from the date of expiration or presentation, when these have been submitted extemporaneously. Regarding to the transfer price declaration the firmness term will be 6 years.

Regarding those declarations in which balances are presented in favor, the term of firmness will be of 3 years, from the date of the presentation of the return request or compensation.

With respect to those tax returns in which tax losses are offset, they will be firm in 6 years, from the presentation date.

With respect to those declarations in which tax losses are settled, the firmness term will be 12 years and if the losses are compensated in the last 2 years of the 12 allowed, its firmness term will extend up to 3 more years from the Year of compensation.

Change in Income Tax Rates

Since 2013, the Income Tax for Equality (CREE) was created. This tax was calculated until December 31, 2016 based on the gross income obtained, less non-income income, costs, deductions, exempt income and occasional gains at a rate of 9%.

Law 1739 of 2014 established a surtax to the income tax for equality (CREE) progressive and temporary from the year 2015 starting with 5% and for 2016 the 6%, applicable to taxable bases of COP$800 million ($269,390) onwards.

Law 1819 of 2016 eliminated the CREE tax and the CREE tax surcharge for the years 2017 and 2018 and in turn increased the general income tax rate to 34% for 2017 and 33% for subsequent years creating an over-tax rate for Income tax of 6% and 4% for the fiscal years 2017 and 2018, respectively, applicable to taxable bases of COP$800 million ($269,390) onwards.

13. Income Tax Expense (continued)

Other Aspects

Dividend Tax

On profits generated from 2017, it will apply to foreign companies and entities the new tax on dividends.

The rate of this tax will be 5%. On the other hand, the dividend taxed with income tax, will have a rate of 35%. In this scenario, the 5% dividend tax will apply to the amount of the taxed distribution, once it has been reduced with the income tax at the 35% rate.

For natural persons resident in Colombia, the tax on dividends will have a maximum rate of 10% that will be levied on untaxed dividends and 35% on dividends distributed as taxable.

Presumptive Income

The net income of the taxpayer cannot be less than 3% of its net worth, on the last day of the immediately preceding taxable year. From the year, 2017 will be 3.5%.

Transfer Pricing

Income taxpayers who enter into transactions with related parties or related parties from abroad are required to determine, for the purposes of income tax, their ordinary and extraordinary income, their costs and deductions, their assets and liabilities, considering for these the prices and profit margins that had been used in comparable transactions between unrelated or economically.

Independent consultants are updating the transfer pricing study, required by tax provisions designed to demonstrate that transactions with related parties from abroad were made at market value during 2016. For this purpose, the Company will present an informative statement and will make available the said study by the end of July 2017. The breach of transfer pricing regime may result in financial penalties and higher income tax; However, Management and its advisors are of the opinion that the study will be timely concluded and will not bring significant changes to the basis used for the determination of the income tax provision for 2016.

Sales tax (VAT)

As of the taxable year 2017, the general tax on sales tax is nineteen percent (19%) and a differential rate of 5% for certain goods and services in accordance with articles 184 and 185 of Law 1819 of 2016.

As of the taxable year 2017, the taxable event was extended to the sale of goods in general, the sale or concession of intangibles related to industrial property, and to the provision of services in Colombia, or from abroad, with the exception of exclusions Express of the norm, in accordance with article 173 of law 1819 of 2016.

From the taxable year 2017, the periods of declarations and payments of VAT will be bimonthly and quarterly, in accordance with Article 600 of Law 1819 of 2016.

Law 1819 in article 194 stated that the periods to request discounts would be three bimonthly periods immediately following the period of its causation.

13. Income Tax Expense (continued)

Tax on Wealth

Law 1739 of 2014 established the tax on wealth for natural and legal persons whose possession as of January 1, 2015 is greater than COP$1 billion ($336,738). The taxable base for legal entities is the value of the gross equity held as of January 1, 2015, 2016 and 2017 less the debts payable in force on the same dates.

The applicable rate will depend on the taxable base of each taxpayer and the amount paid will not be deductible or deductible in the income tax and complementary or in the income tax for equity - CREE, nor can be compensated with these nor with other taxes.

The company made the payment of this tax for $32,411 (2015: $45,007) in two equal installments in May and September of the respective year.

14. Property Plant and Equipment

	2017	2016
Land	**$ 8,399,813**	$ 5,040,195
Buildings	**1,533,257**	924,531
Machinery and equipment	**9,378,408**	5,673,603
Office equipment	**146,997**	56,608
Computers and communication	**218,201**	139,877
Work in progress (2)	**41,465,939**	10,670,670
	61,142,615	22,505,484
Accumulated depreciation	**(7,598,971)**	(4,469,532)
Deferred depreciation	**146,943**	350,919
	$ 53,690,587	$ 18,386,871

15. Intangible Assets

	Licenses
Cost	
At March 31, 2016	$ 79,749
Additions	**34,577**
At March 31, 2017	**$ 114,326**
Cost	
Accumulated amortization	
At March 1, 2016	$ (57,786)
Amortization *(Note 11)*	**(38,961)**
At March 31, 2017	**$ (96,747)**
Net book value	
March 2016	$ 21,963
March 2017	**$ 17,579**

16. Inventory

	2017	2016
Finished products	**$ 3,479,749**	$ 1,197,099
Inventory in transit	**28,143**	512,699
Raw materials	**1,413,896**	192,256
Materials, spare parts and accessories	**347,335**	64,382
Products in process	**123,315**	–
Packing	**697,832**	693,123
	6,090,270	2,659,559
Net realizable value adjustments *(Note 9)*	**(342,635)**	(135,960)
	$ 5,747,635	$ 2,523,599

Net realizable value movement during the year:

	Provision
At March 31, 2016	$ (135,960)
Disposal	**135,128**
NRV adjustment during the year *(Note 9)*	**(341,803)**
At March 31, 2017	**$ (342,635)**

17. Financial Asset and Liabilities

17.1. Trade and Other Receivables

	2017	2016
Current:		
Trade account receivable	**$ 1,463,953**	$ 2,564,040
Loans to employees	**21,360**	19,048
Other	**18,679**	1,56
	$ 1,503,992	$ 2,583,244

Trade receivables are non-interest bearing and are generally on the terms of 30 to 60 days.

At March 31, 2017 the ageing analysis of trade receivables is, as follows:

		Past Due but not Impaired					
	Total	Current	< 30 days	30 -60 days	61 -90 days	90 -120 days	> 120 days
2017	**$ 2,003,992**	**$ 2,003,992**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**
2016	$ 2,583,244	$ 2,443,128	$ 140,116	$ –	$ –	$ –	$ –

See Note 20 on credit risk of trade receivables, which explains how the Branch manages and measures credit quality of trade receivables that are either past due nor impaired.

17.2. Trade and Other Payables

	2017	2016
Trade account payable	**$ 2,490,202**	$ 360,129
Other account payable	**8,015,009**	5,452,589
Withholding and payroll contributions	**924,738**	151,705
	$ 11,429,949	$ 5,964,423

Trade payables are non-interest and are normally settled on 30 days terms.

17.3. Interest-Bearing loans and Borrowings

Bank	Initial date	Maturity	Terms	Interest	March, 2017	2016
Transterra	10-jul-16	10-jul-21	5 years	Libor + 4%	**$ 8,682,434**	$ –
Transterra	14-jul-16	14-jul-21	5 years	Libor + 4%	**13,745,962**	–
Transterra	26-jul-16	26-jul-21	5 years	Libor + 4%	**9,059,981**	–
Transterra	21-dic-16	21-jul-21	5 years	Libor + 4%	**3,490,582**	–
Transterra	3-jan-17	3-jan-22	5 years	Libor + 4%	**6,300,000**	–
Citibank	26-oct-15	22-apr-16	6 months	7,38% EA	**–**	3,852,208
Citibank	26-oct-15	22-apr-16	6 months	7,38% EA	**–**	1,366,248
Citibank	26-oct-15	22-apr-16	6 months	7,38% EA	**–**	4,718,564
UPL Corporation	2017	2017	–	Libor + 2,5%	**1,972,808**	–
					43,251,767	9,667,020
Non-current (1)					**(33,839,240)**	–
					$ 9,412,527	$ 9,667,020

Loans are unsecured in nature.

(1) Detail of long term:

2019	**$ 7,901,462**
2020	**8,397,891**
2021	**9,508,669**
2022	**3,309,366**
2023-2037	**4,721,852**
	$ 33,839,240

17.4. Other Current Financial Liabilities

Other financial liabilities corresponding to advances delivered by customer Bio - Win to finance the operation of the branch. These advances are compensated with accounts receivable to Bio - Win, in accordance with the invoice issued by the branch.

17.4. Other Current Financial Liabilities (continued)

	2017	2016
Advances received from related parties *(Note 17.5)*	**$ 807,972**	$ 13,798,945

17.5. Related Party Information

Ultimate Parent

Note 2.3 provides information about the consolidated entities including the detail of the entities included in these financial statements. Uniphos Colombia Plant limited (the Branch) it is a 100% owned by United Phosphorus Limited located in Cayman Island. The ultimate parent of the company it is United Phosphorus Limited, which is based in India. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	March 31	
	2017	2016
Sales *(Note 5)*:		
Export sales to UPL Corporation (Bio - Win in 2016)	**$ 14,493,909**	$ 17,871,511
Export sales to UPL Limited -Mauritius	**11,006,628**	14,076,442
Export sales to UPL Limited - Gibraltar	**1,446,432**	–
Export sales to UPL Limited - India	**40,000**	–
Sales to UPL Colombia S.A.S.	**2,498,388**	2,413,482
Other Income *(Note 5)*:		
Management fee to UPL Corporation	**500,000**	500,000
Financial Income:		
UPL Colombia S.A.S *(Note 7)*	**150,597**	183,445
	$ 30,135,954	$ 35,044,880
Purchases:		
UPL Limited - India	**$ 257,600**	$ 506,000
Cerexagri B.V.	**614,896**	28,148
Cerexagri S.A.S.	**401,114**	22,006
Financial Expenses:		
Transterra Invest, SL.	**61,239**	71,142
UPL Corporation Limited	**1,253,806**	–
	$ 2,588,655	$ 627,296

Because of the above transactions, following balances at March 31:

	2017	2016
Account receivable to related parties:		
UPL Corporation	**$ 1,661,599**	$ 2,127,203
UPL Colombia S.A.S.	**2,268,993**	1,655,335
UPL Agro S.A. de C.V.	**–**	25,439
UPL Limited	**40,000**	2,529,000
Loan receivable:		
UPL Colombia S.A.S. (1)	**3,181,819**	3,353,176
	$ 7,152,412	$ 9,690,153

17.5. Related Party Information (continued)

	March 31	
	2017	**2016**
Account payable to related parties:		
Cerexagri B.V.	**$ 105,964**	$ 81,697
Cerexagri S.A.S.	**91,838**	33,327
UPL Limited	**283,298**	536,567
Transterra	**3,086,959**	–
UPL Corporation	**–**	2,303,570
	$ 3,568,059	$ 2,955,161
Loan payable *(Note 17.3)*:		
Transterra	**$ 43,251,768**	$ –
Advances received from UPL Corporation *(Note 17.4)*	**$ 807,972**	$ 13,798,945

(1) Include interest receivable for $307,078 in 2017 ($307,078 in 2016).

Compensation of Key Management Personnel

Short term employee benefits	**$ 953,018**	$ 645,052

Branch consider key personnel General Manager, Managers, and area leaders.

17.6. Information About fair Values

The Branch has not financial instruments, other than those with carrying amount that are reasonable approximated to fair values.

18. Cash and Equivalents

	2017	**2016**
Petty Cash	**$ 4,303**	$ 4,592
Banks	**822,299**	3,047,596
Certificates of Tax Refund	**16,545**	61,878
	$ 843,147	$ 3,311,666

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Branch.

19. Equity

19.1 Assigned Capital

The assigned capital at the branch correspond to US$301.000.

19.1. Assigned Capital (continued)

Number of employees:

		2017		2016
Direct employees	**$**	**100**	$	74
Contractors		**40**		19
	$	**140**	$	93

20. Financial Risk Management Objectives and Policies

Main Branch´s financial liabilities are related to loans and borrowings with related parties interest bearing and trade payable. Such and advances received from related parties were made mainly with the purposes of leverage Branch operations and the construction of the new plant.

Colombian Branch is exposed to foreign exchange risk and liquidity risk.

Management review and approve policies to manage those risks, as explained below;

Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk compromises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2017.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) which is USD.

These interest rates are usually the CPI such as macroeconomic variables (price index to the consumer), FTD (rate average of acquisition of financial institutions to 90 and 180 days), among others, which adversely affect the value of assets and liabilities flows, and therefore the value net present (VPN) of them.

Trade Receivable

Credit risk occurs when the counterpart fails to meet its obligations to the Company under a particular contract or financial instrument, leading to a loss in the market value of a financial (only financial assets, not liabilities) instrument.

Credit risk to which the Company is exposed comes mainly from trade accounts receivable maintained with customers.

20. Financial Risk Management Objectives and Policies (continued)

Liquidity Risk

The liquidity risk is defined as the inability to obtain sufficient funds, either through the increase of liabilities or through the redemption of assets, for the fulfilment of obligations by its due date, without incurring unacceptably high costs. The company aware of the importance of proper management of the liquidity risk, the constant monitoring of cash flow of short-term, which allows to identify the necessary liquidity needs during the period analyzed

The table below summarizes the maturity profile of the Branch´s financial liabilities based and contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 Months	More than 1 year	Total
At March 31, 2017					
Trade and other payables *(Note 17.2)*	**$ –**	**$ 11,429,949**	**$ –**	**$ –**	**$ 11,429,949**
Account payable to related parties *(Note 17.5)*	**–**	**3,568,059**	**–**	**–**	**3,568,059**
Interest-bearing loans *(Note 17.3)*	**–**	**9,412,527**	**–**	**33,839,240**	**43,251,767**
Other financial liabilities *(Note 17.4)*	**–**	**807,972**	**–**	**–**	**807,972**
	$ –	**$ 25,218,507**	**$ –**	**$ 33,839,240**	**$ 59,057,747**
At March 31, 2016					
Trade and other payables *(Note 17.2)*	$ –	$ 5,964,423	$ –	$ –	$ 5,964,423
Account payable to related parties *(Note 17.5)*	–	2,955,161	–	–	2,955,161
Interest-bearing loans *(Note 17.3)*	–	9,667,020	–	–	9,667,020
Other financial liabilities *(Note 17.4)*	–	13,798,945	–		13,798,945
	$ –	$ 32,385,549	$ –	$ –	$ 32,385,549

21. Employee Benefits

A detail of the passive profit to employees:

	2017	2016
Other legal benefits	**$ 107,867**	$ 169,544
Vacations	**121,213**	95,984
Wages	**–**	18,425
Services premium	**105,368**	21,236
Others	**28,475**	72,663
	$ 362,923	$ 377,852

22. Transition From Previous GAAP into NCIF

Main transition effects included as and adjustments in retained earnings are explained below:

Net equity as of March 31, 2016 (Previous GAAP)	$ 4,066,656
Reversion of CTA Previous GAAP	1,834,398

22. Transition From Previous GAAP into NCIF (continued)

Deferred tax liability	(1,935,877)
Functional currency effect on non -monetary assets	5,592,897
Net loss of the year	(613,655)
	$ 8,944,419

Functional Currency

As per Colombian GAAP and until March 2016, the functional currency was COP (Colombian Peso). As a consequence assets and liabilities at that date were translated into USD using the closing exchange rate defined by Reuter´s; P&L was translated using average rate defined as well by the same entity. All exchange differences were included as a cumulative translation adjustments in equity. According to NCIF, the functional currency for UCPL is USD. Therefore, previous year CTA were reversed by $1,834,398.

On the other hand, considering USD as functional currency main effects on the translation from Colombian Pesos to USD, was in PP&E; and some effect on inventory, both of them measured at March 2016 at closing rates. The Branch in Colombia was incorporated on April 2010 when closing exchange rate was approximately $1,969,75. At the year – end March 2016, as explained above, fixed assets were translated from Colombian Pesos into USD using a closing exchange rate of $3,014,90; however the historical rate for conversion purposes was approximately $1,940; which is similar to the exchange rate at the date of the acquisition of the assets.

Other accounts affected by functional currency topic explained above, was inventory, but the effect could be immaterial considering high level of turnover.

Deferred Tax

As a result of the adjustment made from previous GAAP into IFRS, management recalculated the deferred tax based on the liability method as required to IAS 12. Total deferred tax liability adjustments amounted to $1,935,877, which correspond to the deferred tax liability calculated as of March 2016.

23. Events after Reporting Period

There are not pending events or subsequent transactions at March 31, 2017, that will have a material effect over the financial statements at March 31, 2017, or that will be relevant to the Company´s issues which require to be mentioned or adjusted in order to avoid that they will be confusing or misleading regarding the Company´s financial position, comprehensive income results or cash flows statements